

Financial  
and consolidated  
statements  
**2021**

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BALANCE SACE









# Financial and consolidated statements 2021









# Financial statements at 31/12/2021

Meeting of the Board of Directors  
of 24 March 2022

SACE S.p.A.  
Registered Office and Head Office in Rome  
Share capital (fully paid in) 3,730,323,610 Euro  
Tax No. and Rome Companies  
Register No. 05804521002 – R.E.A. 923591  
Sole Shareholder







# Company Officers and Boards

## Boards of Directors

### Chairman

- Rodolfo Errore (\*)

### Deputy chairman

- Mario Giro (\*\*)

### Chief Executive Officer and General Manager

- Pierfrancesco Latini (\*\*\*)

### Directors

- Ilaria Bertizzolo
- Roberto Cociancich
- Elena Comparato
- Filippo Giansante
- Federico Merola
- Monica Scipione

## Board of Statutory Auditors

### Chairman

- Silvio Salini

### Standing Auditors

- Gino Gandolfi
- Moira Paragone

### Substitute Auditors

- Marco Brini
- Cinzia Marzoli

## Statutory Delegate of the Court of Auditors

- Natale Maria Alfonso D'Amico (\*\*\*\*)

## Independent Auditors

- Deloitte & Touche S.p.A. (\*\*\*\*\*)

Company Boards appointed by the Shareholders' Meeting on 2 December 2019 and in office for three years.

(\*) Chairman of SACE S.p.A.'s Board of Directors until 19 January 2022

(\*\*) Appointed Deputy Chairman by resolution of the Board of Directors on 10 February 2022

(\*\*\*) Appointed CEO by resolution of the Board of Directors on 4 December 2019 and General Manager by resolution of the Board of Directors on 25 February 2020

(\*\*\*\*) Appointed financial reporting manager of SACE S.p.A. as of 1 January 2020

(\*\*\*\*\*) Appointed for the period 2020-2028 by resolution of the Shareholders' Meeting on 17 October 2019







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Directors'  
report



# Directors' report

## 1. The economic scenario

### 1.1 The global macroeconomic environment

In 2021, global GDP growth was in line with consensus expectations, rebounding strongly (+5.8%, well above the 3.5% decrease recorded in 2020), returning to and even exceeding 2019 levels.<sup>1</sup> Despite the impact of the ongoing public health emergency, the gradual implementation of vaccination campaigns enabled the adoption of more limited and less restrictive infection prevention measures, compared to those adopted at the height of the crisis, which had a relatively more limited negative impact on global economic activity. However, the significant differences between developed and less developed countries concerning the availability and administration of vaccines resulted in strong disparities in terms of the percentage of vaccinated people, thereby affecting the extent and speed of GDP recovery.

Overall, the recovery in global economic activity was driven by solid demand which, however, was offset by the significant critical issues affecting supplies. These issues, which emerged during the year, especially in the second half, were fuelled both by the nature of the pandemic crisis, which affected all industrial sectors, and more idiosyncratic reasons, linked to the peculiarities of the individual markets. Common drivers of disruptions along global value chains include: (i) shortages of certain raw materials and inputs (including labour), (ii) energy commodity shocks, (iii) distribution bottlenecks (logistics and transport, especially maritime) resulting in longer lead times for suppliers. In addition to this, geopolitical and climatic factors (e.g., the increased frequency of extreme environmental disasters) contributed to a further tightening of supply conditions. These supply-demand imbalances have generated significant upward pressure on prices almost everywhere, with global consumer inflation estimated at 4.3% on average per year in 2021 (up from 2.8% in 2020).

Despite the difficulties affecting global supply chains, the volume of international trade in goods grew strongly in 2021, with a trend increase of 10.3% certified by the Central Planning Bureau (estimated at over 11% according to Oxford Economics). World trade in goods not only recovered last year's loss (-6%), but also exceeded pre-pandemic levels, thus reflecting not only a statistical base effect, but also growth across all major commodity groupings. On the other hand, international trade in services continued to suffer more, both as a consequence of the restrictive infection prevention measures which are still partly in place, especially in relation to mobility between countries, and because of the shift in household preferences towards greater consumption of goods, especially durables. The contraction in trade for the sector is estimated at around 10% in volume in 2021, halved compared to the much sharper drop recorded in 2020, but certainly still negative and worse than originally expected.

Global financial conditions remained broadly accommodative during 2021<sup>2</sup>. However, towards the end of the year, some advanced economies showed a reversal of monetary policy stance (first and foremost, in the United States, where the Federal Reserve began reducing its purchase programme, paving the way for a rise in the benchmark rate in 2022), followed by many emerging countries (where monetary authorities began to raise interest rates, in a two-fold attempt to counter inflationary pressures and potential capital outflows). China is a notable exception which, instead, implemented a moderately expansionary move. The fiscal policy was also expansionary, with support plans geared more towards a resilient, inclusive and sustainable recovery through long-term investments in green and digital infrastructure. Global debt (public and private) hit high levels, around USD 296 trillion at the end of the third quarter of 2021, although it fell to 350% as a percentage of GDP.<sup>3</sup>

<sup>1</sup> Oxford Economics, World Economic Prospects Monthly (January 2022). OE's estimates are broadly in line with the other forecasts, such as those of the International Monetary Fund and the OECD.

<sup>2</sup> IMF, World Economic Outlook Update (January 2022)

<sup>3</sup> Institute of International Finance, Global debt monitor (November 2021).



## 1.2 The Italian economy and industrial sectors

Also for the Italian economy, 2021 was a year of recovery with global GDP growth recently estimated by ISTAT at +6.6%<sup>4</sup> (up from +6.3% by Oxford Economics). The rebound, after the deep recession of 2020 (-9%), was driven by the domestic demand (specifically, public investments driven by the National Recovery and Resilience Plan (PNRR), with positive effects on private ones) and foreign demand (with exports of goods in full recovery).

Despite supply bottlenecks on a global scale, Italy's industrial production showed greater resilience than the Eurozone average. In 2021, the index showed an increase of 11.8% in volume on a trend basis, better than France and Germany, recovering the decline in 2020 (-11.4%). All the main groupings (consumer goods, capital goods and intermediate goods) recorded strong positive performances, with rubber and plastics, electrical equipment and metallurgy among the top three sectors, followed by instrumental mechanics and transport equipment. For construction, the production volume index recorded a 24.3% year-on-year increase (significantly higher than the Eurozone average). The Government's tax incentives (eco-bonus and super-bonus, recently extended to 2023) have in fact encouraged a sustained recovery in demand for Italian construction, extended to all sectors (especially the residential one).<sup>5</sup>

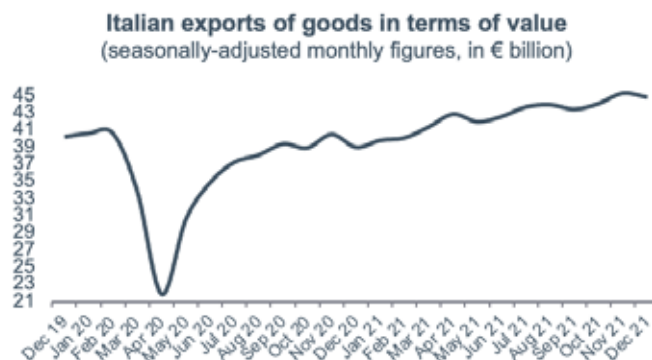
Bank loans to non-financial companies recorded a positive trend during the year although, in December, it decreased compared, in particular, to the first half of the year (+1.6% on an annual basis). In the same month, non-performing loans continued to fall (-20.3% on an annual basis), while the impact of impaired loans to total loans stood at around 2.6%.<sup>6</sup>

However, against this backdrop, insolvencies rose again in the first three quarters of the year, as confirmed by Cerved: total bankruptcies numbered 6,765, up 43.5% on the same period of 2020. Despite the trend reversal, Italian business bankruptcies remained below the "ordinary" pre-pandemic level (-15.7% compared to the first nine months of 2019), thanks both to higher-than-expected GDP growth and the continuation of some government measures to support businesses.<sup>7</sup>

## 1.3 Italian exports

In line with the recovery in international trade, 2021 was also a year of full recovery for Italian goods exports, which achieved a value of Euro 516 billion. Growth amounted to 18.2% year-on-year (+7.5% on 2019), relatively stronger towards EU countries than non-EU markets. With respect to the main industry groupings, intermediate goods recorded the strongest increase (+23.7%), also as a result of the price hike recorded especially for metals and metal products in recent months. This was followed by capital goods (+15.3%), which were affected, at least in part, by the difficulties faced by the automotive supply chain. Despite the double-digit, the acceleration of consumer goods was more contained (+12.8%), mainly driven by durable goods against a more modest increase in non-durable goods. With respect to the trade balance, the surplus exceeded Euro 50 billion. However, it was down by more than 20%, as imports of goods rose more sharply than exports.<sup>8</sup> With regard to Italian exports of services, a trend increase of more than 13% in value was recorded in 2021 which, however, is not yet sufficient to make up for the sharp contraction recorded in 2020 (down by approximately 32%).<sup>9</sup>

Source: Istat



4 Istat, GDP and debt of Public Administrations  
 5 Istat, Industrial output (January 2022) and Construction (February 2022).  
 6 Bank of Italy, Bank and Money (February 2022).  
 7 Cerved, Bankruptcies, insolvency proceedings and business closures (December 2021).  
 8 Istat, Foreign trade and import prices (February 2022).  
 9 Bank of Italy, Balance of payments and international investment position (February 2022).



## 2. Key events of the year

### 2.1 The strategy

In a macroeconomic context that showed some signs of recovery after the sharp slowdown caused by the public health emergency which hit 2020, in 2021, SACE supported Italian businesses' exports and internationalisation (large companies and SMEs) via its traditional business and also strengthened its new role of supporting businesses which it took on during the Covid-19 emergency as a result of the regulatory measures adopted in 2020 ("Liquidity decree", "Relaunch decree", "Simplification decree" and "August decree"). These measures broadened the scope of SACE's operations, supporting business liquidity and the transition towards a clean, circular economy and sustainable mobility.

In 2021, SACE mobilised resources for Euro 27.6 billion, of which Euro 12.7 billion to support exports and internationalisation, Euro 12 billion to support the Garanzia Italia scheme (article 1 of the Liquidity decree) and Euro 2.9 billion for guarantees and bonds issued as part of the Green New Deal (article 64 of the Simplification decree).

With respect to export and internationalisation, the SACE S.p.A.'s co-insurance framework for SACE - MEF risks came into force on 1 January 2021, as provided for by article 2.3 of the Liquidity decree, envisaging a scheme to share the commitments undertaken at a rate of ten and ninety per cent, respectively.

The support to businesses also included both in-person and digital events, such as (i) twenty-six operational (on/offline) business matching meetings between Italian suppliers and large foreign companies, which were attended by over 1,500 businesses, 67% of which were SMEs, (ii) various initiatives to explore opportunities for Made in Italy, including those in the Gulf countries, which ended with the last one dedicated to Expo 2020 in Dubai, in addition to specific initiatives supporting the 3F (food, fashion and furniture) sectors which saw the participation of about 50 importers, distributors and local retailers and 540 businesses involved, 80% of which were SMEs and businesses from the Central and Southern Italy driven by the agri-food sector.

With respect to the Garanzia Italia scheme supporting the liquidity of businesses, since January 2021, again through the specific online portal, businesses could also apply for guarantees on non-recourse factoring, leaseback and Midcap company transactions, as well as the right to extend the repayment period up to eight years. The scheme, which was to end on 31 December 2021, was further extended to 30 June 2022 (article 1.53 of Budget Law no. 234 of 30 December 2021).

With respect to the operations carried out under the Green New Deal, whose projects must meet at least one of the six European Environmental Objectives, in the first year of full operation, most of them contributed to the climate change mitigation objective and many other operations pursued more than one objective. The Green fund also supported some infrastructure works in the high-speed rail sector covered by the PNRR. Following the growing demand for support and in order to encourage greater use of this scheme by SMEs and MidCaps, in the fourth quarter of 2021, the financial intermediaries could enter their applications via an online portal for amounts of less than Euro 15 million. At the reporting date, two agreements with banks operating throughout Italy were already active.

The integration of new sustainability and liquidity support products, which are now part of the SACE Group's range of products and services supporting growth in both domestic and international markets, led to the redesign and launch of the new SACE Education portal, which complements the former Education to Export portal, offering Italian companies free and innovative support in improving their risk management strategies. The new portal also fosters greater internal culture in the fields of sustainability and digitalisation, combining export and internationalisation with infrastructure, green and digital issues. Eighty webinars were held, with over 500 hours of training provided to businesses and 4,768 registered users.

Moreover, thanks to the guarantee on trade receivables (pursuant to article 35 of the "Relaunch" decree), the short-term credit insurance companies participating in the agreement, including SACE BT, were able to reactivate insurance limits for more than Euro 27 billion.

During the year, the reorganisation of the SACE Group continued, implementing the provisions of article 67.2 of Decree law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020 (the "August decree"). Specifically, in March 2021, the MEF and CDP agreed



to transfer the SACE Group, excluding SIMEST, from CDP to the MEF. Consequently, SACE was asked to sell its entire investment in SIMEST to CDP.

With respect to subsidiaries, in 2021, net resources mobilised amounted to Euro 14.2 billion, as follows: SIMEST Euro 4.7 billion, SACE Fct Euro 4.6 billion and SACE BT Euro 4.9 billion. SACE SRV's business also grew, particularly in relation to credit recovery. The total number of customers served exceeded 24,000, up by 58% on 2020. All companies posted positive financial results.

## 2.2 Summary of 2021 regulatory actions

Below is a summary of the main 2021 regulatory actions that concerned SACE.

- Decree law no. 73 of 25 May 2021 (the “Sostegni Bis decree” or “DL73”) converted with amendments into Law no. 106 of 23 July 2021 - Urgent measures related to the Covid-19 emergency, for businesses, work, young people, health and territorial services, which:
  - extended the Garanzia Italia scheme until 31 December 2021;
  - extended the duration of loans that can be guaranteed up to 10 years;
  - introduced the possibility of replacing/extending loans with a duration of not more than 6 years, already guaranteed by SACE, with new loans with a duration of up to 10 years;
  - decreased the retention fee for lenders envisaged by the “Garanzia Italia Titoli di Debito” scheme;
  - removed the obligation not to distribute dividends for businesses benefiting from the “Garanzia Italia MID” scheme;
  - amended article 14-bis of Decree law no. 269/2003 to allow the issue of the so-called “market guarantees”, also to cover loan portfolios.
- Law no. 234 of 30 December 2021, National budget for 2022 and long-term budget for the three-year period 2022-2024, (specifically, article 1.59) further extended the Garanzia Italia scheme to 30 June 2022. Article 1.61 provided that, pursuant to article 64.2 and 5 of Decree law no. 76 of 16 July 2020, for 2022, the resources available on the fund referred to in article 1.85 of Law no. 160 of 27 December 2019, be used to cover the guarantees referred to in the same article 64 to the extent of Euro 565 million, for a maximum commitment for SACE of Euro 3,000 million.



## 3. Report on operations

### 3.1 Share structure and share capital

At 31 December 2021, SACE S.p.A. shares are wholly held by Cassa Depositi e Prestiti S.p.A.. At the reporting date, the share capital amounted to Euro 3,730,323,610 and consisted of 1,053,428 shares with a par value of Euro 3,541.1. SACE has no treasury shares or shares of the parent Cassa Depositi e Prestiti S.p.A..

### 3.2 Net profit for the year

The main operating and financial data that contributed to determining the net profit for the year (highlights) and the main profit and loss account items are set forth below.

As part of the operating context introduced by the 2020 regulatory measures, SACE's balance sheet and profit and loss account as at and for the year ended 31 December 2021 include the effects of the application of article 2.9 of the Liquidity decree and, specifically, the transfer up to a reinsurance percentage of 90% of the performing portfolio at 8 April 2020 via the MEF's reinsurance of the portfolio concurrently recognising, in 2020, a liability to the MEF of approximately Euro 1.5 billion (partly repaid in 2021). This amount was quantified in the Report on the capital endowment of SACE drafted in accordance with the above-mentioned law and subject to checks pursuant to paragraph 6 of said law. In quantifying the assets to be transferred, SACE took into account the Premium provision corresponding to the outstanding and transferred commitments, considering that it was able to exclude the amount set aside as the Equalisation provision (which, at 31 March 2020, amounted to Euro 710 million), taking into account the regulatory provisions governing the Equalisation provision and, in particular, the aim of stabilising the retained Technical account, the nature of this provision not directly attributable to the business in force, and the general market practice adopted in reinsurance transactions. In January 2021, as a result of discussions with the MEF that followed the transmission of the Report on the capital endowment of SACE, it was noted that the above-mentioned provision of the Liquidity decree could be subject to a broader interpretation. Indeed, this provision could refer to, in a broader sense, all the Technical provisions, which also include the Equalisation provision. As a result, an in-depth analysis was carried out, first to define, together with the MEF, the interpretation of the provision of the Liquidity decree and, subsequently, to identify, again with the MEF, where necessary, the criteria to calculate the portion of assets to be transferred, if any, including against the Equalisation provision, also taking into account the fact that this provision cannot be analytically attributed to the individual commitments transferred, as its aim is to cover the overall technical balance retained. At 31 December 2021 and still at the approval date of the financial statements by the Board of Directors, the in-depth analysis of both the interpretation of the above provision of the Liquidity decree and the possible subsequent quantification of the assets to be transferred are still in progress. The possible transfer of the assets against the above reserve, even based on the broadest interpretation, would not affect SACE's financial statements since this higher amount would be included in the reserves transferred to the reinsurer, under assets, with a liability with the MEF as a balancing entry, confirming the solidity of SACE's equity and liquidity ratios.

The balance sheet also includes the cash and cash equivalents on the current account in the name of SACE and relating to the fund established pursuant to article 1.14 of the Liquidity decree, to cover the State's commitments related to the granting of guarantees under SACE's new business made available in 2020 by the MEF on a central treasury account in the name of SACE S.p.A.

Finally, the new business introduced in 2020 (Garanzia Italia scheme, article 35 Trade receivables, green guarantees) is recognised separately as required by applicable legislation. At 31 December 2021, SACE's financial position and financial performance include the reimbursement of the acquisition costs incurred during the year, mainly relating to expense for the personnel involved in the new business.



**HIGHLIGHTS**

(in € millions)	2021	2020	change
Gross premiums	439.0	736.9	-40%
Claims	88.9	163.6	-46%
Technical provisions	5,234.4	4,975.3	5%
Net investments (including other assets)	38,963.1	39,100.1	0%
Shareholders' equity	4,880.4	4,775.4	2%
Gross profit	138.5	110.3	25%
Net profit	105.6	79.7	32%
Commitments approved	15,218.3	12,866.7	18%

**INCOME STATEMENT**

(in € millions)	2021	2020
<i>Gross premiums</i>	439.0	736.9
<i>Outward reinsurance premiums</i>	-325.0	-341.3
<i>Change in the provision for unearned premiums</i>	44.1	-289.7
Net premium income	<b>158.1</b>	<b>105.9</b>
<i>Claims incurred</i>	-88.9	-163.6
<i>Change in recoveries</i>	-20.8	47.4
<i>Change in the provision for claims outstanding</i>	20.5	129.1
Claims incurred, net of recoveries	<b>-89.2</b>	<b>12.9</b>
Change in other technical provisions, net of reinsurance	0.0	-26.1
Change in the equalisation provision	-13.7	-36.3
Investment return transferred from the non-technical account	32.8	7
Premium refunds and profit sharing	-2.7	-0.6
Operating expenses	-87.4	-85.8
Other technical income and charges	73.6	42
<b>Balance on the technical account</b>	<b>71.4</b>	<b>19.1</b>
Financial and other income	314.7	254.3
Investment management and financial charges	-215.7	-156.3
Investment return transferred to the technical account	-32.8	-7
<b>Balance on the non-technical account</b>	<b>66.1</b>	<b>91</b>
<b>Income from ordinary operations</b>	<b>137.6</b>	<b>110.1</b>
Extraordinary income	1.8	0.8
Extraordinary charges	-0.9	-0.5
<b>Profit before taxes</b>	<b>138.5</b>	<b>110.3</b>
Taxes	-32.9	-30.6
<b>Net profit</b>	<b>105.6</b>	<b>79.7</b>

In 2021, SACE S.p.A. posted a net profit of Euro 105.6 million, up on the Euro 79.7 million reported in 2020.

The main components of the net profit for the year are set forth below:

- gross premiums (Euro 439 million), which decreased by 40% on the previous year, also due to the co-insurance scheme with the MEF, effective from 1 January 2021;



- outward reinsurance premiums (Euro 325 million), slightly down (-5%) on 2020 (Euro 341.3 million);
- the Euro 44.1 million increase in the provision for unearned premiums;
- net claims incurred of Euro 88.9 million (2020: Euro 163.6 million) and including Euro 136 million related to claims paid, including settlement costs (2020: Euro 182.7 million) and Euro 47.1 million related to the reinsurers' share (2020: Euro 19.2 million);
- the Euro 20.5 million increase in the provision for claims outstanding due to lower claims in 2021 compared to 2020 and the reinsurance with the MEF;
- the Euro 20.8 million decrease in recoveries, related to subrogation credits, which includes gains from recoveries on claims from previous years (Euro 44 million), subrogation credits for claims for the year (Euro 35.2 million), write-downs and losses on loans due to alignment with the estimated realisable value (Euro 81.5 million), reinsurers' share of amounts to be recovered and amounts recovered (Euro 13.1 million and Euro 5.4 million, respectively);
- other technical income and charges, which show a positive balance of Euro 73.6 million and include commissions received from reinsurers on outward reinsurance premiums (Euro 34 million), the reimbursement of acquisition costs on commissions on completed transactions relating to the Garanzia Italia scheme (Euro 6.6 million), the reinsurance of short-term trade receivables (Euro 0.9 million), the Garanzia Italia scheme (Euro 0.4 million) and commissions on co-insurance premiums (Euro 31.9 million). Acquisition costs total Euro 87.4 million and are in line with the previous year;
- the positive balance of the non-technical account amounting to Euro 66.1 million. It includes the positive balance of financial items for Euro 62.7 million, the breakdown of which is shown in the table below. Net exchange rate losses amount to Euro 16.1 million and include the effect of the measurement of foreign currency receivables and payables (negative by Euro 40.9 million), currency forwards (positive by Euro 44.4 million) and unrealised exchange rate gains and losses on technical provisions (negative by Euro 19.6 million, included in the technical account).

(in € millions)	2021	2020
Effect of the non-current investment portfolio	60.9	28.2
Effect of the current investment portfolio	18.2	19.5
Effect of exchange gains and losses	-16.1	20.4
Effect of equity investments	-0.2	-5.6
<b>Total effect of financial management activities</b>	<b>62.7</b>	<b>62.5</b>

The effect of equity investments, negative by Euro 0.2 million, refers to the measurement of investees.

### 3.3 Volumes

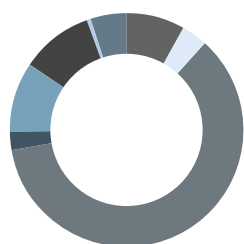
In 2021, mobilised resources (in terms of principal and interest) amounted to Euro 12,779 million. They mainly related to buyer credit policies (60.7%), financial guarantees (10.0%) and supplier credit policies (9.6%). 90% of the commitments underwritten relate to the new business for 2021 under the co-insurance scheme with the MEF and amount to Euro 8,958 million.

In terms of geographical areas, they mainly relate to the Americas (35.7%), other European and CIS countries (22.6%) and EU countries (19.6%).

The industrial sectors that accounted for the highest commitments were the cruise sector (25.8%), the oil and gas sector (23.0%) and the infrastructure and construction sector (14.1%).

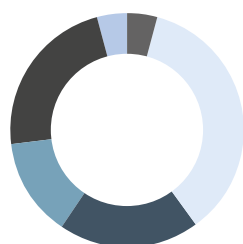


Volume in 2021 by product



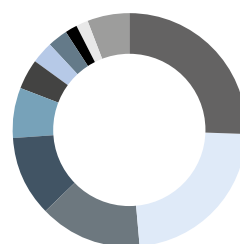
3.5%	10.0%
Push strategy	Financial guarantees
60.7%	0.5%
Buyer credit	SME financial guarantees
2.5%	5.0%
Letters of credit	Political Risk Insurance
9.6%	8.2%
Supplier credit	Bond

Volumes in 2021 by geo-economic region



4.4%	13.6%
Asia	Middle east and North Africa
35.7%	22.6%
Americas	Other European and CIS countries
0.03%	4.1%
Oceania	Sub-Saharan Africa
19.6%	
European Union	

Volumes in 2021 by industrial sector



25.8%	4.1%
Cruise lines	Metallurgy
23.0%	3.1%
Oil&Gas	Other industries
14.1%	2.7%
Infrastructure and construction	Naval industry
11.2%	1.8%
Chemicals/Petrochemicals	Automotive
6.9%	1.6%
Banks	Agricultural
	5.7%
	Other sectors

### 3.4 Export and internationalisation commitments underwritten

In 2021, export and internationalisation commitments underwritten (in terms of principal and interest, including the changes of the year) totalled Euro 15,218.3 million, of which Euro 13,433 million under the annual upper limit and Euro 1,785.3 million under the revolving limit. Commitments underwritten increased by 18% on 2020, mainly due to the infrastructure and construction sector. 90% of the commitments underwritten relating to the new business for 2021 under the co-insurance scheme with the MEF amount to Euro 12,813.4 million.

### 3.5 Premiums

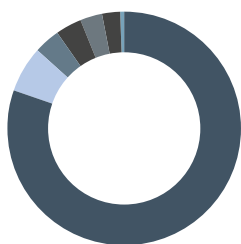
In 2021, gross premiums amounted to Euro 439 million and related to direct business for Euro 435.7 million and to indirect business (outward reinsurance) for Euro 3.3 million. They decreased by 40% on 2020 as a result of the co-insurance scheme with the MEF effective from 1 January 2021 (SACE – MEF accounting for 10-90, respectively). The products that contributed the most to premiums were the buyer credit policy (80.5%), financial guarantees (6.2%) and the push strategy (3.7%).

The geographical regions with the highest concentrations of premiums are: the Americas (31.3%), the European Union (25.0%), the Middle East and North Africa (23.5%).

The industrial sectors that accounted for most of the new business premiums were the cruise sector (48.7%), the defence sector (23.0%) and the infrastructure and construction sector (10.5%).

With respect to the composition of gross premiums by business, in 2021, export credit continued to account for the highest proportion (84.2%).



Gross premiums  
by product

**80.5%**  
Buyer credit

**6.2%**  
Financial  
guarantees

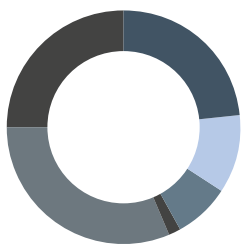
**3.7%**  
Push Strategy

**3.5%**  
Supplier credit

**3.2%**  
Bond

**2.6%**  
Political Risk  
Insurance

**0.3%**  
Other products

Gross premiums  
by geographical region

**23.5%**  
Middle East  
and North Africa

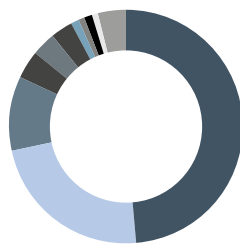
**10.9%**  
Other European  
and CIS countries

**7.6%**  
Sub-Saharan  
Africa

**31.3%**  
Americas

**25.0%**  
European  
Union

**1.7%**  
Asia  
and Oceania

Gross premiums  
by industrial sector

**48.7%**  
Cruise lines

**23.0%**  
Defence

**10.5%**  
Infrastructure  
and construction

**3.9%**  
Oil & Gas

**3.1%**  
Metallurgy

**3.1%**  
Banks

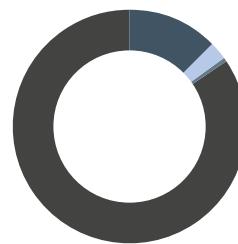
**1.1%**  
Electricity

**1.0%**  
Chemicals/  
Petrochemicals

**1.0%**  
Consumer  
goods

**0.9%**  
Other industries

**3.7%**  
Other sectors

Gross premiums  
by operations

**12.6%**  
Strategic  
survey

**2.6%**  
DFI

**0.6%**  
Internationalisation

**84.2%**  
Export credit

### 3.6 Claims

In 2021, claims worth Euro 131.1 million were paid, down by approximately 27% on 2020 (Euro 178.6 million). Approximately 96% of the claims paid related to overseas risk, mainly in the metallurgy industry, followed by the aviation sector (for the latter sector, most claims related to the previous years). The remaining 4% relates to the Italy risk (of which Euro 0.3 million refers to the Garanzia Italia scheme).

### 3.7 Recoveries

In 2021, sovereign recoveries amounted to Euro 54 million, slightly up on the 2020 balance (Euro 51 million). These mainly related to payments under bilateral agreements with Iraq (Euro 38 million), Serbia (Euro 5.1 million), Ecuador (Euro 2 million) and Bosnia (Euro 1.7 million).

Trade recoveries amounted to Euro 30.6 million in 2021, up on 2020 (Euro 26.3 million). They mainly related to (i) payments for restructuring agreements entered into with Egyptian (Euro 6.5 million) and Italian (Euro 2 million) counterparties; (ii) distributions ordered by the bodies in charge of the insolvency proceedings of Italian counterparties (Euro 5.6 million) and (iii) the enforcement of guarantees issued by Iraqi counterparties (Euro 3.4 million).

### 3.8 Risk portfolio

Total exposure, calculated as the sum of receivables and outstanding guarantees (principal and interest) amounted to Euro 66.8 billion. During 2021, export credit accounted for 86% of total outstanding guarantees. The share in reinsurance is essentially stable (80.5% compared to 81.9% in 2020). The loans and receivables portfolio decreased by 15% on 2020, mainly as a consequence of trade receivables which fell by 28% and accounted for 40% of the total portfolio. The weight of the sovereign component, which accounts for 60% of the portfolio, decreased by 2.7%, from Euro 230.4 million to Euro 224.2 million.



Portfolio	2021	2020	Var.
Outstanding guarantees	66,459.0	70,085.8	-5.2%
<i>principal</i>	59,422.7	62,560.1	-5.0%
<i>interest</i>	7,036.3	7,525.7	-6.5%
Receivables	376.8	443.1	-15.0%
<b>Total exposure</b>	<b>66,835.7</b>	<b>70,529.0</b>	<b>-5.2%</b>

The analysis by geo-economic region shows that the highest exposure was towards the Middle East and Northern Africa (28.8% compared to 27.3% in 2020), followed by Other European Countries and CIS countries (26.3% compared to 17.7% in 2020<sup>10</sup>). The highest exposure by country was towards the USA (17.2%), followed by the Americas, in terms of region, which accounted for 20.9%, compared to 20.1% in 2020. The other geo-economic regions together account for 24.1% of the portfolio: the Sub-Saharan Africa region grew by 8%.

The analysis by type of risk confirms the overall reduction in risks, reflecting the decrease in the portfolio in 2021. The exposure to the private sector risk - considering both credit risk and surety bonds - continued to be the highest, accounting for 70.8% of the total portfolio.

Type of risk	2021	2020	var.
Sovereign	16,715.7	16,925.9	-1.2%
Political	1,820.5	2,623.3	-30.6%
Private sector risk	47,038.6	49,578.4	-5.1%
Ancillary	884.2	958.3	-7.7%
<b>Total</b>	<b>66,459.0</b>	<b>70,085.8</b>	<b>-5.2%</b>

Within the private sector risk, the backed corporate risk rose by 4.1%. The banking and the aviation risks decreased by 61.6% and 41.3%, respectively.

Type of risk	2021	2020	var.
Corporate - credit business	14,866.6	15,265.1	-2.6%
Banking	476.1	1,241.2	-61.6%
Aviation (Asset Based)	169.2	288.2	-41.3%
Backed corporate	15,846.3	15,219.9	+4.1%
<i>Project finance</i>	12,362.4	12,708.4	-2.7%
Structured finance	1,526.9	2,469.9	-38.2%
Corporate - surety business	1,791.2	2,385.6	-24.9%
<b>Total</b>	<b>47,038.6</b>	<b>49,578.4</b>	<b>-5.1%</b>

The first five sectors account for 63.2% of the total portfolio. The cruise sector continues to dominate, accounting for 35.5% of the portfolio, followed by the oil and gas sector (15.2%).

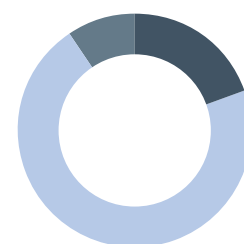
### 3.9 Technical provisions

Technical provisions are calculated in order to cover the best estimate for the Provision for unearned premiums using the CreditMetrics method (calculating the expected loss of the entire portfolio until its run off). The provision for claims outstanding is determined according to a prudent estimation on the basis of an objective analysis of each claim. A risk margin is also determined to cover the non-hedgeable components of the portfolios.

The total value is calculated as the sum of:

- the provision for premium instalments, amounting to Euro 2,833.1 million, calculated as the portion of outstanding risk on the basis of the gross premiums written. The provision is calculated on a pro rata temporis basis.

Total exposure by reinsurer (%)

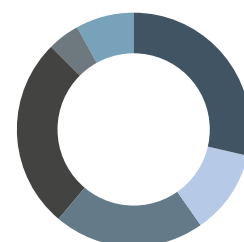


**19.5%**  
SACE

**9.3%**  
Other reinsurers

**71.1%**  
Ministry of economy and finance

Total exposure by geo-economic region (%)



**28.8%**  
Middle East and North Africa

**4.7%**  
East Asia and Pacific

**11.6%**  
EU 27

**20.9%**  
Americas

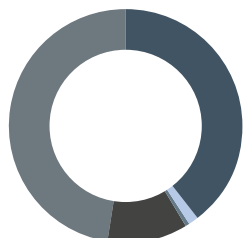
**7.8%**  
Sub-Saharan Africa

**26.3%**  
Other European Countries and CIS

10 This increase is mainly due to the classification of the United Kingdom in the Other European Countries and CIS area, previously mapped in the EU28 area.



Breakdown of the portfolio by asset class



**39.6%**  
Bonds

**1.4%**  
UCITS

**0.5%**  
Shares

**11.1%**  
Funding to subsidiaries

**47.3%**  
Money Market

- the provision for unexpired risks, equal to Euro 929.3 million;
- the provision for claims outstanding, amounting to Euro 718.1 million;
- the equalisation provision for the credit insurance business, amounting to Euro 753.9 million.

### 3.10 Investments

SACE S.p.A. conducts its financial management activities according to guidelines provided by the Board of Directors, pursuing two macro objectives:

- to preserve the value of company assets: in line with new legislation and changes in the financial context of reference, SACE S.p.A. pursues an integrated asset-liability management strategy that includes hedging transactions to partially offset negative variations in the loan and guarantee portfolio in case of any worsening of risk factors;
- to help the company pursue its economic goals through targeted and effective investments.

This strategy, which involves the use of highly liquid instruments with a limited risk profile, has confirmed values in line with the established limits for each type of investment, mainly based on VaR and sensitivity analysis techniques, and with the investment guidelines.

Total assets at the end of 2021 amounted to Euro 7,056.8 million and may be broken down as follows: 39.6% invested in bonds, 0.5% in shares, 1.4% in UCITS, 11.1% in funding to subsidiaries and 47.3% in money market instruments.

The non-current portfolio, equal to Euro 2,649.4 million, accounts for 37.5% of total assets and consists entirely of bonds, 85.2% of which are bonds issued by government and supranational institutions. The modified duration of securities is 4.12, while the portfolio average rating is BBB.

The investment portfolio (Euro 4,407.4 million) consists of bonds (3.4%), shares (0.8%), UCITS made up of bonds (2.3%), funding to subsidiaries (17.7%) and money market instruments (75.8%). Furthermore, during the year, Sace S.p.A. entered into a loan agreement in favour of the subsidiary Sace Fct. This loan, for which no disbursement has yet been requested and for which a maximum total amount of Euro 825 million is envisaged, may be granted in a single or in several instalments and will have a maximum duration of 36 months from the date the agreement is signed (30 July 2021).

### 3.11 Analysis of the impacts of Covid-19

In March 2020, the novel Covid-19 coronavirus spread to many countries around the world and, on 11 March 2020, the World Health Organisation declared the situation to be a "pandemic". The pandemic has had a considerable impact on SACE in 2020, attributable to the downgrading of the counterparties' credit ratings by rating agencies and moratoria on guaranteed loan payments. Counterparties operating in sectors in which SACE's guarantee portfolio has the greatest exposures, such as the cruise ship and the aviation industries, have been particularly badly affected. More specifically, these factors resulted in an increase in credit risk, measured using the expected loss model, with a consequent impact on best estimates and the impairment of loans, deposits and securities.

The economic recovery in 2021, although substantial, has not led to a reversal of the negative impacts recorded in 2020 in terms of creditworthiness, which remain significant, particularly for those sectors most exposed to the pandemic crisis.

The impacts of Covid-19 may be analysed as follows:

(in € thousands)	Expected loss
31 December 2019	2,920
31 December 2020	4,045
31 December 2021	4,115
Change (2021 vs 2019)	1,195
of wich Covid19 effect	1,045

The impact of Covid-19 on financial instruments measured at fair value is not significant since the change for the existing items prior to the pandemic was minimal, given the short-term maturities



and the measures of the Central Banks. On the other hand, with respect to new purchases, the volatility of the market factors led to benefits in terms of profitability of the new portfolio.

With respect to the liquidity risk, the pandemic crisis has and will not cause structural tensions given the high degree of liquidity of the financial portfolio, whose bond component is mainly eligible for repurchase agreements.

### 3.12 Analysis of the Climate Risk

In accordance with the OECD Recommendation “Common approaches for officially supported export credits and environmental and social due diligence”, SACE carries out an environmental and social assessment of all export transactions within its scope to ensure compliance with the World Bank Group’s international standards applicable to each transaction.

The World Bank standards require a process to identify potential risks and impacts, including those associated with climate change and adaptation (art. 7, IFC PS1); the level of analysis depends on the vulnerability of the operation to climate change, based on the type of infrastructure and the geographical location of the project (Guidance Note 32-35 to IFC PS1).

With respect to the operations completed in 2021, climate risk was specifically considered for some operations in the Oil&Gas sector.

### 3.13 Relations with other Export Credit Agencies (ECAs) and international organisations

With respect to relations with overseas institutions, SACE has signed a total of 26 reinsurance agreements with other ECAs. In 2021, advisory services were provided to the Multilateral Arab Investment and Export Credit Corporation (Dhahran) and ECA Ukraine.

### 3.14 Risk management

Risk management is based on constant improvement of processes and technology and investments in human resources, and is integrated in decision-making processes (risk-adjusted performance). The steps of identifying, measuring and controlling risks are essential factors in joint evaluation of company assets and liabilities using the most effective asset liability management techniques.

The company implements its risk management in accordance with the fundamental principles of supervisory regulations<sup>11</sup>.

There are two main types of risks:

- **Technical risk:** meaning **underwriting risk**.
- For the guarantees portfolio of SACE S.p.A., this is the risk of financial losses arising from unfavourable trends in actual compared to expected claims (premium risk) or differences between the cost of claims and reserved cost (reserve risk). Both risks are managed by adopting prudent pricing and provisioning strategies, which are defined according to market best practice, and through prudent underwriting policies, permanent monitoring and active portfolio management.
- **Market risk:** this category includes the risks generated by market operations involving financial instruments. It includes interest rate, currency, credit and equity risks. SACE S.p.A. monitors and manages market risk using asset-liability management techniques and keeps it within previously established limits by adopting guidelines on asset allocation and quantitative risk measurement models (Market VaR).

The following risks are also identified and, where necessary, measured and mitigated by adopting appropriate management procedures:

- **Liquidity risk:** the risk of incurring losses resulting from the company’s reduced ability to meet financial obligations generated by its core business and financial liabilities. Following the coming into force of Decree law no. 23/2020 which, inter alia, amended SACE’s governance and its business (introducing the co-insurance system with the State in 2021), monitoring of this risk is increasingly important. Specifically, while the technical forms of underwriting that





enable claim settlement to be spread out over time continue to exist, accurate management and continuous monitoring of this risk component are increasingly important in the current and future contexts. Consequently, the investment policy is closely linked to the specific liquidity requirements of the insurance portfolios. All the securities in the portfolios used to cover technical provisions are traded in regulated markets, many of which can be refinanced with central banks, and the short average life of the investments guarantees their rapid turnover.

- **Operational risk:** the risk of incurring losses resulting from inadequate or failed internal processes, personnel or systems, or from external events. This definition includes, inter alia, losses resulting from fraud, human errors, business disruption, system unavailability, breach of contract and natural disasters. This risk pertains to exposures that SACE assesses on behalf of the State, with reference both to the export credit business operations and to those relating to the other public guarantees for which, in compliance with the specific applicable legislative provisions, SACE performs risk assessment and management activities. In light of this, the exposures considered in the assessment and measurement of the operational risks increased and the greater differentiation in the types of transactions is due to the various operational areas introduced by the new legal provisions.
- **Reputation risk:** the current and forward-looking impact of a decline in profits, sanctions, losses or damage to SACE's institutional role arising from a negative perception of the image of the company by customers, counterparties, shareholders, investors, supervisory authorities or other stakeholders. The prevention and monitoring of events that could pose a risk to its business reputation is a priority for SACE, which has set up a system of internal controls to mitigate this risk and adopted specific measures to prevent the occurrence of such events in its business operations.
- **Risk of belonging to a group: "contamination" risk,** intended as the risk that, as a result of transactions between the company and other group entities or difficulties experienced by one entity within the group may have negative effects on the company; risk of conflict of interest.
- **Risk of non-compliance with regulations:** the risk of incurring legal or administrative fines, suffering losses or damage to reputation as a consequence of violation of compulsory requirements (laws, regulations) or self-regulatory measures (e.g., Articles of Association, codes of conduct). SACE S.p.A. has developed a process for managing the risk of non-compliance in order to ensure that internal processes and procedures are consistent with the objective of preventing any infringement of regulations, whether imposed by the authorities or by the companies.

The Risk Management division:

- proposes, develops and implements methodologies, models and systems for the measurement and integrated control of risks, monitoring the correct allocation of economic capital, in line with the related company guidelines and in compliance with the applicable legislation, ensuring the control of risk/return and the creation of value for individual risk-taking units;
- oversees the definition of the risk appetite framework and operational limits and monitors compliance with these throughout the year;
- determines the current and future internal capital with regard to the relevant risks, ensuring the measurement and integrated control of overall risk exposure by defining the procedures for identifying, evaluating, monitoring and reporting risks, including scenario analyses and stress tests;
- monitors the levels of the technical provisions together with the other divisions concerned;
- monitors the capital, provisions and liquidity optimisation interventions, assessing the impacts and effectiveness of the risk transfer strategies;
- defines the guidelines regarding management and transfer of the risk, submitting them to the Board of Directors;
- prepares periodical reports on changes in the risks assumed and the existence of any irregular situations and exceeding of limits, and submits them to the Board of Directors, company management and heads of the operational divisions.

SACE S.p.A.'s Risk Management Division includes a specific unit that monitors operational risks.

This unit assists the risk management divisions, moving their individual operational risk management systems to converging policies, while contributing to a single SACE policy.

The operational risk management and monitoring process is governed by the policy on "Identifying



operational risks", which describes the methodological framework and the operational tools used to:

- assess the company's exposure to operational risks (risk self assessment or RSA);
- gather and analyse internal loss data related to operational risk events (loss data collection or LDC);
- define mitigation actions to minimise the residual risk identified in company processes;
- assess the operational risk inherent in the launch of new products, promoting the implementation of control frameworks suitable for minimising the residual operational risk.

The cyber risk management process is governed by the Manual for the management of the cyber risk monitoring framework and includes performance and risk indicators developed in the Information Security Dashboard in order to assess the level of exposure and effectiveness of the controls and safeguards for this type of risk.

The adoption of the operational risk management framework has strengthened risk controls and improved the overall effectiveness and efficiency of processes, reducing the variability of the profits for the year, acting on frequent low-impact operating losses and protecting assets from significant unexpected losses.

Risk governance is entrusted to the following bodies in addition to those specified in the company's Articles of Association:

- **Board of Directors:** has ultimate responsibility for the corporate governance system and defines the strategic guidelines, while ensuring its completeness, functionality and effectiveness;
- **Risk and Control Committee:** assists the Board of Directors with risk issues and internal controls and provides consulting support and proposals;
- **Management Committee:** examines and evaluates the strategies, objectives and operational planning guidelines and oversees their implementation, assesses the performance of operations and identifies the measures necessary to achieve better profitability results and investigates key issues regarding management and operational guidance;
- **Risk Evaluation Committee:** assesses proposed operations delegated by the Board of Directors (risk taking, changes, restructuring agreements, claims, commercial recoveries, agreements for political recoveries) and other relevant transactions, expressing a risk opinion on the transaction;
- **Risks Committee:** assists the Risk and Control Committee with the implementation of an effective risk management and control system, while contributing to the definition of strategies and guidelines for risk management and transfer. It assesses the actions necessary to ensure adequate internal controls, the potential critical situations that may have an impact by promoting improvement actions and the findings of integrated risk assessment activities carried out by level II and III control functions together.
- **Investment Committee:** periodically defines company portfolio investment strategies to optimise the risk/yield profile of financial activities and compliance with the guidelines established by the Board of Directors. It monitors the trends and outlook of investment performance, reporting any critical areas to the competent functions. It submits proposals for updating the guidelines on financial activities by the decision-making body.

### 3.15 Reinsurance

Reinsurance is an effective business tool that supports the underwriting policy, optimising the existing exposures and mitigating risks through active portfolio management.

Indeed, the aim of reinsurance is to spread the risk in order to:

- create a more balanced portfolio;
- enhance financial soundness;
- stabilise operating results;
- increase underwriting capacity.

Reinsurance policies are selected with a view to optimising the trade-off between the financial impact of the policy cost and the benefit in terms of risk mitigation. Various forms of reinsurance may be used; specifically:



- Quota share reinsurance: aimed mainly at enhancing underwriting capacity. This type of policy provides for the proportional transfer of the premium to the reinsurer, equal to the transferred portion of risk, and the retrocession of the ceding commission by the reinsurer. In the case of claims, the reinsurer must settle its share of the claim;
- Surplus share reinsurance: purchased to increase underwriting capacity towards debtors/countries/sectors in relation to which the company has already reached its full underwriting capacity;
- Non-proportional reinsurance (excess of loss or stop loss): purchased to enhance SACE's guarantee portfolio in terms of capital relief or to stabilise the technical account. They limit the maximum cost of the claim within default amounts.

Furthermore, reinsurance can be either on a compulsory basis, through the automatic transfer of predefined risks, or on an optional basis, covering individual risks or similar subgroups of risks, selected on a case-by-case basis.

The Reinsurance division studies, proposes and implements the most effective reinsurance solutions based on the relevant objectives and manages the related operational processes.

At 31 December 2021, the most significant form of risk transfer for SACE S.p.A. was the reinsurance with the MEF pursuant to Decree law no. 23 of 8 April 2020 (the "Liquidity Decree"), converted with amendments by Law no. 40 of 5 June 2020 which extended, on the risks in the portfolio, the reinsurance percentages compared to the previous Agreement signed with the MEF in 2014, approved by Prime minister decree of 20 November 2014 and registered with the Court of Auditors on 23 December 2014, which regulated the proportional transfer of risks that may result in high levels of concentration for SACE. As part of the measures to support exports, internationalisation and business investment, the Liquidity Decree introduced the transfer of reinsurance risk to the MEF, up to 90 per cent of the commitments undertaken by SACE on the date Decree law no. 23/2020 came into force, with some specific exceptions in respect of exposures for which the risk profile is badly impaired.

Article 2.9 of the Liquidity Decree also introduced a new regulatory framework, effective as of 1 January 2021, whereby SACE takes on commitments arising from insurance and guarantee activities for non-market risks up to ten per cent of the principal and interest of each commitment. The remaining ninety per cent is taken on by the State without solidarity bond. The new scheme, regulated by a specific Agreement signed by the MEF and SACE, increases SACE's underwriting capacity to support exports. In this respect, SACE can reinsure with the other Export Credit Agencies (ECAs) the operations both for its share and that of the MEF, based on framework agreements that regulate relations with the other ECAs.

In addition to state reinsurance, SACE portfolio is also reinsured with leading specialised private counterparties, in line with the requirements of the reinsurance strategy. The coverage in place with the private market refers both to treaties for compulsory proportional cession, signed in 2019 and 2020, and to contracts for optional cession on individual transactions signed by SACE as of 2014.

With respect to SACE S.p.A., at 31 December 2021, out of a portfolio of transactions completed totalling Euro 66.5 billion (out of a total of approximately Euro 74.8 billion, of which Euro 8.4 billion co-insured by the MEF), Euro 53.5 billion (80.5%) was ceded in reinsurance. Approximately 88.4% thereof is reinsured with the MEF and includes the portion ceded pursuant to the Liquidity Decree up to the 90% threshold mentioned above, 10.3% is reinsured with the private reinsurance market, represented by the main counterparties operating at global level and the remaining 1.3% is reinsured with other ECAs pursuant to current bilateral agreements.

With reference to the cessions of the year, against resources mobilised for a total of Euro 13 billion, approximately Euro 1.5 billion was reinsured, of which (i) Euro 1.2 billion ceded to the MEF and (ii) Euro 0.3 billion ceded to the reinsurance treaty with the private market, for transactions approved prior to 1 January 2021 and finalised in the current year or for changes in transactions finalised before 31 December 2020. In addition, during the year, reinsurance was completed with other ECAs for a total ceded commitment of approximately Euro 46 million and negotiations are ongoing for further cessions.



### 3.16 Internationalisation Financial Guarantees

With respect to financial guarantees for internationalisation (Law no. 80/2005, article 11-quinquies), the number of outstanding guarantees (-70%), commitments (-48%) and premiums approved (-40%) decreased on the previous year. In 2021, SACE supported exporters through commitments approved for around Euro 69.8 million (Euro 133.7 million in 2020) against loans granted for Euro 136.6 million (approximately Euro 263.9 million in 2020). 52% of guarantees were issued to SMEs (in terms of number of transactions), which accounted for around 28% of total commitments approved, and the remainder to corporations with a turnover of between Euro 50 and Euro 250 million.

Internationalisation guarantees: FY 2021	Total portfolio	of which SMEs
Loans guaranteed	€ 136.6 mln	€ 42.6 mln
Exposure approved (K + I)	€ 69.8 mln	€ 19.5 mln

The portfolio accumulated was not concentrated in any particular region of Italy: 24.1% of total commitments in the Centre-South, 14.8% in the Centre-North, 44.9% in the North-West and 16.2% in the North-East<sup>12</sup>...

### 3.17 Garanzia Italia, Insurance of short-term receivables and Green New Deal

Below is a summary of the technical forms introduced in 2020: Garanzia Italia scheme, Insurance of short-term receivables and Green New Deal.

#### 3.17.1 Garanzia Italia scheme (article 1 of the Liquidity Decree)

In 2021, following the applications received through the "Garanzia Italia" portal, 2,957 guarantees were issued for a total of Euro 11,990 million and a guaranteed maximum amount<sup>13</sup> of Euro 11,642 million. Of these, over 99% followed a "simplified" procedure with the guarantee being granted in less than two working days (2,948 according to the simplified procedure).

The guarantees may be analysed by technical form as follows:

Technical form	Guarantees	Amount Financed € millions	Maximum guaranteed amount € millions
Loan	2,818	11,441	11,150
Factoring	40	416	357
Leasing	76	35	32
Debt securities	23	98	103
<b>Total</b>	<b>2,957</b>	<b>11,990</b>	<b>11,642</b>

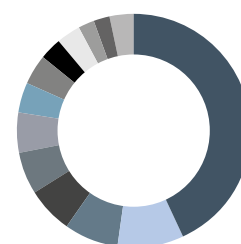
The distribution by geographical region may be analysed as follows: North 67% (1,969 guarantees for Euro 8,548 million), Central 20% (594 guarantees for Euro 2,218 million), South and Islands 13% (394 guarantees for Euro 1,223 million).

The main industrial sectors in which the guarantees were issued are: the Non-financial services sector (43.1%), the Metallurgy sector (9.2%) and the Agri-food sector (7.6%).

These guarantees were issued in respect of working capital (46.0%), refinancing (35.0%), investments (15.0%), personnel expense (4.0%) and lease payments (0.03%).

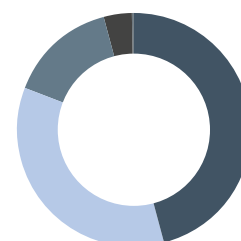
The guarantees issued by 31 December 2021 numbered 2,805, for a total loan amount of Euro 12,608 million and a guaranteed maximum amount of Euro 12,288 million.

Guarantees in 2021  
by industrial sector



<b>43.1%</b> Non financial service	<b>4.1%</b> Water, environment, urban services
<b>9.2%</b> Metallurgy	<b>3.2%</b> Other sectors
<b>7.6%</b> Agricultural	<b>3.2%</b> Automotive
<b>6.3%</b> Infrastructure and construction	<b>2.4%</b> Textile
<b>6.0%</b> Chemicals/Petrochemicals	<b>2.1%</b> Electricity
<b>5.4%</b> Mechanical industry	<b>3.2%</b> Other sectors
	<b>4.2%</b> Cruise

Guarantees in 2021 by goals



<b>46.0%</b> Current assets	<b>4.0%</b> Staff costs
<b>35.0%</b> Refinancing	<b>0.03%</b> Rent
<b>15.0%</b> Investments	

<sup>12</sup> The geographical division used is based on the same criteria applied for the organisation of the company's regional offices.

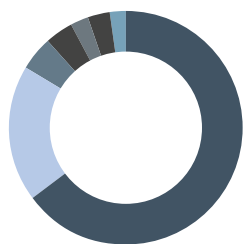
The country is divided into four macro-areas:

- North-West: Lombardy, Piedmont, Liguria and Valle d'Aosta;
- North-East: Veneto, Trentino Alto Adige and Friuli Venezia Giulia;
- Centre-North: Emilia Romagna, Marche, Umbria;
- Centre-South: Tuscany, Lazio, Abruzzo, Campania, Puglia, Basilicata, Calabria, Molise, Sicily and Sardinia.

<sup>13</sup> The guaranteed amount is the principal plus ancillary charges and interest, net of the percentage cover, upon issuing of the guarantee.

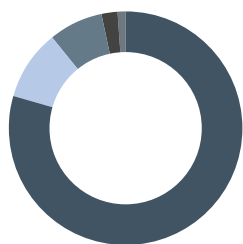


#### Guarantees issued in 2021 per financed amount by industrial sector



<b>65.0%</b> Infrastructure and construction	<b>2.5%</b> Mechanical industry
<b>18.7%</b> Renewable	<b>2.9%</b> Other sectors
<b>4.9%</b> Other industries	<b>2.2%</b> Oil&Gas
<b>3.8%</b> Chemicals/ Petrochemicals	

#### Guarantees approved in 2021 by goal



<b>79.6%</b> Climate Change Mitigation	<b>2.1%</b> Water Defence and Marine Resources
<b>9.7%</b> Circular Economy	<b>1.1%</b> Protection and Restoration of biodiversity and ecosystems
<b>7.5%</b> Pollution Prevention and Decrease	

In relation to the guarantees issued at 31 December 2021, the fees received and the receivables to be collected amounted to Euro 173.5 million and Euro 11.2 million, respectively.

Acquisition costs in connection with the Garanzia Italia scheme amounted to Euro 6.6 million. These refer to the costs incurred by SACE S.p.A. for project-related activities and to implement the new technical forms (refinancing, leaseback, factoring without recourse), the new MID CAP operations, the extension of the coverage from six to eight years, the issue of contracts received, the checks carried out and the information flows.

At 31 December 2021, the available ceiling equals:

- Euro 138,245.2 million for guarantees for large companies;
- Euro 28,701.5 million Euro for guarantees for SMEs.

#### 3.17. 2 Short-term credit insurance (article 35 of the “Relaunch Decree”)

The SACE-Reinsured Agreement pursuant to article 35 of the Decree Law no. 34 of 19 May 2020 came into force on 5 November 2020. Five credit insurance companies, operating in Italy and accounting for 86% of the market (based on 2019 premiums), joined the Agreement. Thanks to this guarantee, the participating companies were able to reactivate insurance limits (until 30 June 2021, the end of the guarantee) for more than Euro 27 billion, compared with the June 2020 balances.

The reinsurance premiums for balances from the fourth quarter of 2020 to 30 September 2021 amounted to Euro 310,5 million. The fees paid under the agreement were Euro 107 million, the indemnities to be paid amounted to Euro 27.1 million and the recoveries were Euro 0.8 million. The available limit was Euro 1,974 million.

The acquisition costs incurred by SACE in 2021 to control management and accounting information flows received and checks and credit recovery activities, amounted to Euro 0.9 million.

#### 3.17.3 Green New Deal (article 76 of the “Simplification Decree”)

In 2021, SACE approved the issue of 83 guarantees for total financing of Euro 4,154 million and a guaranteed commitment (principal and interest) of Euro 2,225 million. A total of 762 guarantees were issued (resources mobilised) in 2021, for total financing of Euro 2,859 million and a guaranteed commitment (principal and interest) of Euro 1,529 million.

The main industrial sectors in which the guarantees were approved were the Infrastructure and Construction (65%), the Renewables (18.7%) and the Other industries (4.9%) sectors.

With respect to environmental goals, most approved transactions (74) related to projects that focused on climate mitigation and climate change. The other environmental goals pursued during the year through the above approved transactions include: (i) circular economy (9), (ii) prevention and reduction of pollution (7), (iii) protection of water and marine resources (2), (iv) protection and restoration of biodiversity and ecosystems (1). Some projects concurrently contributed to the pursuit of several environmental goals.

At 31 December 2021, the available limit was Euro 275.2 million.

In 2021, the premiums earned amounted to Euro 74.2 million. The fees paid by the MEF to SACE, pending the completion of the Technical Annex, for the first three quarters of the year, amounted to Euro 0.4 million.

### 3.18 Human resources

At 31 December 2021, there were 605 employees on the payroll, an increase of 25 compared to the previous year. During the year, 95 resources were hired and 70 left the company.

Distribution of staff by grade	No.	Breakdown
Executives	38	6%
Officials	309	51%
Office workers	258	43%
<b>Total</b>	<b>605</b>	<b>100%</b>



Distribution of staff by age group	Breakdown	Change
Under 30	16%	+9%
Between 31 and 40	31%	+1%
Between 41 and 50	32%	-1%
Over 50	21%	-7%

Distribution of staff by qualification	Breakdown	Change
Degree	88%	+4%
Secondary school certificate/other	12%	-25%

In 2021, in order to guarantee the training offer and strengthen skills and increase the effectiveness of remote working (which continued to prevail given the ongoing Covid-19 public health emergency), synchronous and asynchronous training courses continued, necessary to strengthen and acquire hard, business and soft skills.

In addition to individual training plans, the training offer also included, for all employees, a series of Talent Development courses based on the New Mindset, Osmosis and Accountability drivers, which led to the design and selection of courses specific to the needs of talent clusters, giving people the opportunity to choose which initiative to join.

A blended course on managing emotions was offered to all employees: the Bloom Emotional Lab, an area in which they can increase their level of awareness, learn more about tools and techniques for recognising and managing emotions, and benefit from them in terms of effectiveness, productivity and relationship management.

During 2021, the "New Views of Working" project also continued, with the aim of redesigning together - company and people - the working methods of the future and leading SACE into a new era, with "Whole Scale Change", a co-design training course to design together new protocols and ways of working.

The e-learning portal was enriched with a new platform (Team System HR), integrated with the other HR management systems, and completely renewed in terms of soft skills content. At the same time, redesigning of hard skill/business training courses also began.

The Early Career Program continued in 2021. This is a programme for young people based on the principles of equity, competitiveness and performance. All the programme's initiatives were implemented: training courses on soft and hard skills; project work on strategic-business topics; potential assessments; mentoring, a project aimed at pairing an ECP resource with a mentor with high seniority, in order to support and accelerate the professional development and integration of young people into the company.

Everyone at the company underwent an assessment of their performance in the previous year. These assessments considered technical skills, cross-sectional competencies (suitability for the job) and each employee's specific activities and objectives. They resulted in structured feedback and a shared training plan.

In confirming the central role of health as a primary and essential value for each employee, a new check-up plan was launched for all permanent employees in May 2021. The plan's multiple analyses, checks and specialist visits are aimed at the primary and secondary prevention of all factors that may lead to the onset or deterioration of specific diseases. In 2021, prevention campaigns were also held by offering flu vaccination and, specifically with respect to Covid-19, and an internal protocol was designed to constantly update all employees about regulatory and health developments. During the year, SACE also offered the possibility of having rapid serological and molecular Covid-19 tests and swabs.

Finally, in order to support generational turnover, the incentive redundancy programme launched in recent years continued in 2021, using the Solidarity Fund provided for by sector agreements, which allowed 22 employees to leave the company with an incentive redundancy package and receive their pension cheque in advance. The possibility of using the Solidarity Fund ended on 31 December 2021.



### 3.19 Litigation

At 31 December 2021, SACE was defendant in 13 lawsuits for a contested amount of around Euro 29.1 million, and plaintiff in 7 cases for a total of approximately Euro 163.1 million. SACE was plaintiff in a further 39 proceedings which included oppositions to the statement of liabilities and summary proceedings pursuant to article 702-bis of the Italian code of civil procedure to obtain recognition of its privilege pursuant to Legislative decree no. 123/1998 to payment before other creditors in insolvency proceedings, for claims paid (or being paid) against guarantees to support the internationalisation of business enterprises. The company was also involved in two labour disputes.

### 3.20 Corporate Governance

Organisation, management and control model pursuant to Legislative decree no. 231/01

The management of SACE is based on principles of compliance and transparency and the adoption of a framework of prevention and control that is described below. The most recent version of the Organisation, management and control model ("Model") was approved on 28 May 2020 by SACE's Board of Directors pursuant to and for the effects specified by Legislative decree no. 231/01 (the "Decree"). The Model is regularly updated on the basis of audits which include the definition of a risk map and analysis of internal controls. The Model comprises:

- a general part that illustrates the principles of the Decree, the analysis of the System of Internal Controls, the Supervisory Body, the disciplinary system, staff training and dissemination of the Model both within and outside the company;
- a special part that identifies the areas of specific interest in relation to the business activities undertaken, for which a potential risk of committing a crime is theoretically possible. This part includes references to the System of Internal Controls with regard to the prevention of crimes.

The function of monitoring the suitability and application of the Model has been assigned to the Supervisory Body, a collective body appointed by the Board of Directors. It has three members, who must meet specific professional characteristics. At the time of appointing the Supervisory Body, the Board also appoints one member as the Chair.

The Supervisory Body provides an annual report to the Board of Directors and the Board of Statutory Auditors. The Supervisory Body also meets the Supervisory Bodies of the other SACE group companies at least once a year. This meeting is an opportunity to jointly examine issues concerning the activities of said Bodies, to discuss the work undertaken during the previous year and that planned for the coming year and to agree upon any joint action to be taken within the scope of their activities.

#### The Code of Conduct

The Code of Conduct sets out the principles and rules of conduct with which SACE and its subsidiaries are expected to comply in their relations with stakeholders. Compliance by all addressees is fundamental for the good operation, reliability and reputation of SACE and its subsidiaries. It is separate from the Model, however the two are related in that they are both an integral part of the prevention system that has been adopted. Its adoption reflects SACE's mission to make business ethics a real part of company life, including rights, duties and responsibilities which it assumes vis-à-vis its stakeholders. The Code recognises the legal relevance and mandatory effect of the principles and values that must guide the actions of SACE's stakeholders and is part of the Organisation, management and control model pursuant to Legislative decree no. 231/01. Under the Code, all external parties with which SACE does business are required to act in accordance with the rules and procedures inspired by those same principles. To make all internal and external stakeholders aware of the Code, it is published on each company's internet and Intranet site and is largely disseminated to all employees through specific communications and training. The Code of Conduct has been drawn up to clearly define the set of values that SACE recognises, accepts and shares and the set of responsibilities it assumes vis-à-vis parties within and outside the company. SACE Group's Code of Conduct was drawn up in 2021.



## Internal control and risk management system

The internal control and risk management system is built around a set of rules, processes, procedures, functions, organisational structures and resources aimed at ensuring the correct functioning and good performance of the company and achievement of the following objectives: implementation of company strategies and policies; adequate control of current and future risks and containment of risk within the limits indicated in the reference framework for determining the company's risk appetite; the effectiveness and efficiency of company processes; the timeliness of company reporting systems; the reliability and integrity of company, accounting and management information and security of IT data and procedures; the safeguarding of assets, their value and protection from losses, including over the medium and long term; the compliance of transactions with the law and supervisory regulations, as well as internal regulations, policies and procedures.

All levels have specific responsibilities within the internal control and risk management system. In detail:

- Ultimate responsibility for the system lies with the Board of Directors, which must ensure its completeness, functionality and efficacy at all times. The Board of Directors approves the company's organisational structure and the assignment of duties and responsibilities to the various operational units and is responsible for ensuring their continued adequacy. It also has responsibility for ensuring the adequacy of the risk management system to identify, evaluate and control risks, including future risks, when implementing the company's business strategies and policies and in view of the evolution of internal and external factors, in order to guarantee the safeguarding of the company's assets, including in the medium and long term. Lastly, it promotes a high level of business integrity, ethical conduct and a culture of internal control in order to raise awareness among everyone at the company about the importance and usefulness of such controls.
- Senior management is responsible for the application, maintenance and monitoring of the system of internal controls and risk management and for defining its organisational structure, functions and responsibilities.
- The Board of Statutory Auditors must evaluate the efficacy and efficiency of internal controls, especially as regards the actions of the Internal Audit function by checking that it complies with the requirements of autonomy, independence and functionality. It must also inform the Board of Directors of any irregularities or weaknesses in the internal control system, suggest appropriate corrective measures and see that these are implemented.

The system of internal controls and risk management is organised on three levels:

- first level controls. the operational units and heads of each unit identify, assess, monitor, mitigate and report the risks associated with the company's ordinary business activities, in accordance with the risk management process. They must see that operations are carried out properly and that established limits are respected in line with the risk objectives and the procedures of the risk management process.
- second level controls. the Risk management function is responsible for ensuring (i) correct implementation of the risk management process and (ii) that the various functions respect the established operating limits. The Compliance and Anti-money laundering function uses a risk-based approach to manage the risk of non-compliance with regulations, the money laundering and terrorism financing risk, as well as the reputational risk connected with business transactions;
- third level controls. the Internal Audit function is responsible for monitoring and periodically assessing the efficacy and efficiency of the risk management, control and governance system, in relation to the type and importance of the risk.

The relevant paragraph also includes information relating to the "Report on corporate governance and ownership structures" pursuant to article 123-bis of Legislative decree no. 58/1998 (Consolidated Finance Law). As allowed by this article for companies whose shares are not traded on regulated markets, the company opted not to disclose the information referred to in article 123-bis, paragraphs 1 and 2. Accordingly, it only provides the information referred to in paragraph 2, point b).



### Internal audit

The Internal audit function performs independent and impartial assurance and consultancy activities on behalf of SACE and its subsidiaries, aimed at improving the efficacy and efficiency of the organisation. It helps the company to pursue its objectives by adopting a systematic approach that generates added value by evaluating and improving the governance, risk management and control processes and identifying sources of inefficiency in order to enhance corporate performance. The policy regulating Internal audit activities is approved by the Board of Directors and formalises the objectives, powers, responsibilities and lines of reporting to top management regarding the results of the work carried out and the annual plan. The plan is approved by the Board of Directors and establishes the audit work priorities, identified on the basis of the company's strategic objectives and the assessment of current and future risks in view of trends in operating performance. The annual plan may also be reviewed and amended in response to significant changes that affect the company's business, plans, systems, activities, risks or controls. Furthermore, where necessary, the Internal audit function performs controls not envisaged by the plan. It also monitors internal controls at all levels and works to promote a culture of control endorsed by the Board of Directors. It carries out its activities in compliance with the regulatory framework, international standards for the professional practice of internal auditing and the Code of Ethics of the Institute of Internal Auditors (IIA).

### Manager in charge of financial reporting

The provisions of article 13 of the Articles of Association of SACE S.p.A. establishing the professional requirements and procedures for appointing and dismissing the manager in charge of financial reporting, are provided below.

Article 13 of SACE S.p.A.'s Articles of Association (paragraphs 10.1 - 10.8)

*10.1. The Board of Directors may, with the compulsory consent of the Board of Auditors, appoint a manager responsible for preparing the corporate accounting documents, of which in art. 154-bis of the Consolidation Act for dispositions on financial matters (Legislative decree 58 dated 1998 and subsequent amendments), for a period of not less than the term of office of the Board and not more than six business years.*

*10.2. The manager responsible for preparing the corporate accounting documents must be in possession of the same probity requirements as the directors.*

*10.3. The manager responsible for preparing the corporate accounting documents must be chosen on the basis of criteria of professionalism and skills from among the directors who have acquired an overall experience of at least three years in the management of businesses or consultancy firms or professional firms.*

*10.4. The Board of Directors may dismiss the manager responsible for preparing the corporate accounting documents only for legitimate reasons and with the consent of the Board of Auditors.*

*10.5. The manager responsible for preparing the corporate accounting documents shall withdraw from office in the absence of the requirements necessary for taking office. Withdrawal will be declared by the Board of Directors within thirty days of becoming aware of the absence of requirements.*

*10.6. The manager responsible for preparing the corporate accounting documents will set adequate accounting and administrative procedures for drawing up the financial statements and the consolidated financial statements, if provided.*

*10.7. The Board of Directors will ensure that the manager responsible for preparing the corporate accounting documents is conferred with adequate powers and means for exercising the duties conferred and ensure the effective respect of the management and accounting procedures.*

*10.8. The Chief Executive Officer and the manager responsible for preparing the corporate accounting documents will certify the effective application of the procedures of which in paragraph 6 during the course of the business year to which the documents refer, in a suitable report attached to the business year financial statements and consolidated financial statements, if provided, and certify their correspondence to the findings in the accounts books and documents and their suitability in terms*

of providing a truthful and correct representation of the equity, economic and financial situation of the company and the group of companies in the scope of consolidation, in the case of the consolidated financial statements being provided.



### 3.21 Environmental, social and cultural commitments

SACE actively protects the environment, with energy efficiency actions, reducing the environmental impact through environmentally-friendly mobility initiatives (use of hybrid cars in the corporate fleet, promoting the use of bicycles, scooters and electric scooters by arranging agreements for employees, and remote working), reducing the use of fossil fuels (installation of a photovoltaic system, signing of a contract for the supply of green energy only for the Rome office), separate waste collection, reducing the use of plastic through the Zero Plastic project, reducing the use of paper by developing digitisation and paperless campaigns for the disposal of paper in offices, involving business structures in designing their activities with an environmentally-friendly perspective. A specific cross-sectional working group was set up to foster the development of environmental protection activities.

With regard to social commitments, in 2021, SACE supported: “D.i.Re - Donne in Rete contro la violenza” (women together against violence) for the “Fondo Rifugio” project; “IPE - Istituto per ricerche ed attività educative”, with a scholarship for deserving young people who need a financial contribution to attend a master’s degree course in finance; “A ruota libera”, an association that offers disabled people of post-school age the opportunity to socialise, cultivate their talents and integrate into the community; “Agedo”, an association made up of parents, relatives and friends of glbtq people; “Disability pride”, an association that organises meetings to demand the effective inclusion of all people with disabilities; “Maschile plurale”, an association engaged in views and practices to redefine male identity, also in relation to the women’s movement.

### 3.22 Subsidiaries and Parent

With respect to transactions with the parent Cassa Depositi e Prestiti S.p.A., in 2021, insurance guarantees were issued which generated premiums of Euro 129.8 million (Euro 180 million in 2020). SACE’s financial investment portfolio includes three bonds for a total nominal amount of Euro 300 million issued by the sole shareholder Cassa Depositi e Prestiti and already in portfolio at 31 December 2020. Furthermore, at 31 December 2021, Euro 5,726.1 million related to demand deposits with Cassa Depositi e Prestiti S.p.A., Euro 164.5 million to margin loans and asset swaps and an IRS with a total notional amount of Euro 1,114 million.

As part of its business operations, SACE has never engaged in any transactions with its subsidiaries that are atypical or outside its normal scope of business. All intragroup transactions are settled at arm’s length and regarded the following:

- services rendered under specific agreements in that they do not constitute the company’s core business;
- costs for office lease;
- reinsurance business and non-recurring deposits with the subsidiary SACE BT;
- non-recurring deposits in favour of the subsidiary SACE Fct;
- personnel seconded to the group companies (CDP, SACE Fct, SIMEST, SACE BT and SACE Srv). The amount reflects the reimbursement of the costs incurred by the seconding company for remuneration and related costs.

A summary of the financial performance of the subsidiaries is provided below:

- SACE Fct (wholly owned) posted a net profit for the year of Euro 2 million;
- SIMEST (held at 76.005%) posted a net profit for the year of Euro 3.9 million, mainly due to income from equity investments and commission income;
- SACE BT (wholly owned) posted a net profit for the year of Euro 0.3 million.

### 3.23 Other information

The following information is provided below:

- Since SACE participates in the tax consolidation scheme of Cassa Depositi e Prestiti for the three-year period 2019-2021, current IRES (corporate income tax) has been recognised as a tax consolidation charge to the parent.
- For information about the 2021 Consolidated Non-Financial Statement pursuant to Legislative decree no. 254 of 30 December 2016, reference should be made to the separate document, approved by the Board of Directors, and published together with these financial statements.



### 3.24 Business outlook for 2022 and significant events after the reporting date

Two years after the outbreak of the pandemic, the global macroeconomic context was gradually improving, though still with differences between countries, reflecting the progress of vaccination campaigns.

However, the scenario for 2022 changed rapidly following the escalation of tensions between Russia and Ukraine, which led to a conflict whose outcome is currently highly uncertain. While at the beginning of the year the consensus outlook pointed to a consolidation of world GDP growth (+4.2% according to Oxford Economics, a more moderate rate than that recorded last year due to the elimination of the rebound effect), the most recent estimates have been revised downwards. While remaining positive, the acceleration of global economic activity is expected to be more moderate and below 4%.

The increase in prices of energy goods (natural gas and oil), some agricultural commodities (e.g., wheat exported from Russia and Ukraine) and industrial goods (e.g., aluminium) is the main driver. These hikes, which are already clearly visible, translate into further upward pressure on global consumer inflation, which could exceed 6% this year, postponing the expected slowdown to 2023. The other drivers range from trade relations to the banking-financial channel and to operators' confidence.

Geographically, the downward revision to the growth forecasts at the beginning of the year affects both advanced economies (+3.3%, down 0.5 percentage points) and emerging economies (+4.3%, down 0.3 percentage points). Specifically, the Eurozone is that most exposed to the conflict, especially in relation to energy and trade (the considerable sanctions imposed on Russia by the European Commission - together with other countries, such as the United States - will also have a negative impact on the Eurozone economy) and GDP growth has been limited to 3.1% (about one percentage point less than the forecasts made before the conflict). In the USA, the impact will be relatively more contained, with growth expected at 3.4%. The outlook for the emerging markets aggregate is weighed down more by the weakening of the Chinese economy, whose GDP will grow by "only" 5% as a result of the difficulties faced by the real estate market and the zero-tolerance policy against Covid-19 (however, to date, it does not seem to be affected by the ongoing crisis in Eastern Europe).

Against this background, the volume of international trade is set to be expanding, not only for goods but also for services. However, critical issues along global value chains remain high and could be exacerbated by the conflict and affect the manufacturing industry (and, therefore, also trade in goods).

For Italy, forecasts at the beginning of the year point towards a consolidation of the economy, with GDP expected to grow at a high rate of 4.1%, thanks again to public and private investments, the resilience of exports and the consolidation of household consumption. Based on the recent developments, a downward revision cannot be ruled out for Italy as well, which is exposed on several fronts (first and foremost energy, due to its high dependence on Russian gas imports).

Both from an economic and geopolitical perspective, the risks on the global scenario remain significant and downward-oriented. While the public health impacts linked to the pandemic are beginning to show a progressive - albeit slow - reduction, difficulties in global value chains, rising energy prices and high levels of debt are still evident, threatening the financial stability of public and private economic players, particularly in some emerging economies. In addition to this, poverty and social inequalities are increasing, fuelled by the pandemic crisis as are issues relating to the fight against climate change and the challenge of energy transition costs, which are becoming increasingly important. Lastly, an alternative worst-case scenario based on the assumption that the conflict between Russia and Ukraine will continue in 2023 cannot be ruled out. This would lead to further downward forecasts on the growth prospects of the world economy, especially in Europe.

The crisis between Russia and Ukraine has also generated a global increase in malicious activities in cyberspace, increasing the possibility of spillover phenomena occurring outside the area under attack. Specifically, SACE plays a key role in providing insurance and financial support to businesses, also through the banking system, supporting exports and internationalisation, also operating in the area affected by the conflict. Therefore, in this particular historical period, it is subject to an increase in potential exposure to cyber risk. Regardless of the current crisis, SACE



constantly monitors the development of the situation in terms of cyber security, using the CSIRT (Computer Security Incident Response Team) of the National Cybersecurity Agency as one of its main information sources, also considering the application of mitigation actions and protection measures suggested by the CSIRT.

In February 2022, SACE was not included among the entities forming part of the National Cybersecurity Perimeter (Decree law no. 105/2019, converted into Law no. 133/2019 as subsequently integrated). However, it has been adopting international security standards for several years and, in December 2021, it obtained the ISO/IEC 27001/2013 Certification (the reference standard for the certification of the Information Security Management System) for the “management, operational performance, development, assistance, monitoring of technological and application systems as well as cyber security services supporting the group’s operations”. This not only guarantees IT security but, more generally, protects the confidentiality, integrity and availability of the information managed.

In February 2022, the serious geo-political tensions between Russia and Ukraine, which escalated into a war, worsened the entire global economic-financial context, with potential repercussions on growth and inflation (strongly influenced by the trend of energy commodity prices) and on Italian companies’ exports. The sanctions imposed on Russia, which have been severely tightened as a result of developments in the current conflict, and the restrictive countermeasures implemented by Russia in response to the sanctions imposed to protect the financial system and the domestic currency (rouble), have led to i) a significant widening of credit spreads, especially for the shorter maturities in the areas hit by the conflict ii) a significant depreciation of the rouble, iii) repeated downgrades by international rating agencies with forecasts of imminent sovereign default, iv) general market volatility, which in risk-off phases contributed to a significant appreciation of the US dollar and other “safe haven” assets, v) a sharp increase in commodity prices, including gas and oil, whose prices reached their highest levels since 2008.

As the risk is worsening, SACE S.p.A. implemented actions of stringent monitoring of the macro context, of the sanction framework and of the existing exposures with the case-by-case assessment of the individual positions taken and of the related mitigation actions to be implemented, depending on the individual contract structures, as well as on the existence of any collateral and specific reserves to service the debt. At 31 December 2021, SACE’s direct exposure to the geographical areas affected by the current conflict (Russia, Belarus and Ukraine) is attributable to i) guarantees relating to exposures already at risk for Euro 225 million (net of reinsurance), ii) maximum increase in the claims provision for Euro 6.3 million relating to claims accrued in the provision and iii) receivables from subrogation for commercial risk amounting to Euro 53.6 million in the 2021 financial statements. The effects of the increased risk described above, which are currently difficult to quantify accurately given the uncertainty and the rapid evolution of the events in progress, could have a negative impact on the company’s future insurance business, which would in any case be absorbed, even in the most adverse scenario, by the capacity of the technical provisions and equity reserves.

During the year, the reorganisation of the SACE Group continued - with its sale, net of SIMEST, by CDP to the MEF - implementing the provisions of article 67.2 of Decree law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020 (the “August decree”). The law provides that “Subject to agreement between the Ministry of the Economy and Finance and Cassa Depositi e Prestiti (CDP) S.p.A., with the decree of the Ministry of the Economy and Finance, together with the Ministry of Foreign Affairs and International Cooperation, registered by the Court of Auditors, the reorganisation of the SACE Group has been approved and the transfer value of the relevant investments was deemed fair by the parties”. On 17 March 2022, the MEF - MAECI interministerial decree was published on the MEF website, and registered by the Court of Auditors, setting out the characteristics of the reorganisation. With the endorsement of the shares and the registrations in the shareholders’ registers of SACE and SIMEST on 21 March 2022, all the conditions for the completion of the transaction were met.

Rome, March 24, 2022

on behalf of the Board of Directors

Chief Executive Officer

Pierfrancesco Latini









02

Balance  
Sheet  
and Income  
Statement







# Annex 1

Company	<b>SACE S.p.A.</b>	
Subscribed capital	euro 3,730,323,610	Paid euro 3,730,323,610
Registered offices	ROME	
Financial Statements	BALANCE SHEET <b>2021</b> (Amounts in euros)	



# Balance sheet non life Insurance business assets

					Current year	
A.	SUBSCRIBED CAPITAL UNPAID					1
	of which called-up capital	2				
B.	INTANGIBLE ASSETS					
	1. Deferred acquisition commissions					
	a) Life business	3				
	b) Non-life business	4	5			
	2. Other acquisition costs		6			
	3. Start-up and expansion costs		7			
	4. Goodwill		8			
	5. Other multi-year costs	9	2,320,948		10	2,320,948
C.	INVESTMENTS					
I	- Land and buildings					
	1. Property used in company operations	11	58,719,174			
	2. Property rented to third parties	12	800,407			
	3. Other properties	13				
	4. Other properties rights	14				
	5. Construction in progress and advance	15		16	59,519,581	
II	- Investments in Group companies and other shareholdings					
	1. Shares and interests in:					
	a) controlling companies	17				
	b) subsidiary companies	18	394,349,262			
	c) affiliated companies	19				
	d) associated companies	20	10,179,906			
	e) other companies	21		22	404,529,168	
	2. Bond issued by:					
	a) controlling companies	23	299,999,353			
	b) subsidiary companies	24				
	c) affiliated companies	25				
	d) associated companies	26				
	e) other companies	27		28	299,999,353	
	3. Loans to:					
	a) controlling companies	29				
	b) subsidiary companies	30				
	c) affiliated companies	31				
	d) associated companies	32				
	e) other companies	33		34		
				35	704,528,521	
			to be carried forward			2,320,948



## Previous year

			181
	182		
183			
184	185		
	186		
	187		
	188		
	189	2,478,655	190 2,478,655
	191	59,306,552	
	192	876,432	
	193		
	194		
	195	196 60,182,984	
197			
198	395,470,723		
199			
200	9,339,341		
201	202 404,810,065		
203	353,995,725		
204			
205			
206			
207	208 353,995,725		
209			
210			
211			
212			
213	214	215 758,805,789	
	to be carried forward		2,478,655



# Balance sheet non life

## Insurance business assets

					Current year	
					carried forward	2,320,948
C.	INVESTMENTS (continued)					
III	- Other financial investments					
	1. Shares and interests					
	a) Listed shares	36	14,663,650			
	b) Unlisted shares	37				
	c) Interests	38		39	14,663,650	
	2. Shares in common investment funds			40	101,482,293	
	3. Bonds and other fixed-income securities					
	a) listed	41	2,497,722,116			
	b) unlisted	42				
	c) convertible debentures	43		44	2,497,722,116	
	4. Loans					
	a) loans secured by mortgage	45	1,348,043			
	b) loans on policies	46				
	c) other loans	47		48	1,348,043	
	5. Participation in investment pools			49		
	6. Deposits with credit institutions			50	781,000,000	
	7. Other financial investments			51	20,716,031	
IV	- Deposits with ceding companies				52	3,416,932,133
					53	38,561
					54	4,181,018,796
D.	INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS					
I	- Investments relating to contracts linked to investment funds and market indexes				55	
II	- Investments relating to the administration of pension funds				56	
						57
D bis.	REINSURERS' SHARE OF TECHNICAL PROVISIONS					
I	- NON-LIFE BUSINESS					
	1. Provisions for unearned premiums	58	3,093,623,014			
	2. Provisions for claims outstanding	59	493,934,896			
	3. Provisions for profit-sharing and premium refunds	60				
	4. Other technical provisions	61		62	3,587,557,910	
II	- LIFE BUSINESS					
	1. Provisions for policy liabilities	63				
	2. Unearned premium provision for supplementary coverage	64				
	3. Provision for sums to be paid	65				
	4. Provisions for profit-sharing and premium refunds	66				
	5. Other technical provisions	67				
	6. Technical provisions where the investments risk is borne by the policyholders and relating to the administration of pension funds	68		69		70
						3,587,557,910
			to be carried forward			7,770,897,654



		Previous year	
	carried forward		2,478,655
216	15,261,144		
217			
218	219 15,261,144		
	220 135,347,077		
221	3,538,377,169		
222			
223	224 3,538,377,169		
225	1,794,535		
226			
227	228 1,794,535		
	229		
	230 1,299,090,131		
	231 21,083,387	232 5,010,953,445	
		233 44,076	234 5,829,986,294
		235	
		236	
			237
	238 3,066,005,958		
	239 261,420,364		
	240		
	241	242 3,327,426,322	
	243		
	244		
	245		
	246		
	247		
	248	249	250 3,327,426,322
	to be carried forward		9,159,891,272



## Balance sheet non life

### Insurance business assets

						Current year			
						carried forward		7,770,897,654	
E. RECEIVABLES									
I - Receivables arising out of direct insurance business:									
1. Policyholders									
a) for premiums current year				71	124,324,038				
b) for premiums previous years				72	15,402,948	73	139,726,986		
2. Insurance intermediaries									
					74				
3. Current accounts with Insurance companies									
					75				
4. Policyholders and third parties for recoveries									
					76	280,307,680	77	420,034,666	
II - Receivables arising out of reinsurance operations:									
1. Insurance and Reinsurance companies									
					78	51,304,743			
2. Reinsurance intermediaries									
					79		80	51,304,743	
III - Other debtors									
							81	335,807,490	
82 807,146,899									
F. OTHER ASSETS									
I - Tangible assets and stocks:									
1. Furniture, office machines and internal transport vehicles									
					83	1,594,357			
2. Vehicles listed in public registers									
					84				
3. Machinery and equipment									
					85	973			
4. Stocks and other goods									
					86	58,150	87	1,653,480	
II - Cash at bank and in hand:									
1. Bank and Postal accounts									
					88	37,175,877,744			
2. Cheques and cash on hand									
					89	5,266	90	37,175,883,010	
III - Own shares or equity interests									
							91		
IV - Other									
1. Deferred reinsurance items									
					92	1,092			
2. Miscellaneous assets									
					93	36,065,339	94	36,066,431	
95 37,213,602,921									
G. PREPAYMENTS AND ACCURIED INCOME									
1. Accrued interest									
							96	19,926,071	
2. Rents									
							97		
3. Other prepayments and accrued income									
							98	1,675,091	
99 21,601,162									
TOTAL ASSETS									
								100	45,813,248,636



				Previous year	
carried forward				9,159,891,272	
251	58,118,715				
252	22,604,884	253	80,723,599		
254					
255					
256	348,201,339	257	428,924,938		
258 138,138,163					
259		260	138,138,163		
				261 312,546,273	262 879,609,374
263 1,423,852					
264					
265	1,260				
266	64,572	267	1,489,684		
268 34,237,554,285					
269	906	270	34,237,555,192		
				271	
272 51,494					
273	29,804,617	274	29,856,111	275	34,268,900,986
				276 23,713,448	
				277	
				278 1,446,474	279 25,159,922
					280 44,333,561,554



## Balance sheet liabilities and Shareholders' equity

Current year

<b>A. SHAREHOLDERS' EQUITY</b>				
I	- Subscribed capital or equivalent fund	101	3,730,323,610	
II	- Share premium reserve	102	43,304,602	
III	- Revaluation reserve	103		
IV	- Legal reserve	104	285,088,282	
V	- Statutory reserves	105		
VI	- Reserves for own shares and shares of the controlling company	106		
VII	- Other reserves	107	422,811,450	
VIII	- Net profit (loss) brought forward	108	293,322,571	
IX	- Net profit (loss) for the year	109	105,595,851	
X	- Negative reserve for own shares in portfolio	401		110 4,880,446,367
<b>B. LINKED LIABILITIES</b>				111 500,000,000
<b>C. TECHNICAL PROVISIONS</b>				
I	- NON-LIFE BUSINESS			
1.	Provisions for unearned premiums	112	3,762,407,575	
2.	Provisions for claims outstanding	113	718,143,809	
3.	Provisions for profit-sharing and premium refunds	114		
4.	Other technical provisions	115		
5.	Equalization provision	116	753,878,094	117 5,234,429,479
II	- LIFE BUSINESS			
1.	Provisions for policy liabilities	118		
2.	Unearned premium provision for supplementary coverage	119		
3.	Provision for sums to be paid	120		
4.	Provision for profit-sharing and premium refunds	121		
5.	Other technical provisions	122		123 5,234,429,479
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>				
I	- Provisions relating to contracts linked to investment funds and market indexes	125		
II	- Provisions relating to the administration of pension funds	126		127
	to be carried forward			10,614,875,845



## Previous year

	281	3,730,323,610	
	282	43,304,602	
	283		
	284	281,102,178	
	285		
	286		
	287	408,758,159	
	288	232,179,831	
	289	79,722,088	
	501		290 4,775,390,468
			291 500,000,000
292	3,729,010,236		
293	506,127,975		
294			
295			
296	740,204,417	297 4,975,342,628	
298			
299			
300			
301			
302		303	304 4,975,342,628
		305	
		306	307
to be carried forward			10,250,733,096



## Balance sheet liabilities and Shareholders' equity

		Current year	
	carried forward		10,614,875,845
E. PROVISIONS FOR OTHER RISKS AND CHARGES			
1. Provisions for pensions and similar obligations	128		
2. Provisions for taxation	129 36,753,746		
3. Other provisions	130 36,148,395	131 72,902,141	
F. DEPOSITS RECEIVED FROM REINSURERS		132	
G. CREDITORS AND OTHER LIABILITIES			
I - Creditors arising out of direct insurance operations:			
1. Insurance intermediaries	133		
2. Current accounts with Insurance companies	134		
3. Premium deposits and premiums due to policy-holders	135 30,108,231		
4. Guarantee funds in favour of policyholders	136	137 30,108,231	
II - Creditors arising out of reinsurance operations:			
1. Insurance and Reinsurance companies	138 821,479,716		
2. Reinsurance intermediaries	139	140 821,479,716	
III - Debenture loans		141	
IV - Amounts owed to banks and credit institutions		142 103,112,620	
V - Loans guaranteed by mortgages		143	
VI - Miscellaneous loans and other financial liabilities		144 2,431,474,625	
VII - Provisions for employee termination indemnities		145 4,418,321	
VIII - Other creditors			
1. Premium taxes	146		
2. Other tax liabilities	147 1,733,559		
3. Social security	148 1,741,851		
4. Miscellaneous creditors	149 43,026,077	150 46,501,486	
IX - Other liabilities			
1. Deferred reinsurance items	151 17,962		
2. Commissions for premiums in course of collection	152 2		
3. Miscellaneous liabilities	153 31,670,841,162	154 31,670,859,126	155 35,107,954,126
	to be carried forward		45,795,732,112



Previous year		
carried forward		10,250,733,096
	308	
	309 36,302,052	
	310 54,379,016	311 90,681,068
		312
313		
314		
315 29,506,698		
316	317 29,506,698	
318 1,674,653,190		
319	320 1,674,653,190	
	321	
	322 98,623,767	
	323	
	324 998,793,682	
	325 4,950,244	
326		
327 1,518,298		
328 1,653,224		
329 22,902,272	330 26,073,794	
331 31,926		
332		
333 31,141,094,010	334 31,141,125,936	335 33,973,727,310
to be carried forward		44,315,141,474



## Balance sheet liabilities and Shareholders' equity

		Current year	
	carried forward		45,795,732,112
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued interest		156 17,198,630	
2. Rents		157	
3. Other prepayments and accrued income		158 317,894	159 17,516,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 45,813,248,636



Previous year		
carried forward		44,315,141,474
	336 17,204,577	
	337	
	338 1,215,503	339 18,420,079
		340 44,333,561,554







## Annex II

Company	<b>SACE S.p.A.</b>	
Subscribed capital	euro 3,730,323,610	Paid euro 3,730,323,610
Registered offices	ROME	
Financial statements	PROFIT & LOSS ACCOUNT <b>2021</b>	
	(Amounts in euros)	



## Profit & loss account

					Values of the year
<b>I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS</b>					
1. PREMIUMS EARNED, NET OF REINSURANCE					
a) Gross premiums written	1	438,986,939			
b) (-) Outward reinsurance premiums	2	325,039,631			
c) Change in the gross provision for unearned premiums	3	33,397,340			
d) Change in the provision for unearned premiums, reinsurers' share	4	-77,503,597	5	158,053,565	
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III. 6)					6 32,832,598
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE					7 44,814,144
4. CLAIMS INCURRED, NET OF RECOVERY AND REINSURANCE					
a) Claims paid					
aa) Gross amount	8	136,010,120			
bb) (-) reinsurers' share	9	47,108,122	10	88,901,999	
b) Change in recoveries, net of reinsurance					
aa) Gross amount	11	2,318,262			
bb) (-) reinsurers' share	12	-18,506,115	13	20,824,377	
c) Change in the provisions for outstanding claims					
aa) Gross amount	14	212,015,834			
bb) (-) reinsurers' share	15	232,514,532	16	-20,498,697	17 89,227,678
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					18
6. PREMIUMS REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE					19 2,717,415
7. OPERATING EXPENSES:					
a) Acquisition commissions	20				
b) Other acquisition costs	21	25,470,745			
c) Change in commissions and other acquisition costs to be amortised	22				
	23	114,890			
d) Collecting commissions	24	61,963,788			
e) Other administrative expenses	25	33,702,173	26	53,847,250	
f) (-) Reinsurance commissions and profit-sharing					
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE					27 4,799,910
9. CHANGE IN THE EQUALISATION PROVISION					28 13,673,677
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III. 1)					29 71,434,377



[illegible]



## Profit & loss account

Values of the year

II. TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS			
1. PREMIUMS EARNED, NET OF REINSURANCE:			
a) Gross premiums written	30		
b) (-) Outward reinsurance premiums	31		32
2. INVESTMENT INCOME:			
a) From shares and interests	33		
(of which: from Group companies and other shareholdings)	34		
b) From other investments:			
aa) income from land and buildings	35		
bb) income from other investments	36	37	
(of which: from Group companies)	38		
c) Value re-adjustments on investments	39		
d) Gains on the disposal of investments	40		
(of which: from Group companies)	41		42
3. INCOME AND UNREALIZED GAINS ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			43
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			44
5. CLAIMS INCURRED, NET OF REINSURANCE:			
a) Claims paid			
aa) Gross amount	45		
bb) (-) Reinsurers' share	46	47	
b) Change in the provisions for claims to be paid			
aa) Gross amount	48		
bb) (-) Reinsurers' share	49	50	51
6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			
a) Provisions for policy liabilities:			
aa) Gross amount	52		
bb) (-) Reinsurers' share	53	54	
b) Unearned premium provision for supplementary coverage:			
aa) Gross amount	55		
bb) (-) Reinsurers' share	56	57	
c) Other technical provisions			
aa) Gross amount	58		
bb) (-) Reinsurers' share	59	60	
d) Provisions for policies where the investment risk is borne the policyholders and relating to the administration of pension funds			
aa) Gross amount	61		
bb) (-) Reinsurers' share	62	63	64



## Values of the previous year

	140	
	141	142
	143	
(of which: from Group companies and other shareholdings)	144	
	145	
	146	147
(of which: from Group companies)	148	
	149	
	150	
(of which: from Group companies)	151	152
		153
		154
	155	
	156	157
	158	
	159	160
	162	
	163	164
	165	
	166	167
	168	
	169	170
	171	
	172	173
		174



## Profit & loss account

				Values of the year	
7. PREMIUMS REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE				65	
8. OPERATING EXPENSES:					
a) Acquisition commissions	66				
b) Other acquisition costs	67				
c) Change in commissions and other acquisition costs to be amortised	68				
d) Collecting commissions	69				
e) Other administrative expenses	70				
f) (-) Reinsurance commissions and profit-sharing	71			72	
9. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES:					
a) Investment management charges, including interest	73				
b) Value adjustments on investments	74				
c) Losses on the disposal of investments	75			76	
10. EXPENSES AND UNREALIZED LOSSES ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				77	
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				78	
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III. 4)				79	
13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item III. 2)				80	
<b>III. NON TECHNICAL ACCOUNT</b>					
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (ITEM I.10)				81	71,434,377
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (ITEM II. 13)				82	
3. NON-LIFE INVESTMENT INCOME:					
a) From shares and interests	83				
(of which: from Group companies)	84				
b) From other investments:					
aa) income from land and buildings	85	420,117			
bb) income from other investments	86	171,271,538	87	171,691,655	
(of which: from Group companies)	88	1,038,943			
c) Value re-adjustments on investments	89	9,573,433			
d) ) Gains on the disposal of investments	90	84,360,605			
(of which: from Group companies)	91			92	265,625,692



## Values of the previous year

				175
		176		
		177		
		178		
		179		
		180		
		181		182
		183		
		184		
		185		186
				187
				188
				189
				190
				191 19,127,425
				192
		193		
(of which: from Group companies)		194		
	195	593,615		
	196	84,045,741	197	84,639,356
(of which: from Group companies)			198	140,579
		199	4,454,719	
		200	40,802,023	
(of which: from Group companies)		201		202 129,896,097



## Profit & loss account

			Values of the year	
4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (ITEM II. 12)			93	
5. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES NON-LIFE BUSINESS:				
a) Investment management charges, including interest	94	77,018,071		
b) Value adjustments on investments	95	6,909,156		
c) Losses on the disposal of investments	96	42,680,335	97	126,607,561
6. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE INSURANCE BUSINESS TECHNICAL ACCOUNT (ITEM I,2)			98	32,832,598
7. OTHER INCOME			99	49,048,590
8. OTHER CHARGES			100	89,107,301
9. INCOME FROM ORDINARY OPERATIONS			101	137,561,199
10. EXTRAORDINARY INCOME			102	1,789,232
11. EXTRAORDINARY CHARGES			103	896,200
12. EXTRAORDINARY PROFIT OR LOSS			104	893,032
13. PROFIT BEFORE TAXES			105	138,454,231
14. INCOME TAXES			106	32,858,380
15. NET PROFIT (LOSS) FOR THE YEAR			107	105,595,851



## Values of the previous year

		203
204	13,342,008	
205	32,388,094	
206	60,813,492	207 106,543,594
		208 7,043,057
		209 124,404,769
		210 49,746,602
		211 110,095,037
		212 758,878
		213 511,558
		214 247,319
		215 110,342,357
		216 30,620,268
		217 79,722,088



I, the undersigned, declare that these financial statements comply with the truth and accounting records.

The legal representatives of the company ( \* )

Pierfrancesco Latini (\*\*)

The Statutory Auditors

Silvio Salini

Gino Gandolfi

Maira Paragone

Space reserved for the stamp of the registry office  
to be applied at the time of filing the accounts

(\*) For foreign companies, the document must be signed by the general representative for Italy.

(\*\*) Chief Executive Officer













03

Notes to  
the financial  
statements



# Notes to the financial statements

## Foreword

These financial statements, comprising a balance sheet, a profit and loss account, a cash flow statement and the notes thereto and related annexes, and accompanied by the directors' report, have been prepared in accordance with article 6.22 of Law decree no. 269/2003 ("Transformation of SACE into a company limited by shares"), the applicable provisions of Legislative decree no. 209 of 7 September 2005 and Legislative decree no. 173 of 26 May 1997, to the extent of the provisions governing the annual and consolidated accounts of insurance companies. The provisions of ISVAP Regulation no. 22 issued on 4 April 2008 and IVASS Ruling no. 53 of 6 December 2016 have only been adopted insofar as applicable to SACE. These financial statements have been audited by Deloitte & Touche S.p.A. pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010.

These notes describe, analyse and, in some cases, supplement the figures in the financial statements and provide the information required by article 2427 of the Italian Civil Code and are in line with the amendments introduced by Legislative decree no. 139/15 and the reporting standards promulgated by the Italian accounting standard setter ("OIC"). They comprise:

Part A - Measurement criteria

Part B - Notes to the balance sheet and the profit and loss account

Part C - Other information

All amounts in the financial statements are expressed in euros. All amounts in these notes are stated in thousands of euros.

Pursuant to Legislative decree no. 38 of 28 February 2005, consolidated financial statements have also been prepared in accordance with international financial reporting standards (IAS/IFRS) and ISVAP Regulation no. 7/2007 insofar as applicable to SACE.

These financial statements include the effects of the application of Decree law no. 23 (the "Liquidity decree" or "DL23") converted, with amendments, into Law no. 40 of 5 June 2020. Specifically, SACE's financial position as at 31 December 2021 includes the effects of the application of article 2.9 of the Liquidity decree and, specifically, the transfer up to a reinsurance percentage of 90% of the performing portfolio at 8 April 2020 via the MEF's reinsurance of the portfolio concurrently recognising, in 2020, a liability to the MEF of approximately Euro 1.5 billion (partly repaid in 2021). This amount was quantified in the Report on the capital endowment of SACE drafted in accordance with the above-mentioned law and subject to checks pursuant to paragraph 6 of said law. In quantifying the assets to be transferred, SACE took into account the Premium provision corresponding to the outstanding and transferred commitments, considering that it was able to exclude the amount set aside as the Equalisation provision (which, at 31 March 2020, amounted to Euro 710 million), taking into account the regulatory provisions governing the Equalisation provision and, in particular, the aim of stabilising the retained Technical account, the nature of this provision not directly attributable to the business in force, and the general market practice adopted in reinsurance transactions. In January 2021, as a result of discussions with the MEF that followed the transmission of the Report on the capital endowment of SACE, it was noted that the above-mentioned provision of the Liquidity decree could be subject to a broader interpretation. Indeed, this provision could refer to, in a broader sense, all the Technical provisions, which also include the Equalisation provision. As a result, an in-depth analysis was carried out, first to define, together with the MEF, the interpretation of the provision of the Liquidity decree and, subsequently, to identify, again with the MEF, where necessary, the criteria to calculate the portion of assets to be transferred, if any, including against the Equalisation provision, also taking into account the fact that this provision cannot be analytically attributed to the individual commitments transferred, as its aim is to cover the overall technical balance retained. At 31 December 2021 and still at the approval date of the financial statements by the Board of Directors, the in-depth analysis of both



the interpretation of the above provision of the Liquidity decree and the possible subsequent quantification of the assets to be transferred are still in progress. The possible transfer of the assets against the above reserve, even based on the broadest interpretation, would not affect SACE's financial statements since this higher amount would be included in the reserves transferred to the reinsurer, under assets, with a liability with the MEF as a balancing entry, confirming the solidity of SACE's equity and liquidity ratios.

The new business introduced in 2020 (Garanzia Italia scheme, article 35 Trade receivables, green guarantees) is recognised separately as required by applicable legislation. The full mitigation of risks for SACE was implemented through the setting up of MEF hedging funds. At 31 December 2021, SACE's financial position and financial performance include the reimbursement of the acquisition costs incurred during the year, mainly relating to expense for the personnel involved in the new business, and recognised in other technical income. The commissions relating to the products introduced by SACE's new business (Garanzia Italia scheme, article 35 Trade Receivables, green guarantees) are credited to the MEF by recognising a corresponding liability in SACE's financial statements, net of the reimbursement of the acquisition costs incurred.

Cash and cash equivalents include the cash held in the current account in the name of SACE relating to the Fund established pursuant to article 1.14 of the Liquidity decree, to cover the State's commitments in connection with the granting of guarantees related to SACE's new business, recognised with a balancing entry under sundry liabilities.

## Part A - valuation criteria and basis of presentation

The financial statements have been prepared in accordance with statutory requirements and specific criteria applicable to the insurance sector, interpreted on the basis of the Italian reporting standards. These accounting policies and measurement criteria are also based on the general principles of prudence, the accruals-basis of accounting and the assumption of going concern in order to give a true and fair view of the financial position and financial performance of SACE S.p.A..

### Section 1 - Measurement criteria

The measurement criteria used to prepare the financial statements are set out below. They comply with the regulatory provisions referred to in Legislative decree no. 139/2015 and the reporting standards issued by the OIC, as well as the requirements established by IVASS (the Italian insurance supervisory authority).

#### Intangible assets

These items are stated at purchase cost increased by any additional charges. Impairment losses are tested on an annual basis taking into account conditions of use. Intangible assets are amortised over their estimated useful life. Amortisation, charged from the moment the assets become available for use, is stated as decreasing the original value of the asset.

#### Land and buildings

Buildings are recognised at purchase cost increased by accessory charges, upkeep expenses and revaluations made in accordance with specific laws and decreased, where applicable, by impairment losses based on independent appraisals. Land and buildings are considered long-term assets as they are a permanent part of the assets of the company. The carrying amount of buildings is separated from that of the land on which they stand in accordance with OIC 16. The land on which the building stands is not depreciated, since its life is indefinite. Buildings are depreciated at a rate of 3%, considered representative of the useful life of the asset.

#### Equity investments

Equity investments are initially recognised at cost, increased by additional charges. As such investments are intended to be held for the longer term, they are considered financial fixed assets.



Investments in subsidiaries and associates are measured using the equity method, in accordance with article 2426.4 of the Italian Civil Code, with the corresponding portion of shareholders' equity calculated based on the companies' most recently approved financial statements.

## Investments

SACE's investments are divided into two categories: "held to maturity" and "held for trading". Securities held to maturity are recognised at purchase cost, adjusted by the year's portion of the positive or negative trading differences and, where applicable, written down in the case of impairment. Interest and coupons matured on securities in the portfolio are recognised on an accruals basis and recognised under accrued income.

Trading securities are recognised at the lower of weighted average cost and realisable value at market prices. The original carrying amount is restored, entirely or in part, when the reasons for the write-downs no longer apply. Any transfers of securities from one category to the other are effected only in exceptional and extraordinary cases and on the basis of the value of the security on that date, defined according to the criteria for the category of origin. Following transfer, the securities are recognised according to the criteria of the new category.

## Receivables

These items are recognised at their estimated realisable value taking into account probable future losses for non-collection. Losses on receivables are recognised where supported by objective documentary evidence. Compensatory and arrears interest on receivables is recorded for the amount accrued each year. Any exceptions to the measurement criteria in the case of exceptional events are described in detail in the notes in accordance with article 2423-bis.2 of the Italian Civil Code.

## Receivable for premiums for the year

Premiums receivable for the year are stated according to the date of maturity as specified in the policy, i.e. the date the contract is signed and, where applicable, the starting date of the risk. If future losses due to non-collection are probable, premiums receivable are written down to their estimated realisable value.

## Reinsurers' share of technical provisions

These are determined according to contractual reinsurance agreements, on the basis of the gross amounts of technical provisions.

## Tangible fixed assets and inventory

These items are recognised at purchase cost, increased by any directly attributable additional charges; they are written down in the case of impairment losses and depreciation is calculated on a straight-line basis over their estimated useful life. Depreciation is charged from the time the assets become available for use.

## Technical provisions

Technical provisions are determined pursuant to article 31 of Legislative decree no. 173/97 and in accordance with the general principle that technical provisions must at all times be sufficient to cover any reasonably foreseeable liabilities arising out of insurance contracts. The amount of the provision for risks assumed in reinsurance is calculated on the basis of information provided by the ceding insurer. Technical provisions ceded to reinsurers are calculated by applying the reinsurance rates provided for under the relative reinsurance contracts to the gross amounts of technical provisions for direct business.

### a) Provision for unearned premiums

The provision for premium instalments is determined according to the pro-rata temporis method,



applied analytically to each policy on the basis of gross premiums. The provision for unearned premiums has also been aligned with the expected rate of claims not covered by the provision for premium instalments referring to insurance contracts signed by the reporting date (provision for unexpired risks). Overall, the provision for unearned premiums is deemed adequate to cover risks that may arise after the end of the year.

#### b) Provision for outstanding claims

The provision for outstanding claims is determined according to a prudent estimate of loss on the basis of an objective analysis of each claim. The amount of the provision is calculated on an ultimate cost basis. The calculation also takes into account all the expected costs, including settlement costs, in order to avoid or limit the damage caused by the claim. In particular, for credit business, this includes the related salvage costs. For the credit and surety business, amounts that are certain to be collected, on the basis of objective factors supported by documentary evidence, are deducted from the provision. Furthermore, for credit business, the provision is always formed (regardless of any valuation) on the date of notification of claim by the policyholder and, in any case, on occurrence of any facts/actions according to which such events can be reasonably foreseen. As regards positions that are the subject of litigation, the characteristics of each single dispute and the state of inquiries are taken into consideration. In evaluating disputes and estimating amounts to be set aside, the interest and legal costs that SACE may have to pay are also taken into account. The reinsurers' share of the provision for outstanding claims is determined by adopting the same criteria used for direct insurance and the treaties in force at the time. The inward reinsurance provision for outstanding claims, posted on the basis of the exchange of information with the ceding insurers, is currently deemed to be adequate.

#### c) Equalisation provision

The equalisation provision includes amounts set aside, in accordance with the provisions of law, to offset fluctuations in the rate of claims in future years or to cover specific risks. The provision is set aside in years in which the balance on the technical account is positive and is used in years in which the technical result of credit business is negative.

### Provision for pension funds and similar liabilities

The provision represents the entire liability accrued in respect of each employee's retirement pension.

### Provisions for risks and charges

Provisions for risks and charges are intended to cover losses or liabilities, the existence of which is certain or probable but the amount and/or date of occurrence of which could not be determined at the end of the year. The provisions reflect the best possible estimate on the basis of available information.

### Provision for taxes

The provision consists of sums set aside to cover any deferment of taxes.

Since SACE S.p.A. is included in the tax consolidation scheme of Cassa Depositi e Prestiti S.p.A., current tax receivables and payables have been recognised as amounts due from/to the parent.

### Provision for severance indemnities

The provision, net of advances paid, covers the company's liability towards its employees accrued at the end of the year. It is calculated for each individual employee on the basis of current legislation and employment contracts.

As a consequence of the reform of supplementary pension schemes, Law no. 296 of 27 December 2006:

- portions of severance pay accrued until 31 December 2006 continue to be held by the company;



- portions of severance pay payable as from 1 January 2007 must, at the employee's choice (expressed on the basis of explicit or tacit approval procedures) be either:
  - paid into supplementary pension schemes;
  - held by the company, which must transfer the portions of severance indemnities to the INPS Treasury Fund.

## Accounts payable

These items are recognised at face value.

## Accruals and deferred income

Accruals and deferred income are recognized to reflect timing differences in the respective expense and revenue items.

## Off-balance-sheet transactions and derivatives

Transactions on derivatives, entered into for hedging purposes and efficient portfolio management, are recognised by taking unrealised gains and losses to profit or loss. The contract value is determined by referring to the respective market data and to the values and commitments connected to them. Derivative transactions carried out for micro fair value hedging purposes are measured considering the fair value changes of the hedged instrument related to the hedged risk component.

## Gross premiums written

Gross premiums written are recognised according to the date of maturity. They are measured net only of technical cancellations.

## Costs of personnel and general administrative expenses

As applicable legislation requires that these costs be classified according to both “type” and “destination”:

- 1) personnel costs are allocated according to an analytical calculation based on the percentage weight of the costs for each resource within the specific structure;
- 2) general administrative expenses incurred for a specific reason are attributed directly;
- 3) other general expenses that are not specifically attributable are allocated on the basis of the percentages calculated using the method used to distribute personnel costs.

## Items in foreign currency

Accounts payable and receivable are measured at the spot closing rate, while costs and revenues in foreign currency are recognised at the exchange rate prevailing at the time of the transaction. Exchange rate differences arising from such adjustments are recognised under “Other income” and “Other charges”. Unrealised gains and losses are recognised in the profit and loss account. With the approval of the financial statements and allocation of the net profit for the year, and once the legal reserve has been set aside, the positive net balance (net profit) is posted to a specific equity reserve. This amount cannot be distributed until the asset or liability that generated it has been realised.

## Criteria for determining the allocated investment return transferred from the non-technical account

The allocated investment return transferred from the non-technical account is determined according to the provisions of article 55 of Legislative decree no. 173/97 and ISVAP regulation no. 22/2008, applying the ratio between the half-sum of technical provisions and the half-sum of technical provisions and the opening and closing shareholders' equity to the net income of investments.



## Extraordinary income and charges

This item includes only the results of events that have far-reaching effects on corporate structure, disposals of long-term investments and non-operating income and expenses.

## Income taxes

Income taxes are determined as the best estimate of the taxable income, calculated in accordance with the requirements of current legislation. The reporting standards applicable to deferred tax assets and liabilities have also been taken into account. Therefore, deferred tax assets and the tax benefit on losses carried forward are recognised when there is reasonable certainty of future recovery, and deferred tax liabilities are not recognised if there is little likelihood of the related charge occurring.

## Exchange rates

The main currencies were translated into euros using the following exchange rates:

	31/12/2021	31/12/2020	31/12/2019
US dollar	1.1326	1.2271	1.1234
GB pound	0.8403	0.89903	0.85080
Swiss franc	1.0331	1.0802	1.0854

## Use of estimates

In preparing these financial statements, the directors are required to make estimates and evaluations which affect the carrying amounts of assets, liabilities, costs and revenues. With respect to the 2021 financial statements, we believe that the assumptions made are appropriate and, as a consequence, that the financial statements have been prepared clearly and give a true and fair view of the company's financial position and financial performance. In order to make reliable estimates and assumptions, the directors referred to historical experience and to other factors considered reasonable for the case under consideration, based on all available information. However, it cannot be excluded that changes in these estimates and assumptions may have an impact on the financial position and the contingent liabilities recognised for information purposes, should different assessment factors, compared to those expressed at the time, intervene, including in light of the current context characterised by the ongoing public health emergency. Specifically, the greater use of subjective assessments by the company management was necessary in the following cases: determining the technical provisions; determining the fair value of financial assets and liabilities when this could not be directly observed on active markets; determining the recoverable amount of recognised assets, estimating the recoverability of deferred tax assets and quantifying the provisions for risks and charges.

## Functional currency

All amounts in the financial statements are expressed in euros. All amounts in the notes are expressed in thousands of euros.



## Part B – Information on the balance sheet and income statement

### BALANCE SHEET

(in € thousands)	31/12/2021	31/12/2020
Intangible assets	2,321	2,479
Investments	4,181,019	5,829,986
Reinsurers' share of technical provisions	3,587,558	3,327,426
Receivables	807,147	879,609
Other assets	37,213,603	34,268,901
Prepayments and accrued income	21,601	25,160
<b>Balance Sheet - Assets</b>	<b>45,813,249</b>	<b>44,333,562</b>
Shareholders' equity:		
- Subscribed capital or equivalent fund	3,730,324	3,730,324
- Share premium reserve	43,305	43,305
- Revaluation reserves		
- Legal reserve	285,088	281,102
- Other reserves	422,811	408,758
- Net profit (Loss) brought forward	293,323	232,180
- Net profit (Loss) for the year	105,596	79,722
Linked liabilities	500,000	500,000
Technical provisions	5,234,429	4,975,343
Provisions for other risks and charges	72,902	90,681
Creditors and other liabilities	35,107,954	33,973,727
Accrued and deferred income	17,517	18,420
<b>Balance sheet - Liabilities</b>	<b>45,813,249</b>	<b>44,333,562</b>

### INCOME STATEMENT

(in € thousands)	31/12/2021	31/12/2020
<b>Non-life business technical account</b>		
Gross premiums	438,987	736,911
Change in the provision for unearned premiums and outward reinsurance premiums	(280,933)	(631,032)
Net premium income	158,054	105,879
Change in other technical provisions		(26,123)
Allocated investment return transferred from the non-technical account	32,833	7,043
Change in the equalisation provision	(13,674)	(36,253)
Other technical income and charges	40,014	5,913
Claims incurred, net of recoveries	(89,228)	12,938
Premium refunds and profit sharing	(2,717)	(587)
Operating expenses	(53,847)	(49,683)
<b>Balance on the non-life business technical account</b>	<b>71,434</b>	<b>19,127</b>
<b>Non-technical account</b>		
Non-life investment income	265,626	129,896
Investment management and financial charges for non-life business	(126,608)	(106,544)
Allocated investment return transferred to the non-life technical account	(32,833)	(7,043)
Other income	49,049	124,405
Other expense	(89,107)	(49,747)
<b>Balance on the non-technical account</b>	<b>66,127</b>	<b>90,968</b>
<b>Income from extraordinary operations</b>	<b>893</b>	<b>247</b>
Income tax	(32,858)	(30,620)
<b>Profit for the year</b>	<b>105,596</b>	<b>79,722</b>



# Balance Sheet - Assets

## Section 1 - Item B - Intangible assets

### 1.1 – Changes in the year

Details of changes in intangible assets are shown in Annex 4.

### 1.4 – Breakdown of other multi-year costs (Item B.5)

The breakdown is as follows:

**Table 1 (in € thousands)**

Description	31/12/2021	31/12/2020
Property rights	329	366
Brands and licences	30	36
Software	1,962	2,076
<b>Total other multi-year costs (Item B.5)</b>	<b>2,321</b>	<b>2,478</b>

Software costs (Euro 1,962 thousand) mainly refer to costs for implementing the digital platform system for the SME product offering.

## Section 2 - Item C - Investments (Annexes 4, 5, 6, 7, 8, 9, 10)

### 2.1 - Land and buildings - Item C.I

This item (Euro 59,520 thousand) represents:

- a) the carrying amount of the building owned by the company (Euro 9,720 thousand), located in Piazza Poli 37/42, Rome, used in part for business purposes and in part leased to the subsidiaries;
- b) the carrying amount of the land on which the building stands (Euro 49,800 thousand).

*2.1.1 - Changes during the year in land and buildings are shown in Annex n.4.*

### 2.2 - Investments in group companies and other shareholdings - Item C.II

Total investments amount to Euro 704,529 (31 December 2020: Euro 758,806 thousand).

#### 2.2.1 Shares and interests (Item C.II.1)

The item includes:

- the investment in the subsidiary SACE BT S.p.A., set up on 27 May 2004, the share capital of which, amounting to Euro 56,539 thousand, is fully subscribed by SACE S.p.A.;
- the investment in SACE Fct S.p.A., set up on 24 March 2009, the share capital of which, amounting to Euro 50,000 thousand, is fully subscribed by SACE S.p.A.;
- the investment in SACE Do Brasil, set up on 14 May 2012 and wholly owned. Its carrying amount is Euro 383 thousand;
- the investment in ATI (African Trade Insurance Agency) comprised of 100 shares worth USD 12,801 thousand;
- the 76.005% investment in Simest S.p.A., equal to Euro 228,406 thousand.

Investments are measured using the equity method. The application of this criterion resulted in a total write-up of Euro 3,522 thousand, recognised under "Income from equity investments", related to SACE Fct (Euro 2,005 thousand), SACE BT (Euro 291 thousand) and ATI (Euro 1,226



thousand) and a total write-down of Euro 3,767 thousand, included under "Financial charges" and related to Simest (Euro 3,510 thousand) and SACE do Brasil (Euro 257 thousand).

Further details are provided in Annexes 6 and 7.

2.2.1.a) The changes in shares and quotas are shown in Annex 5.

2.2.1.b) Information on investees is shown in Annex 6.

2.2.1.c) The breakdown of changes is shown in Annex 7.

### 2.2.2 Debt securities by group companies (Item C.II.2).

This item refers to debt securities issued by the parent Cassa Depositi e Prestiti S.p.A. for Euro 299,999 thousand.

Changes in this item are shown in Annex 5.

### 2.2.3 Loans to group companies (Item C.II.3)

Changes in this item are shown in Annex 5.

## 2.3 - Other financial investments - Item C.III

### 2.3.1 – Breakdown of financial investments according to use.

The breakdown of investments according to whether they are long-term or short-term, their carrying amount and present value are shown in Annex 8. There were no transfers from one category to another during the year. Investments and assignment of these to the related class according to use comply with the financial management guidelines approved by the Board of Directors.

Total		
List of government bonds and securities with issuer	31/12/2021	31/12/2020
Government securities issued by Austria	40,761	40,131
Government securities issued by Greece	15,283	14,396
Government securities issued by Italy	2,302,869	3,310,492
Other listed securities	138,809	173,358
<b>Total</b>	<b>2,497,722</b>	<b>3,538,377</b>

Other listed securities mainly refer to bonds issued by bank and supranational issuers.

Securities are deposited with banks. Information about the market value of securities is provided in Annex 8.

With reference to "Debt securities and other fixed-income securities" recognised under item C.III, trading differences and amortised cost taken to the profit and loss account may be analysed as follows:

Table 3 (in € thousands)

Description	Positive	Negative
Differences	2,204	0
Amortised cost	35,303	710

### 2.3.2 – Changes in the year in long-term assets included under the items indicated in point 2.3.1.

See Annex 9.



### 2.3.3 – Changes in loans – Item C.III.4 and deposits with credit institutions – Item C.III.6.

See Annex 10.

### 2.3.4 – Breakdown of significant loans secured by mortgage – Item C.III.4.a.

Loans include mortgages granted to employees, which amounted to Euro 1,795 thousand at the beginning of the year. Instalments for Euro 447 thousand were collected during the year. The balance for Euro 1,348 thousand refers to the remaining amount receivable in relation to the loans granted.

### 2.3.5 – Breakdown of deposits with credit institutions by duration – Item C.III.6

**Table 4 (in € thousands)**

Duration	31/12/2021	31/12/2020
Within 6 months	781,000	1,299,090
<b>Total</b>	<b>781,000</b>	<b>1,299,090</b>

This item refers to non-recurring deposits in favour of the subsidiary SACE Fct.

### 2.3.6 – Breakdown of other financial investments according to type – Item C.III.7

**Table 5 (in € thousands)**

Description	31/12/2021	31/12/2020
Equity instruments	20,687	21,054
Other investments	29	29
<b>Total</b>	<b>20,716</b>	<b>21,083</b>

### 2.3.7 – Breakdown of UCITS by country – Item C.III.2

**Table 6 (in € thousands)**

Description	31/12/2021	31/12/2020
Italy	101,482	135,347
<b>Total</b>	<b>101,482</b>	<b>135,347</b>

This item refers to Fondo Sviluppo Export units.

## 2.4 - Deposits with ceding companies – Item C.IV

This item reflects the amount of guarantee deposits (Euro 39 thousand) with ceding companies regulated by current treaties. No write-downs were made on such deposits during the year.

## Section 4 - Item D bis - Reinsurers' share of technical provisions.

This item, equal to Euro 3,587,558 thousand, mainly refers to technical provisions arising from the reinsurance scheme with the MEF. It includes the amounts allocated to the MEF pursuant to the Liquidity decree, calculated in accordance with the criteria set out in the introduction section of these notes.

**Table 7 (in € thousands)**

Description	31/12/2021	31/12/2020
Provision for unearned premiums	3,093,623	3,066,006
Provision for outstanding claims	493,935	261,420
<b>Totale</b>	<b>3,587,558</b>	<b>3,327,426</b>



## Section 5 – Item E – Receivables

**Table 8 (in € thousands)**

Description	31/12/2021	31/12/2020
Receivables arising out of direct insurance business from policyholders (Item E.I)	139,727	80,724
Policyholders and third parties for recoveries (Item E.IV)	280,308	348,201
Receivables arising out of reinsurance business (Item E.II)	51,305	138,138
Other debtors (Item E.III)	335,807	312,546
<b>Total</b>	<b>807,147</b>	<b>879,609</b>

The breakdown of this item is as follows:

### 5.1 - Receivables arising out of direct insurance business (E.I.1– E.I.4)

Item E.I.1: “Receivables arising out of direct insurance business from policyholders” (Euro 139,727 thousand) comprises the premium amounts to be collected on policies issued at the reporting date. In addition, it includes Euro 11,211 thousand relating to receivables for the Garanzia Italia scheme commissions, Euro 69,501 thousand relating to Green Guarantees and Euro 2,613 thousand relating to receivables for coinsurance operations which, under the Liquidity decree, as of 1 January 2021, are assumed by SACE and the State, to extent of 10% and 90%, respectively, of principal of interest of each commitment.

Item E.I.4: “Policyholders and third parties for recoveries” (Euro 280,308 thousand) mainly consists of subrogation credits measured and recognised at their estimated realisable value, determined separately for each type of credit and counterparty. Of this amount, Euro 137,089 thousand relates to subrogation credits for sovereign risk and Euro 143,046 thousand to subrogation credits for commercial risk.

The change in receivables at 31 December 2021 compared to the previous year end is primarily due to the adjustment to their estimated realisable value (Euro 79,367 thousand), collections (Euro 25,206 thousand) and new claims to be recovered (Euro 25,388 thousand). Closing rate adjustments for receivables in currencies other than the euro were positive for Euro 7,931 thousand.

### 5.2- Receivables arising out of reinsurance business (Item E.II.1)

Item (E.II.1): “Receivables arising out of reinsurance business” amount to Euro 51,305 thousand and refer to receivables from reinsurers for commissions in connection with outward reinsurance contracts (Euro 21,141 thousand), of which Euro 19,841 thousand refers to the reinsurance agreement with the MEF and Euro 1,300 thousand to the treaty with reinsurers in the private market. This item also includes Euro 21,324 thousand relating to receivables for claims and reimbursements on premiums, of which Euro 20,501 thousand relating to the reinsurance agreement with the MEF and Euro 823 thousand to the treaty with reinsurers in the private market, Euro 8,187 thousand for reinsurance receivables and Euro 652 thousand for short-term trade receivables arising from the new business pursuant to article 35 of Decree law no. 34/2020 (the “Relaunch decree”).

### 5.3 – Breakdown of “Other debtors” (Item E.III)

**Table 9 (in € thousands)**

Description	31/12/2021	31/12/2020
Other debtors country	17,006	19,132
Compensatory interest on claims to be recovered	71,457	73,716
Receivables from tax authorities	5,493	9,306
Deferred tax assets	67,490	66,938
Sundry receivables	174,361	143,454
<b>Other debtors (Item E.III)</b>	<b>335,807</b>	<b>312,546</b>



“Other debtors country” (Euro 17,006 thousand) comprises receivables from policyholders in relation to their exposure. The aforesaid receivables are similar, as far as their related terms and conditions of repayment are concerned, to the receivables payable by foreign countries due directly to SACE. “Compensatory interest on claims to be recovered” (Euro 71,457 thousand) represents the total amount payable at the reporting date by foreign countries by way of interest under existing restructuring agreements.

“Receivables from tax authorities” (Euro 5,493 thousand) comprise Euro 4,697 thousand related to the prior year IRAP (regional tax on production activities) (Euro 8,245 thousand), net of the charge for 2021 (Euro 3,548 thousand), and Euro 795 thousand related to tax receivables for which reimbursement was claimed in previous years, increased by the interest accrued at 31 December 2021.

“Deferred “tax assets” (Euro 67,490 thousand), details of which can be found in table 30, refer to profit and loss account items that contribute to the calculation of the taxable income for years other than that in which they are recognised. This item is stated net of the reversal of the deferred tax assets accrued in previous years to the 2021 profit and loss account due to achievement of taxable income for IRES (corporate income tax) and IRAP purposes. The breakdown is shown in section 21.7 of these notes.

The increase in “Sundry receivables” compared to the previous year mainly refers to margin trading on asset swap transactions and repo agreements entered into with the parent Cassa Depositi e Prestiti S.p.A..

Receivables for amounts payable (sovereign and commercial risk) – breakdown by foreign currency

Below the detail, by currency, of the positions relating to receivables for amounts payable.

**Table 10 (in € thousands)**

Currency	31/12/2021	31/12/2020
USD	160,677	217,076
EURO	215,823	263,114
CHF	2,121	3,375
Other currencies	6	6

## Section 6 – item F - Other assets

### 6.1 – Changes in long-term assets included in category F.I.

**Table 11 (in € thousands)**

Description	2020	Increase	Decrease	2021
Furniture and machinery	1,424	748	578	1,594
Works of art	53	0	0	53
Machinery and Equipment	1	0	0	1
Inventory	11	0	6	5
<b>Total</b>	<b>1,489</b>	<b>748</b>	<b>584</b>	<b>1,653</b>

### Cash and cash equivalents

Deposits with credit institutions amounted to Euro 37,175,878 thousand, of which Euro 1,421 thousand in foreign currency. This item includes Euro 31 billion paid by the MEF on SACE's current account held with the Central Treasury (Bank of Italy) and related to the new business pursuant to the Liquidity decree, with a balancing entry under sundry liabilities. At 31 December 2021, cash on hand amounted to Euro 5 thousand.



6.4 – Sundry assets. The breakdown of the balance of this item is as follows:

**Table 12 (in € thousands)**

Description	31/12/2021	31/12/2020
Capital gains on foreign exchange forward transactions	6,052	75
Receivables from CDP for tax consolidation	654	28,892
Receivables from co-insurers for commissions	28,284	0
Sundry assets	1,075	838
<b>Total</b>	<b>36,065</b>	<b>29,805</b>

## Section 7 -Prepayments and accrued income - Item G

**Table 13 (in € thousands)**

Description	31/12/2021	31/12/2020
Accrued income for interest on government securities and bonds	13,346	21,617
Accrued income for interest on other financial investments	6,580	2,096
<b>Total accrued income for interest</b>	<b>19,926</b>	<b>23,713</b>
Other prepayments	1,675	1,446
<b>Total prepayments</b>	<b>21,601</b>	<b>25,159</b>

Interest on other financial investments (Euro 6,580 thousand) reflects interest on repo agreements and interest on the non-recurring deposit in favour of SACE Fct. "Other prepayments" amount to Euro 1,675 thousand and relate to portions of general expenses to be allocated to subsequent years.

7.3 – Indication of multi-year prepayments and accrued income and separate indication of those with a duration of more than five years.

Multi-year prepayments include Euro 124 thousand in connection with costs for service contracts and leases. Prepayments with a duration of more than 5 years amount to Euro 184 thousand and refer to leases.



# Balance Sheet Liabilities and Shareholders' Equity

## Section 8 - Shareholders' Equity - Item A

Details of changes in these items are shown in the table below:

Table 14 (in € thousands)

Description	Share capital	Retained earnings	Legal reserve	Other reserves	Share premium reserve	Profit for the year	Total
<b>Balances at 1 January 2020</b>	<b>3,730,324</b>	<b>172,441</b>	<b>274,023</b>	<b>401,498</b>	<b>43,305</b>	<b>141,582</b>	<b>4,763,173</b>
<b>Allocation of 2019 net profit:</b>							
- Distribution of dividends						-70,000	-70,000
- Other allocations		59,739	7,079	4,764		-71,582	
Increase in share capital							
Other changes				2,495			2,495
<b>Profit for 2020</b>						<b>79,722</b>	<b>79,722</b>
<b>Balances at 31.12.2020</b>	<b>3,730,324</b>	<b>232,180</b>	<b>281,102</b>	<b>408,758</b>	<b>43,305</b>	<b>79,722</b>	<b>4,775,390</b>
<b>Allocation of 2020 net profit:</b>							
- Distribution of dividends							
- Other allocations		61,143	3,986	14,593		-79,722	
Increase in share capital							
Other changes				-540			-540
<b>Profit at 31 December 2021</b>						<b>105,596</b>	<b>105,596</b>
<b>Balances at 31.12.2021</b>	<b>3,730,324</b>	<b>293,323</b>	<b>285,088</b>	<b>422,811</b>	<b>43,305</b>	<b>105,596</b>	<b>4,880,446</b>

The following table shows the individual items on the basis of their availability and possibility of distribution, in accordance with article 2427.7-bis of the Italian Civil Code.

Table 15 (in €)

Description	Amount	Possibility of utilisation	Available portion	Summary of utilisation in the previous 3 years
<b>Capital at 31 December 2021</b>	<b>3,730,323,610</b>			
<b>Equity-related reserves:</b>				
Revaluation reserves		A, B, C		
Share premium reserve	43,304,602	A, B, C when the legal reserve reaches 1/5 of share capital		
<b>Income-related reserves:</b>				
Legal reserve	285,088,282	B		
Other reserves	110,698,619	A, B	110,698,619	
Other reserves	312,112,831	A, B, C	312,112,831	
Retained earnings	293,322,571	A, B, C	293,322,571	
<b>Total</b>			<b>716,134,021</b>	
not distributable (1)			110,698,619	
distributable			605,435,403	

Key: A: for capital increase; B: to cover losses; C: for distribution to shareholders

(1) the non-distributable portion includes Euro 21,501 thousand related to the residual portion of the reserve for exchange rate gains, Euro 1,415 thousand related to the portion of the reserve for the revaluation of receivables, Euro 88,709 thousand for the revaluation of investments resulting from the application of the equity method and Euro -927 related to the measurement of cash flow hedges.



The share capital consists of 1,053,428 shares for a total nominal amount of Euro 3,730,323,610 thousand, held by Cassa Depositi e Prestiti. The nominal amount of each share is Euro 3,541.13.

## Section 9 – Linked liabilities

On 30 January 2015, SACE successfully placed an issue of perpetual subordinated bonds for a total of Euro 500 million. The bonds, aimed at institutional investors, pay an annual coupon of 3.875% for the first ten years and indexed to the ten-year swap rate plus 318.6 basis points for subsequent years. The bonds can be recalled by the issuer after 10 years and following each coupon payment date. They are listed on the Luxembourg Stock Exchange.

## Section 10 – Technical provisions - Item C.I. (Annex 13)

10.1 – Changes in the non-life unearned premiums provision – Item C.I.1 – and claims outstanding provision – Item C.I.2. (Annex 13)

Table 16 (in € thousands)

Description	31/12/2021	31/12/2020
<b>Provision for unearned premiums</b>		
Provision for premium instalments	2,833,096	2,687,828
Provision for unexpired risks	929,311	1,041,182
<b>Total</b>	<b>3,762,407</b>	<b>3,729,010</b>
<b>Provision for claims outstanding</b>		
Provision for claims paid and direct expenses	699,139	488,622
Provision for settlement costs	12,517	8,447
Provision for late claims	6,488	9,059
<b>Total</b>	<b>718,144</b>	<b>506,128</b>

The provision for unearned premiums and the provision for claims outstanding refer to exposures in foreign currency for Euro 1,197,435 thousand and Euro 301,966 thousand, respectively. The provision for unearned premiums increased to reflect the higher risk of the portfolio and the trend in premiums for the year. The provision for claims outstanding rose due to the increase in the rate of claims for the year. It is deemed adequate to cover the potential cost of fully or partially unpaid claims as at the end of the year.

The balances for direct business and inward reinsurance are shown in the table below:

Table 17 (in € thousands)

Description	DB 31/12/2021	IB 31/12/2021	DB 31/12/2020	IB 31/12/2020
<b>Provision for unearned premiums</b>				
Provision for premium instalments	2,645,600	187,496	2,504,487	183,341
Provision for unexpired risks	929,311		1,041,182	
<b>Total</b>	<b>3,574,911</b>	<b>187,496</b>	<b>3,545,669</b>	<b>183,341</b>
<b>Provision for claims outstanding</b>				
Provision for claims paid and direct expenses	567,966	131,173	417,627	70,995
Provision for settlement costs	12,517		8,447	
Provision for late claims	6,488		9,059	
<b>Total</b>	<b>586,971</b>	<b>131,173</b>	<b>435,133</b>	<b>70,995</b>

The Provision for unexpired risks, calculated using the CreditMetrics method (which calculates the expected loss of the entire portfolio until it is run off), relates to business trends and covers the portion of risk that falls in periods after the end of the year. As established by ISVAP Regulation no. 16, SACE opted to calculate the provision empirically rather than analytically. In detail, starting from the estimated expected loss of the entire portfolio, the main components taken into



consideration in order to determine the provision for unexpired risks include:

- observed and expected trends in the portfolio of outstanding guarantees with specific focus on the risk profile, concentration by counterparty and industrial sector;
- the total exposure in foreign currency and observed and expected trends in exchange rates;
- the duration of the portfolio run-off and observed trends.

The assets guarantee coverage of the technical provisions at the reporting date.

The provision for outstanding claims includes the total of the sums which, according to a prudent evaluation based on objective elements, are necessary to settle claims (i) incurred in the year or in previous years regardless of when they were reported, and not yet settled (ii) the related settlement expenses, regardless of their origin and (iii) the provision for claims incurred but not yet reported on the valuation date. As envisaged by Regulation no. 16 for the credit business, SACE opted to deduct the estimate of amounts to be recovered from the amounts taken to provisions, based on previous trends in post-settlement recoveries.

The provision for claims incurred but not reported includes the total of the sums which, according to a prudent estimate, are necessary to settle claims incurred in the current year or in previous years, but which had not been reported at the valuation date and the related settlement expenses. To obtain an estimate of the IBNR claims provision, the number of IBNR claims (according to past records of claims reported late for each quarter) and the average cost of such claims (based on the average cost of claims reported late and the average cost of claims reported during the year) were estimated separately. In line with the method used to calculate the provision for claims reported, an average portfolio RR and an average portfolio underwriting rate were applied to the IBNR claims provision thus obtained as the product of the number of IBNR claims and the average cost. No particularly large or exceptional late claims were reported, taking into account the type of risks in this business line.

### 10.3 - Equalisation provision

The equalisation provision, of Euro 753,878 thousand, increased with respect to the previous year by Euro 13,674 thousand. The provision is calculated in accordance with the provisions of article 37 of Legislative decree no. 209/2005 (and article 80 of Legislative decree no. 173/1997).

## Section 12 - Provisions for risks and charges - Item E

Changes in this item are shown in Annex 15.

Provisions for risks and charges amount to Euro 72,902 thousand. This amount comprises Euro 36,754 thousand for deferred tax liabilities and Euro 36,148 thousand for "Other provisions", the main components of which are listed below:

- Euro 16,821 thousand related to ongoing disputes at the reporting date;
- Euro 5,773 thousand for agreements currently being defined with policyholders;
- Euro 97 thousand accrued for amounts to be assigned to policyholders by way of shares due;
- Euro 888 thousand for estimated potential liabilities with policyholders, due to the non-maturity of said amounts;
- Euro 5,727 thousand attributable to the "Intersectoral solidarity fund to provide income support and to support employment and professional retraining of employees of insurance and service companies" established by INPS, pursuant to Ministerial decree no. 78459 of 17 January 2014.



## Section 13 - Creditors and other liabilities - Item G

Creditors arising out of direct insurance business (Item G.I).

Table 18 (in € thousands)

Description	31/12/2021	31/12/2020
Advances for premiums	8	21
Accounts payable to policyholders for premium refunds	137	432
Front-end expenses	5	1
Other payables arising out of direct insurance business	29,958	29,052
<b>Premium deposits and premiums due to policyholders - Item G.I.3.</b>	<b>30,108</b>	<b>29,506</b>

"Other payables arising out of direct insurance business", for Euro 29,958 thousand, mainly include payables for amounts due to policyholders for deductibles on amounts recovered. The change on the previous year end is mainly due to the adjustment of foreign currency exposures.

Table 19 (in € thousands)

Description	31/12/2021	31/12/2020
Accounts payable arising out of inward reinsurance business	987	33,527
Accounts payable arising out of outward reinsurance	820,493	1,641,126
<b>Creditors arising out of reinsurance operations - Item G.II.1.</b>	<b>821,480</b>	<b>1,674,653</b>

"Accounts payable arising out of inward reinsurance business" amount to Euro 987 thousand and include Euro 789 thousand related to commissions and claims on inward reinsurance business for short-term trade receivables relating to the new business pursuant to article 35 of Decree law no. 34/2020 (the "Relaunch decree").

"Accounts payable arising out of inward reinsurance business" amount to Euro 820,493 thousand and relate to premiums ceded (Euro 159,899 thousand), claims (Euro 35,123 thousand) and the amount due to the MEF (Euro 625,213 thousand) for the technical provisions transferred as part of the Liquidity decree as described in the introduction section of these notes.

### 13.2 - Amounts owed to banks and credit institutions (Item G.IV)

This item, of Euro 103,113 thousand (Euro 98,624 thousand at 31 December 2020), refers to asset swap transactions entered into with the parent Cassa Depositi e Prestiti.

### 13.4 – Miscellaneous loans and other financial liabilities (Item G.VI)

This item, of Euro 2,431,475 thousand (Euro 998,794 thousand at 31 December 2020), refers to repo agreements entered into with banks.

### 13.5 - Provision for severance indemnities (Item G.VII)

Changes in this item, shown in Annex 15, include the accrual for the year, net of payments to the pension funds pursuant to the reform of supplementary pension schemes.

Other creditors – item G.VIII

Table 20 (in € thousands)

Description	31/12/2021	31/12/2020
Other tax liabilities	1,734	1,518
Social security	1,741	1,653
Miscellaneous Creditors	43,026	22,903
<b>Total</b>	<b>46,501</b>	<b>26,074</b>



### 13.6 – Breakdown of miscellaneous creditors – Item G.VIII.4

This item (for a total of Euro 43,026 thousand) mainly comprises amounts due to suppliers for Euro 13,125 thousand against general administrative costs for the year, amounts due to employees (Euro 10,935 thousand) and derivative margins (Euro 18,454 thousand).

### 13.7 – Deferred reinsurance items – Item G.IX.1

The figures from ceding companies on provisional technical income for 2021 was carried forward to the technical account for the following year as deferred reinsurance items.

### 13.8 – Miscellaneous liabilities – Item G.IX.3

This item, which totals Euro 31,670,841 thousand, comprises the balancing entry of the deposit made by the MEF on the current account held by SACE with the central treasury (Euro 31 billion, recognised under the balance sheet asset item “Other assets”), the payable, net of the acquisition costs incurred, for the commissions on the transactions related to the Garanzia Italia scheme paid at 31 December 2021 (Euro 224,816 thousand), on short-term trade receivables reinsurance (Euro 238,908 thousand), the Garanzia Green scheme (Euro 71,720 thousand) and coinsurance transactions (Euro 133,862 thousand), in addition to the losses on contracts used to hedge foreign currency assets (Euro 1,397 thousand).

## Section 14 – Accruals and deferred income - Item H

Table 21 (in € thousands)

Description	31/12/2021	31/12/2020
Accrued interest expense	17,199	17,205
Other prepayments and accrued income	318	1,215
<b>Accruals and deferred income</b>	<b>17,517</b>	<b>18,420</b>

### 14.1 – Breakdown of other prepayments and accrued income (Item H.3).

“Accrued interest expense”, of Euro 17,199 thousand, refers to the subordinated bond issue (see Section 9).

### 14.3 – Indication of multi-year accrued expenses and deferred income and separate indication of those with a duration of more than five years.

There is no deferred income with a duration of more than one year.

## Section 15 – Assets and liabilities relating to companies in which a significant interest is held

Details of assets and liabilities relating to group companies are given in Annex 16.

## Section 16 – Receivables and accounts payable

### 16.1 – Receivables and accounts payable are due as follows:

Of the receivables under asset items C and E, Euro 1,992,894 thousand are due after one year and Euro 980,827 thousand after five years. The accounts payable under liability items F and G (Euro 42,531 thousand) are due within five years.

## Section 17 – Guarantees, commitments and other memorandum accounts – Items I, II, III and IV



Details of the memorandum accounts are shown in Annex 17.

#### 17.1 – Breakdown of commitments

Commitments total Euro 1,873,315 thousand and relate to forward contracts for Euro 759,315 thousand and to asset swap transactions and IRS for Euro 1,114,000 thousand. The contracts traded were entered into with leading credit institutions with high ratings.

The effect of exchange rate transactions on foreign currency items that expired in the year produced a positive amount of Euro 42,578 thousand, and that of valuations of foreign currency items and existing derivatives at closing rates resulted in a negative amount of Euro 39,381 thousand.

These components are analysed in detail in section 22 of these notes to which reference should be made.

17.1 The breakdown of guarantees given and received and of commitments is shown in Annex 17.

17.4 Breakdown of securities deposited with third parties according to the entity with which they are deposited and indication of those related to group companies.

Securities, including those related to group companies, are deposited with banks, for Euro 2,833,072 thousand and asset management companies, for Euro 101,482 thousand.

17.6 The schedule of commitments for transactions on derivatives is shown in Annex 18.

## Profit and loss account

### Section 18 - Information on the non-life technical account

#### 18.1 - Gross premiums written

Gross premiums written amount to Euro 438,987 thousand, of which Euro 1,206 thousand related to prior years (31 December 2020: Euro 736,911 thousand).

In accordance with applicable legislation (article 11.5 of Law no. 80/2005), the provision of internationalisation guarantees generated gross premiums for Euro 561 thousand and claims for Euro 2,491 thousand. Premiums ceded at 31 December 2021 amount to Euro 325,040 thousand (2020: Euro 341,350 thousand), of which Euro 289,465 thousand refer to the reinsurance agreement with the MEF.

18.2 – The breakdown of premiums for direct business, inward reinsurance, Italian portfolio and foreign portfolio is provided in Annex 19.

18.3 – Details of reasons for transferring the allocated investment return from the non-technical account and description of the calculation criteria used - Item I.2

Pursuant to article 55 of Legislative decree no. 173/97 and in view of the positive balance of financial revenue, the amount to be transferred to the technical account is equal to Euro 32,833 thousand.

#### 18.4 – Other technical income net of reinsurance – item I.3

This item, amounting to Euro 44,814 thousand, mainly relates to technical income from the management of insurance contracts (Euro 3,031 thousand), front-end expenses for the year



(Euro 218 thousand), commissions on coinsurance premiums (Euro 31,920 thousand) and the reimbursement of the acquisition costs on the transactions carried out under the Garanzia Italia scheme (Euro 6,557 thousand), on the reinsurance of short-term trade receivables (Euro 947 thousand) and on the Garanzia Green scheme (Euro 412 thousand).

#### 18.5 – Claims incurred net of recoveries and reinsurance

Table 22 (in € thousands)			DB	IB	Total	DB	IB	Total
Description	31/12/2021	31/12/2021	31/12/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Claims paid for the current year	-59,340	-108	-59,448	-131,793	-89	-131,883		
Claims paid relating to previous years	-48,306	-23,372	-71,678	-46,695		-46,695		
Costs of claims management	-4,885		-4,885	-4,155		-4,155		
Reinsurers' share	47,108		47,108	19,169		19,169		
Change in recoveries	-7,549	5,231	-2,318	50,946	973	51,920		
Reinsurers' share	-18,506		-18,506	-4,492		-4,492		
Change in the provision for claims outstanding	-151,838	-60,178	-212,016	1,254	-32,774	-31,520		
Reinsurers' share	232,515		232,515	160,594		160,594		
<b>Total net claims incurred</b>	<b>-10,801</b>	<b>-78,427</b>	<b>-89,228</b>	<b>44,828</b>	<b>-31,890</b>	<b>12,938</b>		

“Change in recoveries” (Euro 20,824 thousand) decreased and mainly refers to amounts recovered from foreign countries for Euro 38,576 thousand, principally from Iraq (Euro 19,517 thousand), India (Euro 3,424 thousand) and Egypt (Euro 4,926 thousand).

The reinsurers' share amounts to Euro 47,108 thousand, of which Euro 10,720 thousand refer to the reinsurance agreement with the MEF.

#### 18.7 – Premium refunds and profit sharing, net of reinsurance – Item I.6

Premium refunds, reflecting premium refunds net of reinsurance, amount to Euro 2,717 thousand (Euro 587 thousand in 2020).

#### Operating expenses - Item I.7

Details of this item are given in the table below:

Table 23 (in € thousands)		
Description	31/12/2021	31/12/2020
Collection commissions	115	12,370
Other acquisition costs	25,471	23,671
Other administrative expenses	61,963	62,135
Reinsurance commissions and profit sharing (I.7.f)	-33,702	-48,493
<b>Operating expenses</b>	<b>53,847</b>	<b>49,683</b>

“Other acquisition costs” comprise reinsurance commissions and general expenses made up of personnel costs (Euro 15,553 thousand) and other general administrative expenses (Euro 9,918 thousand). “Other administrative expenses” comprise general expenses made up of personnel costs (Euro 38,139 thousand), other general administrative expenses (Euro 23,255 thousand) and depreciation of capital goods (Euro 569 thousand). Personnel costs, a description thereof, the average number of employees during the year, the number of directors and statutory auditors and related fees are shown in Annex 32.

“Reinsurance commissions and profit-sharing” received from reinsurers (Euro 33,702 thousand), mainly comprise commissions in connection with the agreement signed with the MEF (Euro 27,323 thousand).



### 18.8 – Other technical charges net of reinsurance – Item I.8

This item, equal to Euro 4,800 thousand, refers mainly to technical cancellations of premiums due to termination of insurance contracts.

### 18.9 – Change in the equalisation provision – Item I.9

The change in the equalisation provision, equal to Euro 13,674 thousand, was determined in accordance with current legislation.

## Section 20 – Analysis of technical items by business and result of the non-technical account

A summary of the technical account by business is shown in Annex 25.

## Section 21 - Information on the non-technical account (III)

### 21.1 – Breakdown of investment income for the non-life business – Item III.3 (Annex 21)

A summary of investment income is given in the following table:

**Table 24 (in € thousands)**

Description	31/12/2021	31/12/2020
Income from investments in land and buildings	420	594
Income from other investments	171,272	84,046
Value re-adjustments on investments	9,573	4,454
Gains on the disposal of investments	84,361	40,802
<b>Total</b>	<b>265,626</b>	<b>129,896</b>

“Income from other investments” (Euro 171,272 thousand) mainly includes Euro 119,311 thousand for interest on government securities and bonds (of which Euro 19,112 thousand refers to the positive effect of the adjustment of foreign currency securities to closing rates), interest on repo transactions (Euro 11,733 thousand), income from mutual funds (Euro 3,662 thousand) and interest income on securities hedged by asset swap transactions (Euro 35,280 thousand). “Value re-adjustments on investments” (Euro 9,573 thousand) relate to the equity investments in SACE Fct, SACE BT and ATI (Euro 3,522 thousand) and forward transactions (Euro 6,051 thousand). “Gains on the disposal of investments” (Euro 84,361 thousand) comprise Euro 81,074 thousand related to forward transactions and Euro 3,287 thousand to gains on the sale of securities. The breakdown of each item is shown in Annex 21.

### 21.2 – Breakdown of investment management and financial charges for the non-life business – Item III.5 (Annex 23)

Investment management and financial charges are summarised in the following table:

**Table 25 (in € thousands)**

Description	31/12/2021	31/12/2020
Investment management charges and other charges	77,019	13,342
Value re-adjustments on investments	6,909	32,388
Losses on the disposal of investments	42,680	60,813
<b>Total</b>	<b>126,608</b>	<b>106,543</b>

“Investment management charges and other charges” (Euro 77,019 thousand) mainly comprise investment management fees (Euro 287 thousand), interest expense on securities hedged by asset swaps and IRS (Euro 73,119 thousand), charges for repo agreements (Euro 29 thousand), charges for the reimbursement of the non-current portfolio securities (Euro 32 thousand) and



property management charges (Euro 1,692 thousand). "Value adjustments on investments" (Euro 6,909 thousand) refer to forward contracts (Euro 1,397 thousand), the write-down of the investments in SIMEST and Sace do Brasil (Euro 3,767 thousand), the write-downs of current securities in accordance with the OIC (Euro 1,082 thousand) and the depreciation of the building (Euro 663 thousand). "Losses on the disposal of investments" (Euro 42,680 thousand) comprise Euro 41,298 thousand related to forward transactions and Euro 1,382 thousand pertaining to securities. The breakdown of each item is shown in Annex 23.

### 21.3 – Breakdown of other income – Item III.7

**Table 26 (in € thousands)**

Description	31/12/2021	31/12/2020
Compensatory interest on premiums	100	738
Compensatory interest on receivables	5,263	7,917
Interest earned and other income	674	1,848
Interest earned on tax credits	10	16
Gains on other receivables	3,660	2,667
Profits on exchange rates	3,470	1,740
Utilisation of provisions and non-existent liabilities	15,352	27,361
Valuation gains on exchange rates	16,432	78,273
Revenues from services to subsidiaries	4,088	3,845
<b>Total</b>	<b>49,049</b>	<b>124,405</b>

"Compensatory interest on receivables" (Euro 5,263 thousand) represents the interest accrued in the year on subrogation credit. "Profits on exchange rates" (Euro 3,470 thousand) refer to exchange rate gains on foreign currency transactions. "Capital gains on other receivables" (Euro 3,660 thousand) relate to amounts acquired due to policyholders (Euro 2,590 thousand) and the collection of compensatory interest (Euro 1,069 thousand). "Valuation gains on exchange rates" (Euro 16,432 thousand) include the result of the measurement of foreign currency items at closing rates (for further details, see section 22 of these notes).

### 21.4 – Breakdown of other charges - Item III.8

**Table 27 (in € thousands)**

Description	31/12/2021	31/12/2020
Amortisation and depreciation	1,446	1,334
Accruals to risk provisions	6,870	6,954
Realised exchange losses	810	1,622
Valuation exchange losses	60,000	20,106
Write-down of receivables - compensatory interest	207	58
Write-down of other receivables	310	16
Other interest expense and financial liabilities	19,464	19,657
<b>Total</b>	<b>89,107</b>	<b>49,747</b>

"Valuation exchange losses" (Euro 60,000 thousand) include the result of the measurement of foreign currency items at closing rates (for further details, see section 22 of these notes). "Other interest expense and financial liabilities" (Euro 19,464 thousand) relate to interest accrued on the bond issue (for Euro 19,369).

Personnel costs are shown in Annex 32.



## 21.5 – Breakdown of extraordinary income – Item III.10

Table 28 (in € thousands)

Description	31/12/2021	31/12/2020
Gains on disposal of movable assets		
Sundry non-operating income	1,789	759
<b>Total</b>	<b>1,789</b>	<b>759</b>

Sundry non-operating income mainly relates to adjustments to overheads not pertaining to the year.

## 21.6 – Breakdown of extraordinary charges – Item III.11

Table 29 (in € thousands)

Description	31/12/2021	31/12/2020
Losses on disposal of movable assets	8	9
Sundry non-operating expense	888	503
<b>Total</b>	<b>896</b>	<b>512</b>

Sundry non-operating expenses include prior year overheads.

## 21.7 – Breakdown of income taxes and deferred taxes – Item III.14

This item, totalling Euro 32,858 thousand, comprises the following:

- Euro 3,547 thousand for IRAP for the year;
- Euro 30,306 thousand for the charge calculated on the taxable income transferred to the parent as per the consolidated tax scheme;
- Euro 995 thousand for the recognition of deferred tax assets, determined as follows:
  - deferred tax assets of Euro 2,016 thousand, arising from the reversal of deferred IRES and IRAP accrued in previous years to profit or loss (Euro 13,975 thousand), net of the new deferred tax assets recognised (Euro 15,991 thousand);
  - deferred tax liabilities of Euro 1,021 thousand, arising from the reversal of deferred IRES accrued in previous years to profit or loss (Euro 2,744 thousand), net of the new deferred taxes recognised on temporary changes in the year (Euro 3,765 thousand), determined as illustrated in the table below.

The new deferred tax assets recognised in the year were calculated on the basis of the reasonable certainty of generating tax liable income in the future such as to enable their recovery. Further details are provided in the tables below.

Current taxes were calculated at the current rate of 24% for IRES and 6.82% for IRAP.



Details of advance and deferred taxes are given in the following tables.

Table 30 (in € thousands)

IRAP (regional tax on production)		Opening balance		Utilisation 2021		Change for the year		Closing balance	
Type of temporary differences		Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
<b>Recognised in the income statement</b>									
<i>Differences giving rise to deferred tax assets</i>									
Depreciation on revaluation of property		1,194	82					1,194	82
Write-down of receivables for premiums		226	16	-37	-4			189	12
<b>Total</b>		<b>1,420</b>	<b>98</b>	<b>-37</b>	<b>-4</b>			<b>1,383</b>	<b>94</b>
<b>IRES (corporate income tax)</b>		<b>Opening balance</b>		<b>Utilisation 2021</b>		<b>Change for the year</b>		<b>Closing balance</b>	
Type of temporary differences		Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes	Temporary differences	Taxes
<b>Recognised in the income statement</b>									
<i>Differences giving rise to deferred tax assets</i>									
Reserve fund		1,223	294	-1,223	-294				
Provision for claims outstanding		148,065	35,536	-26,655	-6,397			121,410	29,139
Write-down of receivables for premiums		226	54	-37	-9			189	45
Potential liabilities fund		51,531	12,367	-25,670	-6,161	6,870	1,649	32,731	7,855
Exchange rate valuation losses		75,308	18,074	-11,494	-2,758	58,731	14,096	122,545	29,412
Depreciation on revaluation of property		1,326	318					1,326	318
Valuation losses on listed shares		314	75			1,080	259	1,394	334
<b>Recognised in the Shareholders' equity</b>									
Asset swap		508	122	-508	-122	1,221	293	1,221	293
<b>Total</b>		<b>278,501</b>	<b>66,840</b>	<b>-65,587</b>	<b>-15,741</b>	<b>67,902</b>	<b>16,297</b>	<b>280,816</b>	<b>67,396</b>
<i>Differences giving rise to deferred tax liabilities</i>									
Exchange rate valuation gains		151,259	36,302	-13,803	-3,312	15,685	3,764	153,141	36,754
<b>Total</b>		<b>151,259</b>	<b>36,302</b>	<b>-13,803</b>	<b>-3,312</b>	<b>15,685</b>	<b>3,764</b>	<b>153,141</b>	<b>36,754</b>
<i>Differences excluded from the determination of deferred tax assets</i>									
Subrogation credit write-downs – pol. risk								81,528	
Subrogation credit write-downs – com. risk		11,439							
Write-downs of other receivables - technical business		16							
<b>Total deferred tax assets arising from temporary differences</b>			<b>66,938</b>		<b>-15,745</b>		<b>16,297</b>		<b>67,490</b>
<b>Total deferred tax liabilities arising from temporary differences</b>			<b>36,302</b>		<b>-3,312</b>		<b>3,764</b>		<b>36,754</b>



## Section 22 – Other information on the profit and loss account

Details concerning relations with group companies are provided in Annex 30. Information concerning the distribution of direct business premiums written by geographical region (Italy, EU, non-EU countries) is provided in Annex 31.

The breakdown of personnel costs for the Italian and foreign portfolios is shown in Annex 32.

The effect of exchange rate transactions on foreign currency positions that expired during the year generated a positive balance of Euro 42,578 thousand, while the effect of measuring the existing contracts and foreign currency entries at closing rates generated a negative balance of Euro 39,381 thousand, as shown in the table below.

Table 31 (in € thousands)

Description	31/12/2021	31/12/2020
<b>REALISED</b>		
Losses on forward contracts and trading	-41,298	-55,852
Gains on forward contracts and trading	81,073	40,460
<b>Net realised gains (losses) (A)</b>	<b>39,775</b>	<b>-15,392</b>
Exchange gains	3,614	1,740
Exchange losses	-811	-1,622
<b>Net exchange gains (losses) (B)</b>	<b>2,803</b>	<b>118</b>
<b>Realised gains (losses) (A+B)</b>	<b>42,578</b>	<b>-15,274</b>
<b>UNREALISED</b>		
Unrealised losses on forward contracts and derivatives	-1,397	-20,095
Unrealised gains on forward contracts and derivatives	6,052	75
<b>Net unrealised gains (losses) (C)</b>	<b>4,655</b>	<b>-20,021</b>
Exchange gains – technical provisions	78,129	98,075
Exchange losses – technical provisions	-97,709	-100,533
Exchange gains – receivables and payables	15,685	78,084
Exchange losses – receivables and payables	-59,987	-19,857
Exchange gains – cash and cash equivalents	747	189
Exchange losses – cash and cash equivalents	-13	-249
Exchange gains on the non-current security portfolio	19,112	-25,474
<b>Unrealised net gains (losses) (D)</b>	<b>-44,036</b>	<b>30,234</b>
<b>Net unrealised exchange gains (losses) (C +D)</b>	<b>-39,381</b>	<b>10,213</b>

## Part C – Other information

### 1. Assets under Items A.I - A.X of the balance sheet

At 31 December 2021, the shareholders' equity of SACE S.p.A. amounted to Euro 4,880,446 thousand (Euro 4,775,390 thousand in 2020). Shareholders' equity at 31 December 2021 may be analysed as follows:

- share capital: Euro 3,730,324 thousand;
- share premium reserve: Euro 43,305 thousand;
- legal reserve: Euro 285,088 thousand;
- other reserves: Euro 422,811 thousand;
- retained earnings: Euro 293,322 thousand;
- net profit for the year: Euro 105,596 thousand.



## 2. Fees of directors with executive powers<sup>14</sup>

Taking into account the functions/powers assigned under the articles of association and by the board of directors to the chairperson of the board of directors and the chief executive officer, respectively, the following fees were paid as of the date of their appointment:

(amounts in €)

Chairman of the Board of Directors	Annual fee for the term of office 2019-2021
Fixed component: fee for position held - art. 2389(1)	40,000
Fixed component: fee for powers assigned - art. 2389(3)	200,000

The fixed component of the remuneration of the chairperson of the board of directors comprises a fee for the position held (article 2389.1 of the Italian Civil Code) and a fee based on the powers assigned (article 2389.3 of the Italian Civil Code).

(amounts in €)

Chief Executive Officer <sup>15</sup>	Annual fee for the term of office 2019-2021
Fixed component: fee for position held - art. 2389(1)	25,000
Fixed component: fee for position held - art. 2389(3)	100,000
Short-term variable component (MBO) (annual tranche)	50,000

The fixed component of the remuneration reflects the strategic role held for the company and comprises a) a fee for the position held (article 2389.1 of the Italian Civil Code) and b) a fee based on the powers assigned (article 2389.3 of the Italian Civil Code).

Short-term variable component

In view of the powers assigned to the Chief Executive Officer, the remuneration includes a variable annual component (MBO – Management by Objectives), that will be paid upon attainment of the fixed qualitative and quantitative business objectives for each year of reference.

<sup>14</sup> Specifically, these respect the requirements established by the Directive of the Ministry of the Economy and Finance dated 24 June 2013 (which recommend, among other things, that directors should “adopt remuneration policies in line with international best practices, but which are also consistent with the company's performance and are in any case based on the principles of transparency and moderation, in the light of overall economic conditions in the country, and so as to establish a connection between the overall remuneration of directors with executive powers and the median salary across the company”).

<sup>15</sup> The total annual fee due to Mr. Pierfrancesco Latini, Chief Executive Officer and General Manager, is equal to 625,000 Euro



### 3. Cash Flow Statement

(in € thousands)

<b>CASH FLOW STATEMENT</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>Profit (loss) for the year before tax</b>	<b>138,454</b>	<b>110,342</b>
<b>Changes in non-cash items</b>	<b>(1,028,630)</b>	<b>267,976</b>
Change in the provision for unearned premiums - non-life business	(844,970)	287,529
Change in the provision for claims outstanding and other technical provisions - non-life business	(6,825)	(66,698)
Change in the general provision	1,431	20,408
Non-cash income and expense from financial instruments, investment property and equity investments	(58,971)	37,041
Other changes	(119,295)	(10,304)
<b>Change in receivables and payables generated by operations</b>	<b>1,723,999</b>	<b>(920,585)</b>
Change in receivables and payables arising from direct insurance and reinsurance business	172,104	29,711
Change in other receivables and payables	1,551,896	(950,295)
<b>Tax paid</b>	<b>(32,858)</b>	<b>(30,620)</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>800,965</b>	<b>(572,887)</b>
Net cash flows generated/used by investment property		
Net cash flows generated/used by financial investments	1,707,933	(1,302,419)
Net cash flows generated/used by plant, property and equipment and intangible assets	2,009	2,300
<b>TOTAL NET CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	<b>1,709,942</b>	<b>(1,300,120)</b>
Increase +/- Repayment of share capital		
Equity-related reserves	(540)	2,496
Revaluation of property		
Distribution of dividends		(70,000)
Net cash flows generated/used by other financial liabilities	39,813	23,356
<b>TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>39,273</b>	<b>(44,149)</b>
<b>Effect of exchange differences on cash and cash equivalents</b>		
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>3,237,555</b>	<b>5,154,710</b>
<b>INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS</b>	<b>2,550,181</b>	<b>(1,917,155)</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>5,787,736</b>	<b>3,237,555</b>

The cash flow statement has been prepared without taking into account the amounts in the cash pooling account held by SACE and relating to the Fund established pursuant to article 1.14 of the Liquidity decree and the corresponding balancing entry recognised under sundry liabilities.

### 4. Independent auditors' fees

Pursuant to Legislative decree no. 39 of 27 January 2010, the fees due to Deloitte & Touche S.p.A. for the audit of the 2021 financial statements amount to Euro 111 thousand.

### 5. Management and coordination activities (article 2497 bis of the Italian Civil Code)

SACE S.p.A. is wholly owned by Cassa Depositi e Prestiti S.p.A.. Under article 3 of the Liquidity decree, since the coming into force of said decree, SACE is no longer managed or coordinated by the sole quotaholder Cassa Depositi e Prestiti S.p.A..

### 6. Disclosure pursuant to Law no. 124/2017

With respect to social commitments, SACE supported IPE (Istituto per ricerche ed attività educative) with a cash donation of Euro 10 thousand.



## 7. Main events of early 2022

Pursuant to article 2427.22-quater of the Italian Civil Code, with respect to the nature, description and financial effects of the events which took place after the reporting date, reference should be made to "Report on operations" paragraph 3.24 of the Directors' report.

## 8. Garanzia Italia scheme, Trade receivables under article 35 and Green New Deal

The commissions on the transactions carried out under the Garanzia Italia scheme at 31 December 2021 amount to Euro 6.6 million; the reinsurance balance pursuant to article 35 of the Relaunch decree on the transactions completed at 31 December 2021 amounts to Euro 0.9 million; the premiums on the Green guarantee at 31 December 2021 on completed transactions amount to Euro 0.4 million.

Individual balances may be analysed as follows:

(amounts in € million)

### GARANZIA ITALIA SCHEME

	31/12/2021
<b>Balance sheet non life insurance business assets</b>	
F.II Cash at bank and in hand	29,520
E.II Receivables arising out of direct insurance business	11
E.III Other debtors	
<b>Balance sheet liabilities</b>	
G.I Creditors arising out of direct insurance operations	
G VII Other liabilities	(29,524)
<b>Profit &amp; Loss Account</b>	
I.3 Other technical income, net of reinsurance	7
I.7 b Operating expense	

(amounts in € million)

### TRADE RECEIVABLES UNDER ARTICLE 35

	31/12/2021
<b>Balance sheet non life insurance business assets</b>	
F.II Cash at bank and in hand	1,940
E.II Receivables arising out of reinsurance business	1
E.III Other debtors	
<b>Balance sheet liabilities</b>	
G.I Accounts payable arising out of reinsurance business	(1)
G VII Other liabilities	(1,939)
<b>Profit &amp; Loss Account</b>	
I.3 Other technical income, net of reinsurance	1
I.7 b Operating expense	



(amounts in € million)

**GREEN NEW DEAL**

	31/12/2020
<b>Balance sheet non life insurance business assets</b>	
F.II Cash at bank and in hand	3
F.IV Other assets	
E.I Reseivables arising out of direct insurance business	70
E.III Other debtors	
<b>Balance sheet liabilities</b>	
H. Accruals and deferred income	
G VII Other liabilities	(72)
<b>Profit &amp; Loss Account</b>	
I.3 Other technical income, net of reinsurance	0.4
I.7 b Operating expense	

## 9. Proposed allocation of the net profit for the year

The shareholder is invited to approve the financial statements at 31 December 2021 and the allocation of the net profit for the year of Euro 105,595,851 as follows:

Euro	105,595,851	Net profit
Euro	5,279,793	to the Legal reserve pursuant to article 2430 of the Italian Civil Code
Euro	3,521,861	to Other reserves with respect to the measurement of equity investments using the equity method (article 2426.1.4 of the Italian Civil Code)
Euro	96,794,197	according to resolutions to be passed by the Shareholders' Meeting.

Rome, March 24, 2022

on behalf of the Board of Directors  
 Chief Executive Officer  
 Pierfrancesco Latini



I, the undersigned, declare that these financial statements comply with the truth and accounting records.

The legal representatives of the company (\*)

Pierfrancesco Latini (\*\*)

The Statutory Auditors

Silvio Salini

Gino Gandolfi

Maira Paragone

Space reserved for the stamp of the registry office  
to be applied at the time of filing the accounts

(\*) For foreign companies, the document must be signed by the general representative for Italy.

(\*\*) Chief Executive Officer









04

Annexes to  
the notes to  
the financial  
statements



# Annexes to the notes

## pursuant to Legislative Decree 173/97

No.	Description
1	Balance sheet - non-life business
3	Breakdown of operating profit (loss) between non-life and life business
4	Assets - Changes in intangible assets (Item B) and in land and buildings (Item C.I)
5	Assets - Changes in the year in investments in group companies and other investees: shares and interests (Item C.II.1), bonds (Item C.II.2) and loans (Item C.II.3)
6	Assets - Information about investees
7	Assets - Breakdown of changes in investments in group companies and other investees: shares and interests
8	Assets - Breakdown of financial investments according to use: shares and interests in companies, units of mutual funds, bonds and other fixed-income securities, participation in investment pools and other financial investments
9	Assets - Changes in the year in other long-term financial investments: shares and interests, units of mutual funds, bonds and other fixed-income securities, participation in investment pools and other financial investments
10	Assets - Changes in the year in loans and deposits with credit institutions (Items C.III.4, 6)
13	Liabilities - Changes in the year in components of the provision for unearned premiums (Item C.I.1) and provision for outstanding claims (Item C.I.2) of the non-life business
15	Liabilities - Changes in the year in provisions for risks and charges (Item E) and for employee severance indemnities (Item G.VII)
16	Breakdown of assets and liabilities related to group companies and other investees
17	Breakdown of classes I, II, III and IV of "guarantees, commitments and other memorandum accounts"
18	Breakdown of liabilities for derivative transactions
19	Summary information about the non-life technical account
21	Investment income (Items II.2 and III.3)
23	Capital and financial charges (Items II.9 and III.5)
25	Non-life insurance - Summary of technical accounts by line of business - Italian portfolio
26	Summary of technical accounts for all lines of business - Italian portfolio
29	Summary of technical accounts for non-life and life business - Foreign portfolio
30	Transactions with group companies and other investees
31	Summary of premiums written for direct business
32	Personnel costs, directors' and statutory auditors' fees



The annexes to these financial statements are those required under Legislative decree no. 173/1997. Annexes with no entries or concerning the life business are not included.

Company	<b>SACE S.p.A.</b>	
Subscribed capital	euro 3,730,323,610	Paid 3,730,323,610
Registered offices	ROME - Piazza Poli, 37/42	
Business register	Rome Reg. No. 142046/99	
FY	ANNEXES TO THE NOTES TO THE FINANCIAL STATEMENTS <b>2021</b>	
	(Amounts in thousands of euros)	



Company SACE S.p.A.

## Balance sheet - non-life business assets

		Current year	
A.	SUBSCRIBED CAPITAL UNPAID		1 0
	of which called-up	2	
B.	INTANGIBLE ASSETS		
	1. Deferred acquisition commissions	4 0	
	2. Other acquisition costs	6 0	
	3. Start-up and capital costs	7 0	
	4. Goodwill	8 0	
	5. Other multi-year costs	9 2,321	10 2,321
C.	INVESTMENTS		
I	- Land and buildings		
	1. Property used in company operations	11 58,719	
	2. Property used by third parties	12 800	
	3. Other property	13 0	
	4. Other property rights	14 0	
	5. Assets under construction and advances	15 0	16 59,520
II	- Investments in group companies and other shareholdings		
	1. Shares and interests in:		
	a) controlling companies	17 0	
	b) subsidiary companies	18 394,349	
	c) affiliated companies	19 0	
	d) associated companies	20 10,180	
	e) other companies	21 22 404,529	
	2. Bonds issued by:		
	a) controlling companies	23 299,999	
	b) subsidiary companies	24 0	
	c) affiliated companies	25 0	
	d) associated companies	26 0	
	e) other companies	27 0 28 299,999	
	3. Loans to:		
	a) controlling companies	29 0	
	b) subsidiary companies	30 0	
	c) affiliated companies	31 0	
	d) associated companies	32 0	
	e) other companies	33 0 34 0	35 704,529
	to be carried forward		2,321



## Previous year

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## Balance sheet - non-life business assets

						Current year	
						carried forward	2,321
C. INVESTMENTS (contd.)							
III - Other financial investments							
1. Shares and interests							
a) Listed shares		36	14,664				
b) Unlisted shares		37	0				
c) Interests		38	0	39	14,664		
2. Shares in common investment funds				40	101,482		
3. Bonds and other fixed-income securities							
a) listed		41	2,497,722				
b) unlisted		42	0				
c) convertible debentures		43	0	44	2,497,722		
4. Loans							
a) loans secured by mortgage		45	1,348				
b) loans on policies		46	0				
c) other loans		47	0	48	1,348		
5. Participation in investment pools				49	0		
6. Deposits with credit institutions				50	781,000		
7. Other financial investments				51	20,716	52	3,416,932
IV - Deposits with ceding companies						53	39
						54	4,181,019
D bis. REINSURERS' SHARE OF TECHNICAL PROVISIONS							
I - NON-LIFE BUSINESS							
1. Provision for unearned premiums		58	3,093,623				
2. Provision for claims outstanding		59	493,935				
3. Provision for profit-sharing and premium refunds		60	0				
4. Other technical provisions		61	0				
		to be carried forward				62	3,587,558
							7,770,898



		Previous year	
carried forward			2,479
216	15,261		
217	0		
218	0	219	15,261
	220		135,347
221	3,538,377		
222	0		
223	0	224	3,538,377
225	1,795		
226	0		
227	0	228	1,795
	229		0
	230		1,299,090
	231	21,083	232 5,010,953
		233 44	234 5,829,986
238	3,066,006		
239	261,420		
240	0		
241	0		242 3,327,426
to be carried forward			9,159,891



## Balance sheet - non-life business assets

						Current year	
						carried forward	7,770,898
E.	RECEIVABLES						
I	- Receivables arising out of direct insurance business:						
	1. Policyholders						
	a) for premiums for the year	71	124,324				
	b) for prior year premiums	72	15,403	73	139,727		
	2. Insurance intermediaries			74	0		
	3. Current accounts with insurance companies			75	0		
	4. Policyholders and third parties for recoveries			76	280,308	77	420,035
II	- Receivables arising out of reinsurance operations:						
	1. Insurance and reinsurance companies			78	51,305		
	2. Reinsurance intermediaries			79	0	80	51,305
III	- Other debtors					81	335,807
						82	807,147
F.	OTHER ASSETS						
I	- Tangible assets and stocks:						
	1. Furniture, office machines and internal transport vehicle			83	1,594		
	2. Vehicles listed in public registers			84	0		
	3. Machinery and equipment			85	1		
	4. Stocks and other goods			86	58	87	1,653
II	- Cash at bank and in hand						
	1. Bank and postal accounts			88	37,175,878		
	2. Cheques and cash on hand			89	5	90	37,175,883
III	- Own shares or equity interests					91	0
IV	- Other						
	1. Deferred reinsurance items			92	1		
	2. Miscellaneous assets			93	36,065	94	36,066
	of which Liaison account with life business			901	0	95	37,213,603
G.	PREPAYMENTS AND ACCRUED INCOME						
	1. Accrued interests					96	19,926
	2. Rents					97	0
	3. Other prepayments and accrued income					98	1,675
						99	21,601
	TOTAL ASSETS					100	45,813,249



				Previous year	
carried forward					9,159,891
251	58,119				
252	22,605	253	80,724		
		254	0		
		255	0		
		256	348,201	257	428,924
		258	138,138		
		259	0	260	138,138
				261	312,546
					262 879,609
		263	1,424		
		264	0		
		265	1		
		266	65	267	1,490
		268	34,237,554		
		269	1	270	34,237,555
				271	0
		272	51		
		273	29,805	274	29,856
		903	0		275 34,268,901
				276	23,713
				277	0
				278	1,446
					279 25,160
					280 44,333,562



## Balance sheet - non-life business liabilities and Shareholders' equity

				Current year	
<b>A. SHAREHOLDERS' EQUITY</b>					
I	- Subscribed capital or equivalent fund	101	3,730,324		
II	- Share premium reserve	102	43,305		
III	- Revaluation reserves	103	0		
IV	- Legal reserve	104	285,088		
V	- Statutory reserves	105	0		
VI	- Reserves for shares of the parent	106	0		
VII	- Other reserves	107	422,811		
VIII	- Net Profit (loss) brought forward	108	293,323		
IX	- Net Profit (loss) for the year	109	105,596		
X	- Negative reserve for own shares	401	0	110	4,880,446
<b>B. LINKED LIABILITIES</b>				111	500,000
<b>C. TECHNICAL PROVISIONS</b>					
I	I - NON-LIFE BUSINESS				
	1. Provision for unearned premiums	112	3,762,407		
	2. Provision for claims outstanding	113	718,144		
	3. Provision for profit-sharing and premium refunds	114	0		
	4. Other technical provisions	115	0		
	5. Equalisation provision	116	753,878	117	5,234,429
	to be carried forward				10,614,876



## Previous year

	281	3,730,324	
	282	43,305	
	283	0	
	284	281,102	
	285	0	
	286	0	
	287	408,758	
	288	232,180	
	289	79,722	
	501	0	290 4,775,390
			291 500,000
292	3,729,010		
293	506,128		
294	0		
295	0		
296	740,204		297 4,975,343
to be carried forward			10,250,733



## Balance sheet - non-life business liabilities and Shareholders' equity

				Current year
			carried forward	10,614,876
E. PROVISIONS FOR RISKS AND CHARGES				
1. Provision for pensions and similar obligations		128	0	
2. Provisions for taxation		129	36,754	
3. Other provisions		130	36,148	131 72,902
F. DEPOSITS RECEIVED FROM REINSURERS				132 0
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors, arising out of direct insurance operations:				
1. Insurance intermediaries	133	0		
2. Current accounts with insurance companies	134	0		
3. Premium deposits and premiums due to policyholders	135	30,108		
4. Guarantee funds in favour of policyholders	136	0	137 30,108	
II - Creditors, arising out of reinsurance operations:				
1. Insurance and reinsurance companies	138	821,480		
2. Reinsurance intermediaries	139	0	140 821,480	
III - Debenture loans			141 0	
IV - Amounts owed to banks and credit institutions			142 103,113	
V - Loans guaranteed by mortgages			143 0	
VI - Miscellaneous loans and other financial liabilities			144 2,431,475	
VII - Provision for employee indemnities			145 4,418	
VIII - Other Creditors				
1. Premium taxes	146	0		
2. Other tax liabilities	147	1,734		
3. Social security	148	1,741		
4. Miscellaneous creditors	149	43,026	150 46,501	
IX - Other liabilities				
1. Deferred reinsurance items	151	18		
2. Commissions for premiums being collected	152	0		
3. Miscellaneous liabilities	153	31,670,841	154 31,670,859	155 35,107,954
of which Liaison account with life business	902	0		
		to be carried forward		45,795,732



		Previous year	
carried forward			10,250,733
	308	0	
	309	36,302	
	310	54,379	311 90,681
			312 0
313	0		
314	0		
315	29,507		
316	0	317 29,507	
318	1,674,653		
319	0	320 1,674,653	
		321 0	
		322 98,624	
		323 0	
		324 998,794	
		325 4,950	
326	0		
327	1,518		
328	1,653		
329	22,902	330 26,074	
331	32		
332	0		
333	31,141,094	334 31,141,126	335 33,973,727
904	0		
to be carried forward			44,315,141



## Balance sheet - non-life business liabilities and Shareholders' equity

		Current year	
	carried forward		45,795,732
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued interest	156	17,199	
2. Rents	157	0	
3. Other prepayments and accrued income	158	318	159 17,517
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 45,813,249



**Previous year**

carried forward			44,315,141
	336	17,205	
	337	0	
	338	1,216	339 18,420
			340 44,333,562



Company SACE S.p.A.

## Breakdown of operating profit (loss) between non-life and life business

		Non-life business	Life business	Total
<b>Balance on the technical account</b>		1 <b>71,434</b>	21	41 <b>71,434</b>
Investment income	+	2 265,626		42 265,626
Capital and financial charges	-	3 126,608		43 126,608
Allocated investment return transferred from the technical account of life business	+		24	44
Allocated investment return transferred to the technical account of non-life business	-	5 32,833		45 32,833
<b>Interim operating profit (loss)</b>		6 <b>177,620</b>	26	46 <b>177,620</b>
Other income	+	7 49,049	27	47 49,049
Other expense	-	8 89,107	28	48 89,107
Extraordinary income	+	9 1,789	29	49 1,789
Extraordinary charges	-	10 896	30	50 896
<b>Profit (loss) before taxes</b>		11 <b>138,454</b>	31	51 <b>138,454</b>
Income taxes for the year	-	12 32,858	32	52 32,858
<b>Net profit (loss) for the year</b>		13 <b>105,596</b>	33	53 <b>105,596</b>



Company SACE S.p.A.

Notes to the financial statements - Annex 4  
FY 2021

## Assets - Changes in intangible assets (Item B) and in land and buildings (Item C.I)

		Intangible assets B	Land and buildings C.I
Gross opening balance	+	1 17,251	31 71,913
Increases during the year	+	2 1,288	32
for: purchases or additions		3 1,288	33
reversals of impairment losses		4	34
revaluations		5	35
other changes		6	36
Decreases during the year	-	7	37
for: sales or decreases		8	38
permanent write-downs		9	39
other changes		10	40
<b>Gross closing balance (a)</b>		11 <b>18,539</b>	41 <b>71,913</b>
Amortisation/depreciation:			
Opening balance	+	12 14,772	42 11,730
Increases during the year.	+	13 1,446	43 663
for: amortisation/depreciation charge for the year		14 1,446	44 663
other changes		15	45
Decreases during the year..	-	16	46
for: disposals		17	47
other changes		18	48
<b>Amortisation/depreciation closing balance (b) (*)</b>		19 <b>16,218</b>	49 <b>12,393</b>
<b>Carrying amount (a - b)</b>		20 <b>2,321</b>	50 <b>59,520</b>
Current value		21	51 108,000
Total revaluations		22	52
Total write-downs		23	53



Company SACE S.p.A.

## Assets - Changes in investments in group companies and other shareholdings: shares and interests (Item C.II.1), bonds (Item C.II.2) and loans (Item C.II.3)

	Shares and interests C.II.1	Bonds C.II.2	Loans C.II.3
Opening balance	1 404,810	21 353,996	41
Increases during the year:	2 3,872	22	42
for: acquisitions, subscriptions or issues	3	23	43
reversals of impairment losses	4 3,522	24	44
revaluations	5		
other changes	6 350	26	46
Decreases during the year	7 4,153	27 53,996	47
for: sales or repayments	8	28 53,996	48
write-downs	9 3,767	29	49
other changes	10 386	30	50
<b>Carrying amount</b>	11 <b>404,529</b>	31 <b>299,999</b>	51
Current value	12 404,529	32 311,797	52
Total revaluations	13		
Total write-downs	14 3,767	34	54

### Item C.II.2 includes:

Listed bonds	61 299,999
Unlisted bonds	62
<b>Carrying amount</b>	63 <b>299,999</b>
of which convertible bonds	64



## Assets - Information about investees (\*)

Number	Type	Listed unlisted	Business activity	Name and registered office		Share capital		Shareholders' equity (**)	Profit or loss for the last year (**)	Interest held (5)		
						Currency	Amount (4)	No. of shares/ quotas		Direct %	Indirect %	Total %
(1)	(2)	(3)	(3)				(4)		(4)	(4)	(4)	(4)
1	b	NQ	1	SACE BT S.p.A.	€	€	56,539	56,539	291	100		100
2	b	NQ	2	SACE Fct S.p.A.	€	€	50,000	50,000	2,003	100		100
3	d	NQ	1	ATI (African Trade Insurance Agency)	usd	usd	309,900	3,099	410,785	3.23		3.23
4	b	NQ	1	SACE Do Brasil	R\$	R\$	4,106	4,106	2,416	100		100
5	b	NQ	2	SIMEST S.p.A.	€	€	164,646	316,627	309,022	76.005		76.005

(\*) Group companies and other companies in which a direct interest is held, including through trustees or nominees.

(\*\*) Only for subsidiaries and associated companies.

(1) Type

a = Parents  
b = Subsidiaries  
c = Related companies  
d = Associated companies  
e = Other

(2) Q for securities traded in regulated markets and NQ for others

(3) Business activity

1 = Insurance company  
2 = Financial company  
3 = Bank  
4 = Real estate company  
5 = Trust company  
6 = Mutual fund management or distribution company  
7 = Consortium  
8 = Industrial undertaking  
9 = Other company or body

(4) Amounts in original currency

(5) Total investment held



### Assets - Breakdown of changes in investments in group companies and other shareholdings: shares and interests

Number	Type	Increases during the year			Decreases during the year				Purchase cost	Current value		
		For purchases		Other increases	For sales		Other decreases					
		Amount	Value		Amount	Value						
(1)	(2)	(3)	Name									
1	b	D	SACE BT S.p.A					56,539	59,533	154,300	59,533	
2	b	D	SACE Fct S.p.A			291		50,000	106,027	50,000	106,027	
3	d	D	ATI (African Trade Insurance Agency)			2,005		10,000	10,180	6,886	10,180	
4	b	D	SACE Do Brasil			1,226		4,106	383	11	383	
5	b	D	SIMEST S.p.A.			350		316,627	228,406	232,500	228,406	
Total C.II.1										404,529	443,697	404,529
a	Parents											
b	Subsidiaries											
c	Related companies											
d	Associated companies											
e	Other											
Total D.I										10,180	6,886	10,180

(1) Must match that indicated in Annex 6

(2) Type

a = Parents

b = Subsidiaries

c = Related companies

d = Associated companies

e = Other



Company SACE S.p.A.

Assets - Breakdown of financial investments according to use: shares and interests in companies, shares in common investment funds, bonds and other fixed-income securities, participation in investment pools and other financial investments (Items C.III.1, 2, 3, 5, 7)

I - Non-life business		Long-term investment portfolio		Short-term investment portfolio		Total	
		Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value
1. Shares and interests:							
a) listed shares		21		41	16,586	81	16,586
b) unlisted shares		22		42	14,664	82	14,664
c) quotas		23		43		83	
2. Shares in common investment funds		24		44		84	
3. Bonds and other fixed-income securities		25		45	101,482	85	101,482
a1) listed government bonds		26	2,548,096	46	148,293	86	2,497,722
a2) other listed securities		27	2,406,951	47	148,293	87	2,358,913
b1) unlisted government bonds		28	141,145	48	1	88	138,810
b2) other unlisted securities		29		49		89	
c) convertible bonds		30		50		90	
5. Participation in investment pools		31		51		91	
7. Other financial investments		32		52		92	
		33		53	20,716	93	20,716
II - Life business		Long-term investment portfolio		Short-term investment portfolio		Total	
		Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value
1. Shares and interests:		141		161		201	
a) listed shares		142		162		202	
b) unlisted shares		143		163		203	
c) quotas		144		164		204	
2. Shares in common investment funds		145		165		205	
3. Bonds and other fixed-income securities		146		166		206	
a1) listed government bonds		147		167		207	
a2) other listed securities		148		168		208	
b1) unlisted government bonds		149		169		209	
b2) other unlisted securities		150		170		210	
c) convertible bonds		151		171		211	
5. Participation in investment pools		152		172		212	
7. Other financial investments		153		173		213	







Company SACE S.p.A.

Notes to the financial statements - Annex 10  
FY 2021

## Assets - Changes in the year in loans and deposits with credit institutions (Items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Opening balance	+	1 1,795	21 1,299,090
Increases during the year:	+	2	22 1,356,285
for: issues		3	23 1,356,285
reversals of impairment losses		4	24
other changes		5	25
Decreases during the year:	-	6 446	26 1,874,375
for: repayments		7 446	27 1,874,375
write-downs		8	28
other changes		9	29
<b>Carrying amount</b>		<b>10 1,348</b>	<b>30 781,000</b>



Company SACE S.p.A.

## Liabilities - Changes in the year in components of the provision for unearned premiums (Item C.I.1) and provision for outstanding claims (Item C.I.2) of the non-life business

Type	FY		Previous year		Change	
<b>Provision for unearned premiums:</b>						
Provision for premium instalments	1	2,833,096	11	2,687,828	21	145,268
Provision for unexpired risks	2	929,311	12	1,041,182	22	-111,871
<b>Carrying amount</b>	3	<b>3,762,407</b>	13	<b>3,729,010</b>	23	<b>33,397</b>
<b>Provision for claims outstanding:</b>						
Provision for claims paid and direct expenses	4	699,139	14	488,622	24	210,517
Provision for settlement costs	5	12,517	15	8,447	25	4,070
Provision for late claims	6	6,488	16	9,059	26	-2,571
<b>Carrying amount</b>	7	<b>718,144</b>	17	<b>506,128</b>	27	<b>212,016</b>



Company SACE S.p.A.

Notes to the financial statements - Annex 15  
FY 2021

## Liabilities - Changes in the year in provisions for risks and charges (Item E) and for employee severance indemnities (Item G.VII)

				Provisions for taxation		Other provisions		Provisions for employee severance indemnities
Opening balance	+	1	11	36,302	21	54,379	31	4,950
Accruals for the year	+	2	12	3,765	22	6,870	32	185
Other increases	+	3	13		23	1,610	33	578
Utilisations for the year	-	4	14	2,744	24	11,354	34	1,272
Other decreases	-	5	15	569	25	15,357	35	23
Carrying amount		6	16	36,754	26	36,148	36	4,418



Company SACE S.p.A.

## Breakdown of assets and liabilities related to group companies and other investees

### I: Assets

	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
Shares and interests	1	2 394,349	3	4 10,180	5	6 404,529
Bonds	7 299,999	8	9	10	11	12 299,999
Loans	13	14	15	16	17	18
Participation in investment pools	19	20	21	22	23	24
Deposits with credit institutions	25	26	27	28	29	30
Other financial investments	31	32 781,000	33	34	35	36 781,000
Deposits with ceding companies	37	38 37	39	40	41	42 37
Investments related to contracts linked to investment funds and market indexes	43	44	45	46	47	48
Investments related to the administration of pension funds	49	50	51	52	53	54
Receivables arising out of direct insurance	55 9,264	56 14	57	58	59	60 9,278
Receivables arising out of reinsurance	61	62 32	63	64	65	66 32
Other receivables	67 609	68 4,928	69	70	71	72 5,537
Bank and postal accounts	73	74	75	76	77	78
Other assets	79	80	81	82	83	84
<b>Total</b>	<b>85 309,872</b>	<b>86 1,180,360</b>	<b>87</b>	<b>88 10,180</b>	<b>89</b>	<b>90 1,500,412</b>
of which subordinated assets	91	92	93	94	95	96

### II: Liabilities

	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
Linked liabilities	97	98	99	100	101	102
Deposits received from reinsurers	103	104	105	106	107	108
Creditors arising out of direct insurance operations	109	110	111	112	113	114
Creditors arising out of reinsurance operations	115	116 53	117	118	119	120 53
Due to banks and financial institutions	121	122	123	124	125	126
Accounts payable secured by collateral	127	128	129	130	131	132
Miscellaneous loans and other financial liabilities	133	134 10,000	135	136	137	138 10,000
Other creditors	139 1,419	140 2,662	141	142	143	144 4,081
Other liabilities	145	146	147	148	149	150
<b>Total</b>	<b>151 1,419</b>	<b>152 12,715</b>	<b>153</b>	<b>154</b>	<b>155</b>	<b>156 14,134</b>



Company SACE S.p.A.

Notes to the financial statements - Annex 17  
FY 2021

## Breakdown of classes I, II, III and IV of "guarantees, commitments and other memorandum accounts"

	FY	Previous year
I. Guarantees given:		
a) sureties and endorsements given in the interests of parents, subsidiaries and related companies	1	31
b) sureties and endorsements given in the interests of associates and other investees	2	32
c) sureties and endorsements given in the interests of third parties	3	33
d) other personal guarantees given in the interests of parents, subsidiaries and related companies	4	34
e) other personal guarantees given in the interests of associates and other investees	5	35
f) other personal guarantees given in the interests of third parties	6	36
g) collateral for obligations of parents, subsidiaries and related companies	7	37
h) collateral for obligations of associates, and other investees	8	38
i) collateral for obligations of third parties	9	39
l) guarantees given for obligations of the company	10	40
m) assets deposited for inward reinsurance	11	41
<b>Total</b>	12	42
II. Guarantees received:		
a) from group companies, associates and other investees	13	43
b) from third parties	14	1,641
<b>Total</b>	15	1,641
III. Guarantees issued by third parties in the interests of the company:		
a) by group companies, associates and other investees	16	46
b) by third parties	17	47
<b>Total</b>	18	48
IV. Commitments:		
a) commitments for purchases with obligation of resale	19	49
b) commitments for sales with obligation of repurchase	20	50
c) other commitments	21	1,772,398
<b>Total</b>	22	1,772,398
V. Assets related to pension funds managed in the name and on behalf of third parties	23	53
VI. Securities deposited with third parties	24	4,218,633
<b>Total</b>	25	4,218,633



Company SACE S.p.A.

Notes to the financial statements - Annex 18  
FY 2021

## Breakdown of liabilities for derivative transactions

Derivatives		Current year				Previous year			
		Purchase		Sale		Purchase		Sale	
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Futures:	on shares	1	101	21	121	41	141	61	161
	on bonds	2	102	22	122	42	142	62	162
	on currencies	3	103	23	123	43	143	63	163
	on rates	4	104	24	124	44	144	64	164
	other	5	105	25	125	45	145	65	165
Options:	on shares	6	106	26	126	46	146	66	166
	on bonds	7	107	27	127	47	147	67	167
	on currencies	8	108	28	128	48	148	68	168
	on rates	9	109	29	129	49	149	69	169
	other	10	110	30	130	50	150	70	170
Swaps:	on currencies	11	111	31	131	51	151	71	171
	on rates	12	112	32 1,114,000	132 -172,555	52	152	72 1,314,000	172 -125,570
	other	13	113	33	133	53	153	73	173
Other transactions		14	114	34 759,315	134 4,655	54	154	74 458,398	174 -20,021
<b>Total</b>		15	115	35 1,873,315	135 -167,900	55	155	75 1,772,398	175 -145,590

NB: - Include only derivative transactions existing at the reporting date which imply a commitment for the company.

Where the derivative does not exactly match one of the above items or relates to more than one item, it should be included in the most similar one.

Offsetting is not allowed except for purchase/sale transactions relating to the same derivative category (same content, maturity, underlying asset, etc.)

Derivatives which involve or may involve capital forward exchanges should be stated at their regulated price; all other derivatives should be stated at their nominal value.

Derivatives involving two currency swaps should be stated only once, referring to the currency to be purchased. Derivatives involving both interest rate and currency swaps should only be included in currency swaps.

Derivatives relating to interest rate swaps are classified as "purchases" or "sales" depending on whether or not they imply the fixed-rate purchase or sale.

(1) Derivatives which involve or may involve capital forward exchanges should be stated at their regulated price; all other derivatives should be stated at their nominal value.

(2) Indicate the fair value of the derivatives;



Company SACE S.p.A.

Notes to the financial statements - Annex 19  
FY 2021

## Summary information about the non-life technical account

	Gross premiums written	Gross premiums for the year	Gross charge for claims	Management costs	Reinsurance balance
<b>Direct business:</b>					
Accident and health (classes 1 and 2)	1	2	3	4	5
TPL land vehicles (class 10)	6	7	8	9	10
Hulls land vehicles (class 3)	11	12	13	14	15
Marine, aviation and transport (classes 4, 5, 6, 7, 11 and 12)	16	17	18	19	20
Fire and other property damage (classes 8 and 9)	21	22	23	24	25
Non-motor TPL (class 13)	26	27	28	29	30
Credit and surety (classes 14 and 15)	31 435,695	32 406,452	33 271,917	34 87,435	35 -54,395
Sundry pecuniary losses (class 16)	36	37	38	39	40
Legal fees (class 17)	41	42	43	44	45
Assistance (class 18)	46	47	48	49	50
<b>Total direct business</b>	51 435,695	52 406,452	53 271,917	54 87,435	55 -54,395
<b>Reinsurance business</b>	56 3,268	57 -856	58 77,842	59 114	60
<b>Total Italian portfolio</b>	61 438,963	62 405,596	63 349,759	64 87,549	65 -54,395
<b>Foreign portfolio</b>	66 25	67 -6	68 585	69 1	70
<b>Grand total</b>	71 438,987	72 405,590	73 350,344	74 87,550	75 -54,395



Company SACE S.p.A.

## Investment income (Items II.2 and III.3)

	Non-life business	Life business	Total
<b>Income from shares and interests:</b>			
Dividends and other income from shares and interests in group companies and investees	1	41	81
Dividends and other income from shares and interests in other companies	2	42	82
<b>Total</b>	3	43	83
<b>Income from investments in land and buildings</b>	4	44	84
	420		420
<b>Income from other investments:</b>			
Income from bonds of group companies and investees	5	45	85
Interest on loans to group companies and investees	6	46	86
Income from units in mutual funds	7	47	87
Income from bonds and other fixed-income securities	8	48	88
Interest on loans	9	49	89
Income from shares in investment pools	10	50	90
Interest on deposits with credit institutions	11	51	91
Income from other financial investments	12	52	92
Interest on deposits with ceding companies	13	53	93
<b>Total</b>	14	54	94
	171,272		171,272
<b>Value re-adjustments on investments in:</b>			
Land and buildings	15	55	95
Shares and interests in group companies and investees	16	56	96
Bonds issued by group companies and investees	17	57	97
Other shares and interests	18	58	98
Other bonds	19	59	99
Other financial investments	20	60	100
<b>Total</b>	21	61	101
	9,573		9,573
<b>Profit on the disposal of investments:</b>			
Gains on the disposal of land and buildings	22	62	102
Gains on shares and interests in group companies and investees	23	63	103
Income from bonds issued by group companies and investees	24	64	104
Gains on other shares and interests	25	65	105
Gains on other bonds	26	66	106
Gains on other financial investments	27	67	107
<b>Total</b>	28	68	108
	84,361		84,361
<b>GRAND TOTAL</b>	29	69	109
	265,626		265,626



Company SACE S.p.A.

Notes to the financial statements - Annex 23  
FY 2021

## Capital and financial charges (Items II.9 and III.5)

	Non-life business	Life business	Total
<b>Investment management charges and other charges</b>			
Charges relating to shares and interests	1	31	61
Charges relating to investments in land and buildings	2 1,692	32	62 1,692
Charges relating to bonds	3 32	33	63 32
Charges relating to units in mutual funds	4	34	64
Charges relating to participation in investment pools	5	35	65
Charges relating to sundry financial investments	6 75,294	36	66 75,294
Interest on deposits received from reinsurers	7	37	67
<b>Total</b>	8 77,018	38	68 77,018
<b>Value re-adjustments on investments in:</b>			
Land and buildings	9	39	69
Shares and interests in group companies and investees	10 3,767	40	70 3,767
Bonds issued by group companies and investees	11	41	71
Other shares and interests	12 1,027	42	72 1,027
Other bonds	13 55	43	73 55
Other financial investments	14 2,060	44	74 2,060
<b>Total</b>	15 6,909	45	75 6,909
<b>Losses on the disposal of investments</b>			
Losses on the sale of land and buildings	16	46	76
Losses on shares and interests	17	47	77
Losses on bonds	18 1,382	48	78 1,382
Losses on other financial investments	19 41,298	49	79 41,298
<b>Total</b>	20 42,680	50	80 42,680
<b>GRAND TOTAL</b>	21 126,608	51	81 126,608



## Non-life insurance - Summary of technical accounts by line of business - Italian portfolio

[illegible]



Company SACE S.p.A.

Notes to the financial statements - Annex 26  
FY 2021

## Summary of technical accounts for all lines of business Italian portfolio

		Direct insurance risk		Indirect insurance risk		Risks retained	
		Direct insurance	Risks ceded	Inward reinsurance	Risks retroceded	Total	
		1	2	3	4	5 = 1 - 2 + 3 - 4	
Premiums written	+	1 -435,695	11 325,040	21 -3,268	31	41	-113,923
Change in the provision for unearned premiums (+ or -)	-	2 29,243	12 -77,504	22 4,124	32	42	-44,137
Net charges related to claims	-	3 271,917	13 -261,117	23 77,842	33	43	88,643
Change in sundry technical provisions (+ or -) (1)	-	4	14	24	34	44	
Balance of other technical items (+ or -)	+	5 -30,184	15 -7,112	25	35	45	-37,297
Operating expenses	-	6 87,435	16 -33,702	26 114	36	46	53,846
<b>Technical balance (+ or -)</b>		7 -77,285	17 -54,395	27 78,812	37	47	-52,868
Change in the equalisation provision (+ or -)	-	8 13,572				48	13,572
Allocated investment return transferred from the non-technical account	+	9 -32,588		29		49	-32,588
<b>Balance on the technical account (+ or -)</b>		10 -96,301	20 -54,395	30 78,812	40	50	-71,884

(1) In addition to the change in "Other technical provisions", this item includes the change in the "Provision for profit-sharing and premium refunds"



Company SACE S.p.A.

## Summary of technical accounts for non-life and life business - foreign portfolio

### Section I: Non-life business

		Total lines of business
<b>Direct business gross of reinsurance</b>		
Premiums written		1
Change in the provision for unearned premiums (+ or -)	-	2
Charges related to claims	-	3
Change in sundry technical provisions (+ or -) (1)	-	4
Balance of other technical items (+ or -)		5
Operating expenses	-	6
<b>Direct business technical balance (+ or -)</b>	<b>A</b>	7
<b>Result of outward reinsurance (+ or -)</b>	<b>B</b>	8
<b>Inward reinsurance net result (+ or -)</b>	<b>C</b>	9
Change in the equalisation provision (+ or -)	<b>D</b>	10
Allocated investment return transferred from the non-technical account	<b>E</b>	11
<b>Balance on the technical account (+ or -)</b>	<b>(A + B + C - D + E)</b>	12
		592
		102
		-245
		449

### Section II: Life business

		Total lines of business
<b>Direct business gross of reinsurance</b>		
Premiums written	+	1
Charges related to claims	-	2
Change in sundry technical provisions (+ or -) (2)	-	3
Balance of other technical items (+ or -)	+	4
Operating expenses	-	5
Income from investments net of the allocated investment return transferred to the non-technical account (3)	+	6
<b>Result of direct business gross of reinsurance (+ or -)</b>	<b>A</b>	7
<b>Result of outward reinsurance (+ or -)</b>	<b>B</b>	8
<b>Inward reinsurance net result (+ or -)</b>	<b>C</b>	9
Change in the equalisation provision (+ or -)	<b>D</b>	10
Allocated investment return transferred from the non-technical account	<b>E</b>	11
<b>Balance on the technical account (+ or -)</b>	<b>(A + B + C)</b>	12

(1) In addition to the change in "Other technical provisions", this item includes the change in the "Provision for profit-sharing and premium refunds"

(2) "Sundry technical provisions" include, among others, "Other technical provisions" and "Technical provisions where the investment risk is borne by the policyholders and relating to pension fund administration".

(3) Sum of the items relating to the foreign portfolio included under items II.2, II.3, II.9, II.10 and II.12 of the income statement



Company SACE S.p.A.

Notes to the financial statements - Annex 30  
FY 2021

# Transactions with group companies and other investees

I: Income	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
<b>Investment income</b>						
Income from land and buildings	1	2	3	4	5	6
Dividends and other income from shares and interests	7	8	9	10	11	12
Income from bonds	13	14	15	16	17	18
Interest on loans	19	20	21	22	23	24
Income from other financial investments	25	26	27	28	29	30
Interest on deposits with ceding companies	31	32	33	34	35	36
<b>Total</b>	37	38	39	40	41	42
<b>Unrealised gains and losses on investments for the benefit of policyholders who bear the risk and relating to the administration of pension funds</b>	43	44	45	46	47	48
<b>Other income</b>						
Interest on receivables	49	50	51	52	53	54
Recoveries of administrative expenses and charges	55	56	57	58	59	60
Other income and recoveries	61	62	63	64	65	66
<b>Total</b>	67	68	69	70	71	72
<b>Profit on the disposal of investments (*)</b>	73	74	75	76	77	78
<b>Extraordinary income</b>	79	80	81	82	83	84
<b>GRAND TOTAL</b>	85	86	87	88	89	90

II: Charges	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
<b>Investment management charges and interest expense:</b>						
Investment charges	91	92	93	94	95	96
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits from reinsurers	103	104	105	106	107	108
Interest on accounts payable arising out of direct insurance business	109	110	111	112	113	114
Interest on accounts payable arising out of reinsurance business	115	116	117	118	119	120
Interest on accounts payable to banks and financial institutions	121	122	123	124	125	126
Interest on accounts payable secured by collateral	127	128	129	130	131	132
Interest on other accounts payable	133	134	135	136	137	138
Losses on receivables	139	140	141	142	143	144
Administrative and third-party charges	145	146	147	148	149	150
Other charges	151	152	153	154	155	156
<b>Total</b>	157	158	159	160	161	162
<b>Unrealised gains and losses on investments for the benefit of policyholders who bear the risk and relating to the administration of pension funds</b>	163	164	165	166	167	168
<b>Losses on the disposal of investments (*)</b>	169	170	171	172	173	174
<b>Extraordinary charges</b>	175	176	177	178	179	180
<b>GRAND TOTAL</b>	181	182	183	184	185	186

(\*) With reference to the counterparty



Company SACE S.p.A.

Notes to the financial statements - Annex 31  
FY 2021

## Summary of premiums written for direct business

	Non-life business		Life business		Total	
	Establishment	F.P.S.	Establishment	F.P.S.	Establishment	F.P.S.
<b>Premiums written:</b>						
Italy	1 435,695	5	11	15	21 435,695	25
other EU countries	2	6	12	16	22	26
non-EU countries	3	7	13	17	23	27
<b>Total</b>	4 <b>435,695</b>		14	18	24 <b>435,695</b>	28



Company SACE S.p.A.

## Personnel costs, directors' and statutory auditors' fees

I: Personnel costs	Non-life business		Life business		Total
<b>Expenses for employees:</b>					
Italian portfolio:					
- Wages and salaries	1	39,073	31	61	39,073
- Social security contributions	2	10,005	32	62	10,005
- Accruals to the provision for employee severance indemnities and similar obligations	3	4,393	33	63	4,393
- Sundry personnel costs	4	4,903	34	64	4,903
<b>Total</b>	5	<b>58,375</b>	35	65	<b>58,375</b>
Foreign portfolio:					
- Wages and salaries	6	315	36	66	315
- Social security contributions	7	81	37	67	81
- Sundry personnel costs	8	40	38	68	40
<b>Total</b>	9	<b>435</b>	39	69	<b>435</b>
<b>Grand total</b>	10	<b>58,810</b>	40	70	<b>58,810</b>
<b>Consultants' fees:</b>					
Italian portfolio	11	6,757	41	71	6,757
Foreign portfolio	12	55	42	72	55
<b>Total</b>	13	<b>6,812</b>	43	73	<b>6,812</b>
<b>Total personnel costs</b>	14	<b>65,622</b>	44	74	<b>65,622</b>

II: Description of items	Non-life business		Life business		Total
Investment management charges	15	1,859	45	75	1,859
Charges related to claims	16	4,247	46	76	4,247
Other acquisition costs	17	17,745	47	77	17,745
Other administrative expenses	18	41,771	48	78	41,771
Administrative and third-party charges	19		49	79	
	20		50	80	
<b>Total</b>	21	<b>65,622</b>	51	81	<b>65,622</b>

III: Average number of workers during the year	Number	
Managers	91	38
White collar	92	555
Blue collar	93	
Other	94	
<b>Total</b>	95	<b>593</b>

IV: Directors and statutory auditors	Number		Fees	
Directors	96	9	98	649
Statutory auditors	97	3	99	23



I, the undersigned, declare that these financial statements comply with the truth and accounting records.

The legal representatives of the company (\*)

Pierfrancesco Latini (\*\*)

The Statutory Auditors

Silvio Salini

Gino Gandolfi

Maira Paragone

Space reserved for the stamp of the registry office  
to be applied at the time of filing the accounts

(\*) For foreign companies, the document must be signed by the general representative for Italy.

(\*\*) Chief Executive Officer



# Certification of the financial statements pursuant to article 13, para. 10.8 of the corporate bylaws of SACE S.p.A.

We the undersigned, Pierfrancesco Latini, in my capacity as CEO and Nicoletta Cassano, in my capacity as manager responsible for preparing the financial statements of Sace S.p.A., hereby certify:

- the adequacy in relation to the characteristics of the company and
- the effective application

of the administrative and accounting procedures used to prepare the financial statements for the year ended at December 31, 2021.

The adequacy of the administrative and accounting procedures used to prepare the financial statements for the year ended at December 31, 2021 was assessed on the basis of a process defined by SACE in accordance with generally recognised international standards.

We hereby also certify that:

- the financial statements at December 31, 2021:
  - correspond to the results of company records and accounting entries;
  - were drawn up according to article 6 para 22 of Legislative Decree 269/2003, the applicable provisions of Legislative Decree 209 of 7 September 2005, Legislative Decree 173 of 26 May 1997 (with regard to the provisions governing the annual and consolidated accounts of insurance companies) and that to the best of our knowledge they give a true and fair view of the state of affairs, the financial standing and the operating result of the company.
- the directors report on operations includes a fair review of the operating performance and result and the situation of the company, together with a description of the main risks and uncertainties to which it is exposed.

Rome, March 24, 2022

CEO

Pierfrancesco Latini

Manager responsible for preparing  
the company's financial statements

Nicoletta Cassano







# 05

## Report of the independent boards





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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 N. 537/2014**

**To the Shareholder of**  
**SACE S.p.A.**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of SACE S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2021, the income statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2021 and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

**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 regulations and standards on ethics and independence applicable to the audit of the financial statements under Italian law. 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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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### *Evaluation of Provision for unearned premiums*

#### **Description of the key audit matter**

At December 31, 2021, the Company recorded in item C.I "Technical Provisions – Non Life Business" – liabilities of the Balance Sheet – a provision for unearned premiums for Euro 3,762.4 million, including the provision for unexpired risks.

As highlighted by the Directors into the Notes to the Financial Statements, section "Part A – Valuation criteria and basis of presentation", the technical provisions calculation is affected by complex subjective judgments and estimates based on past experience, which, with regards to the current Fiscal Year, may even be affected by the uncertainty related to the current context characterized by the ongoing public health emergency.

The usage of such subjective judgements and estimates influences the carrying amounts of the Financial Statements.

The Company, in the Notes to the Financial Statements, section "Part A Valuation criteria and basis of presentation" and in section "Part B – Information on the balance sheet and income statement" provides details for the criteria adopted and the methodology applied in calculating the provision for unearned premiums. The provision for unearned premiums is determined on an accruals basis, applied analytically to each policy on the basis of gross premiums. This provision has also been aligned with the expected rate of claims referring to insurance contracts in portfolio signed by the reporting date (provision for unexpired risks). In respect of the provision for unexpired risks, the Directors highlight that the method used considers the expected loss of the entire portfolio; the main components taken into consideration in order to determine the provision for unexpired risks includes:

- the observed and expected trends in the portfolio of outstanding guarantees with specific focus on the risk profile, concentration by counterparty and industrial sector;
- the exposure in foreign currency and observed and expected trends in exchange rates;
- duration of the portfolio run-off and observed trends.

In the light of the significance of the provision for unearned premiums amounts registered into the Financial Statements, of the complexity of the measurement criteria and of the variability of the assumptions made to determine the expected loss affecting the provision for unearned premiums itself and even in the light of the ongoing pandemic, we have considered the evaluation of the provision for unearned premiums a key audit matter for the SACE Financial Statements as of December 31, 2021.





### **Audit procedures performed**

The review procedures, also carried out with the support of specialists belonging to the Deloitte *network*, included, among others, the following:

- understanding of the process of formation of the provision for unearned premiums, with detection and verification of the implementation of the relevant controls on the process of preparing financial information for the aforementioned provision;
- carrying out verification procedures in relation to the completeness and adequacy of the portfolios taken into consideration and their databases;
- verification of the correctness of the amounts related to the unearned premiums provision through the independent recalculation of the same for a sample of insurance contracts in the portfolio;
- reasonableness analysis of the methods and of the main technical and evolutionary hypotheses on which the estimate of the overall expected loss of portfolio has been based for the purpose of determining the provision for unexpired risks, also in the light of the current situation of persistence of the sanitary emergency;
- verification of the computation of the provision for unexpired risks through the application of simplified methods in order to evaluate the reasonableness of the provision amounts determined by the Company Management;
- verification of the completeness and adequacy of the information provided by the Company with respect to the provisions of the applicable legislation.

### **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 the Italian law governing financial statements, 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 unintentional behaviors or events.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, and, in preparing the financial statements, for the appropriateness of using the going concern assumption, as well as for adequate disclosure in matter.

The Directors use the going concern assumption in the preparation of the financial statements unless they have assessed that the conditions exist for the liquidation of the Company or for the interruption of the activity or do not have realistic alternatives 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 unintended behaviors or events, 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 unintended behaviors or events 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 unintended behaviors or events, 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;
- 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, related safeguards.

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 SACE S.p.A. has appointed us on October 17, 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 Management Control Committee, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, and art. 123-bis, paragraph 4, of Legislative Decree no. 58 of February 24, 1998**

The Directors of SACE S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structures as at December 31, 2021, 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 some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree no. 58 of February 24, 1998, with the financial statements of SACE S.p.A. as at December 31, 2021 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the financial statements of SACE S.p.A. as at December 31, 2021 and are prepared in accordance with the law.





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With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, made on the basis of the knowledge and understanding of the Company and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Vittorio Frigerio**  
Partner

Rome, Italy  
April 11, 2022

*This report has been translated into the English language solely for the convenience of international readers.*



# Sace S.p.A.

## Financial Statements at 31 December 2021

### Report of the Board of Statutory Auditors

Dear Shareholder,

This report has been prepared by the Board of Statutory Auditors of SACE S.p.A. ("SACE" or the "company") pursuant to art. 2429.2 of the Italian Civil Code. It has been approved by us and filed with the company's registered office in accordance with the provisions set out in art. 2429.3 of the Italian Civil Code.

As part of the performance of our duties, we acted in accordance with the Code of conduct for statutory auditors recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

During the year, in view of the fact that the statutory audit is the responsibility of the independent auditors appointed for that purpose, we acted in a supervisory capacity in accordance with art. 2403 of the Italian Civil Code, working in conjunction with the Internal Audit and Compliance functions and with the involvement of the heads of the departments responsible for the matters investigated.

On 24 March 2022, SACE Directors approved the draft financial statements as at for the year ended 31 December 2021, together with the schedules and annexes thereto, in addition to their report, in accordance with the requirements of company law and legislation governing the specific business of SACE.

We were appointed by the resolution of the Shareholders' Meeting held on 2 December 2019 for three years and, therefore, until the Shareholders' Meeting called to approve the 2021 financial statements. We held 9 (nine) meetings in 2021, as recorded in our register. During the year, we also participated in all of the Board Meetings and meetings of the Risk and Control Committee and received information about operations and the most significant transactions from the Board of Directors and Management, and satisfied ourselves that the operations approved and implemented complied with the law, the company articles of association and resolutions, were in line with correct management practices and consistent with the structure and size of the company and its assets.

Relations with the company and its Directors, employees and consultants are based on mutual collaboration and respect of individual roles. Board resolutions were supported by adequate analyses and reasons.

The Board of Statutory Auditors fostered and gathered a sufficient flow of information on general operations, receiving information, clarifications and explanations from the Chief Executive Officer and from those responsible for specific functions, in accordance with art. 2381 of the Italian Civil Code.

The operating performance is consistent with the objectives set by the Board of Directors and the latter was periodically informed about the company's operations via adequate reports.

In 2021 and early 2022, we were updated about the reorganisation of the SACE Group in implementation of the provisions of art. 67.2 of Decree law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020 (the "August Decree"). Indeed, this provision stipulates that "Subject to agreement between the Ministry of the Economy and Finance and Cassa depositi e prestiti (CDP) S.p.A., with the decree of the Ministry of the Economy and Finance, together with the Ministry of Foreign Affairs and International Cooperation, registered



by the Court of Auditors, the reorganisation of the SACE Group has been approved and the transfer value of the relevant investments was deemed fair by the parties". Following the non-binding agreement between the Technical units of the MEF - Treasury Department, CDP and SACE dated 2 March 2021, approved by the Board of Directors on 5 March 2021, on 17 March 2022, the Ministry of the Economy and Finance published on its website the Interministerial Decree - signed on 19 and 22 January 2022, respectively, by the Minister of the Economy and Finance and the Minister of Foreign Affairs and International Cooperation, and registered by the Court of Auditors on 8 February 2022 - setting out the characteristics of the reorganisation. The Interministerial Decree provided for, in the following order: i) the transfer by SACE to CDP of its 76.005% investment in SIMEST, with payment of a cash consideration of Euro 228,406,420; ii) the transfer by CDP to the MEF of its entire investment in SACE, with payment in government bonds of Euro 4,251,174,320. Therefore, the reorganisation of the SACE Group became effective on 21 March 2022, the date of the endorsement of the shares and the related registrations in SACE and SIMEST shareholders' registers.

With respect to the public health emergency, the Company periodically updated us on the procedures adopted to reduce the spread of infections and the implementation of the measures to deal with the pandemic crisis, in line with the regulatory provisions to combat and contain the spread of the virus in the workplace.

Based on the above, the main issues we analysed in 2021 related to:

- internal audit activities, conducted on the basis of a specific plan approved by the Board of Directors, covered by six-monthly reports;
- annual planning of the work of the Compliance function and regular reviews of the findings of the checks carried out and the corrective measures identified;
- activities implemented by the Risk Management function, including with respect to the preparation of the SACE-MEF Risk Appetite Framework and the SACE Risk Appetite Framework; furthermore, during the meeting held on 25 January 2022, additional in-depth information about the provision for unexpired risks was provided;
- the activities of the Supervisory Body pursuant to Legislative decree no. 231/2001 which, based on the annual action plan submitted to the Board, were discussed during the Board Meeting of 24 March 2022;
- the work conducted by the Independent Auditors Deloitte & Touche S.p.A.. Specifically, pursuant to art. 2409-septies of the Italian Civil Code, we periodically exchanged with the Independent Auditors useful information about the activities within our respective remit, planning specific informative meetings, the most recent on 23 March 2022, in order to check the process underlying the preparation of the 2021 financial statements;
- the review - with the department heads and based on the specific documentation prepared by the latter - of the organisational and functional aspects and the performance of the Legal and Corporate Affairs, Risks, Planning and Administration and Finance departments. Specifically, also based on the outcome of the checks carried out by the Internal audit function, during the meeting held on 27 April 2021, the Purchasing function provided us with the information necessary to obtain an in-depth understanding of the regulatory context and SACE performance in this respect.
- as part of our functions, we also examined the request received from the independent auditors Deloitte & Touche S.p.A. for a supplement of the fees for the audit of the individual and consolidated financial statements at 31 December 2020. On 16 June 2021, we resolved to submit our proposal to the Shareholders' Meeting.

Again as part of our functions, we also monitored compliance with the provisions of Legislative decree no. 254/2016, covering the process for the preparation and the content of the Non-financial statement ("NFS"). Specifically, on 3 March 2022 - following the instructions received from CDP about the non-inclusion of SACE in the scope of consolidation of the Group's NFS, in view of the termination of management and coordination activities pursuant to Legislative decree no. 23/2020 - we expressed a favourable opinion on the engagement of KPMG S.p.A., selected after a negotiated procedure, to carry out a limited assurance engagement on the NFS pursuant to Legislative decree no. 254/2016. Having examined the report issued by KPMG S.p.A. on 8 April 2022, we checked that no instances of non-compliance and/or violation of the regulations pursuant to Legislative decree no. 254/2016 were identified.

During the year, we also monitored the adequacy of the Company's organisational, administrative



and accounting structure. We acknowledge that the organisational, administrative and accounting structure is in line with the company's needs and is backed by efficient corporate procedures.

The work undertaken in collaboration with the Head of the Internal Audit department also gave rise to detailed analyses and flows of information concerning the implementation of the corrective measures adopted.

The information received from the Supervisory Body on the adequacy of the organisational, management and control model, pursuant to Legislative decree no. 231/2001, did not highlight any inefficiencies in the procedures adopted by the Company. Furthermore, no critical issues emerged with respect to the organisational model, such to be disclosed in this report.

The functions within the Board of Directors are well distributed and in line with the powers conferred.

On 11 April 2022, the independent auditors Deloitte & Touche S.p.A. issued their report on the financial statements at 31 December 2021 in accordance with the rules on statutory audits implemented in Italy with Legislative decree no. 135/2016. Specifically, the independent auditors: i) issued their report stating that the financial statements give a true and fair view of the company's financial position, performance and cash flows as at and for the year ended 31 December 2021, in accordance with the Italian legislation governing their preparation; ii) expressed their opinion on the consistency of the Directors' report and some specific information included in the report on corporate governance and ownership structure set out in art. 123-bis.4 of Legislative decree no. 58/1998 with SACE's financial statements at 31 December 2021 and that they have been drawn up in accordance with the law; iii) with reference to the statement pursuant to art. 14.2 letter e) of Legislative decree no. 39/2010, made on the basis of their knowledge and understanding of the company and the context in which it operates, obtained in the course of their audit, they had nothing to report.

On 12 April 2022, the independent auditors also provided us with their report pursuant to art. 11 of Regulation (EU) no. 537/2014, according to which they did not identify any significant matters involving actual or alleged non-compliance with laws and regulations or the articles of association to be brought to our attention. The independent auditors also provided us with the annual confirmation of their independence pursuant to art. 6 of Regulation (EU) no. 537/2014 and of their compliance with all ethical and independence requirements. Furthermore, no situations such to compromise their independence were identified.

We supervised the general layout of the financial statements, their overall compliance with the law in terms of the basis of preparation and structure and also checked compliance with the law concerning the preparation of the Directors' report.

We did not receive or file any petitions or complaints pursuant to art. 2408 and 2409 of the Italian Civil Code. During the performance of our supervisory activities, as described above, no significant facts emerged such to be disclosed in this report. Moreover, no measure was necessary in respect of any omission by the Board of Directors pursuant to art. 2406 of the Italian Civil Code.

We did not note any atypical and/or unusual transactions, including transactions with related or intragroup parties, that were not carried out under normal market conditions.

Based on the above, we are in favour of the approval of the financial statements as prepared by the Board of Directors and their proposed allocation of the net profit for the year (Euro 105,595,851) as follows:

- Euro 5,279,793, equal to 5% of the net profit for the year, to the legal reserve, in accordance with art. 2430 of the Italian Civil Code;
- Euro 3,521,861 to Other reserves;
- Euro 96,794,197 in accordance with the resolutions to be passed by the sole shareholder (MEF).

Rome, 12 April 2022

#### THE BOARD OF STATUTORY AUDITORS

Silvio Salini (Chairman)

Maira Paragone (Standing Auditor)

Gino Gandolfi (Standing Auditor)













# Consolidated financial statements at december 31, 2021

Meeting of the Board of Directors  
of 24 March 2022

SACE S.p.A.  
Registered Office and Head Office  
in Piazza Poli 37/42, Rome, Italy  
Share capital (fully paid in) Euro 3,730,323,610  
Tax no. and Rome Companies Registration  
no. 05804521002 – R.E.A. no. 923591  
Sole shareholder







# Company Officers and Boards

## Boards of Directors

### Chairman

- Rodolfo Errore (\*)

### Deputy chairman

- Mario Giro (\*\*)

### Chief Executive Officer and General Manager

- Pierfrancesco Latini (\*\*\*)

### Directors

- Ilaria Bertizzolo
- Roberto Cociancich
- Elena Comparato
- Filippo Giansante
- Federico Merola
- Monica Scipione

## Board of Statutory Auditors

### Chairman

- Silvio Salini

### Standing Auditors

- Gino Gandolfi
- Moira Paragone

### Substitute Auditors

- Marco Brini
- Cinzia Marzoli

## Statutory Delegate of the Court of Auditors

- Natale Maria Alfonso D'Amico (\*\*\*\*)

## Independent Auditors

- Deloitte & Touche S.p.A. (\*\*\*\*\*)

Company Boards appointed by the Shareholders' Meeting on 2 December 2019 and in office for three years.

(\*) Chairman of SACE S.p.A.'s Board of Directors until 19 January 2022

(\*\*) Appointed Deputy Chairman by resolution of the Board of Directors on 10 February 2022

(\*\*\*) Appointed CEO by resolution of the Board of Directors on 4 December 2019 and General Manager by resolution of the Board of Directors on 25 February 2020

(\*\*\*\*) Appointed financial reporting manager of SACE S.p.A. as of 1 January 2020

(\*\*\*\*\*) Appointed for the period 2020-2028 by resolution of the Shareholders' Meeting on 17 October 2019







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01

Directors'  
report



# Directors' report

## 1. The Economic Scenario

### 1.1 The global macroeconomic environment

In 2021, global GDP growth was in line with consensus expectations, rebounding strongly (+5.8%, well above the 3.5% decrease recorded in 2020), returning to and even exceeding 2019 levels.<sup>1</sup> Despite the impact of the ongoing public health emergency, the gradual implementation of vaccination campaigns enabled the adoption of more limited and less restrictive infection prevention measures, compared to those adopted at the height of the crisis, which had a relatively more limited negative impact on global economic activity. However, the significant differences between developed and less developed countries concerning the availability and administration of vaccines resulted in strong disparities in terms of the percentage of vaccinated people, thereby affecting the extent and speed of GDP recovery.

Overall, the recovery in global economic activity was driven by solid demand which, however, was offset by the significant critical issues affecting supplies. These issues, which emerged during the year, especially in the second half, were fuelled both by the nature of the pandemic crisis, which affected all industrial sectors, and more idiosyncratic reasons, linked to the peculiarities of the individual markets. Common drivers of disruptions along global value chains include: (i) shortages of certain raw materials and inputs (including labour), (ii) energy commodity shocks, (iii) distribution bottlenecks (logistics and transport, especially maritime) resulting in longer lead times for suppliers. In addition to this, geopolitical and climatic factors (e.g., the increased frequency of extreme environmental disasters) contributed to a further tightening of supply conditions. These supply-demand imbalances have generated significant upward pressure on prices almost everywhere, with global consumer inflation estimated at 4.3% on average per year in 2021 (up from 2.8% in 2020).

Despite the difficulties affecting global supply chains, the volume of international trade in goods grew strongly in 2021, with a trend increase of 10.3% certified by the Central Planning Bureau (estimated at over 11% according to Oxford Economics). World trade in goods not only recovered last year's loss (-6%), but also exceeded pre-pandemic levels, thus reflecting not only a statistical base effect, but also growth across all major commodity groupings. On the other hand, international trade in services continued to suffer more, both as a consequence of the restrictive infection prevention measures which are still partly in place, especially in relation to mobility between countries, and because of the shift in household preferences towards greater consumption of goods, especially durables. The contraction in trade for the sector is estimated at around 10% in volume in 2021, halved compared to the much sharper drop recorded in 2020, but certainly still negative and worse than originally expected.

Global financial conditions remained broadly accommodative during 2021<sup>2</sup>. However, towards the end of the year, some advanced economies showed a reversal of monetary policy stance (first and foremost, in the United States, where the Federal Reserve began reducing its purchase programme, paving the way for a rise in the benchmark rate in 2022), followed by many emerging countries (where monetary authorities began to raise interest rates, in a two-fold attempt to counter inflationary pressures and potential capital outflows). China is a notable exception which, instead, implemented a moderately expansionary move. The fiscal policy was also expansionary, with support plans geared more towards a resilient, inclusive and sustainable recovery through long-term investments in green and digital infrastructure. Global debt (public and private) hit high levels, around USD 296 trillion at the end of the third quarter of 2021, although it fell to 350% as a percentage of GDP.<sup>3</sup>

<sup>1</sup> Oxford Economics, World Economic Prospects (January 2022). OE's estimates are broadly in line with the other forecasts, such as those of the International Monetary Fund and the OECD.

<sup>2</sup> IMF, World Economic Outlook Update (January 2022).

<sup>3</sup> Institute of International Finance, *Global debt monitor* (November 2021).



Global foreign direct investment (FDI) flows showed a strong rebound in 2021, up 77% to an estimated USD 1.65 trillion, surpassing their pre-Covid-19 level. Developed economies saw the biggest rise by far (+199%, mainly driven by the US), with FDI reaching an estimated USD 777 billion, three times the exceptionally low level in 2020. FDI flows in developing economies increased, though at a more modest pace (+30%), to nearly USD 870 billion. Specifically, growth accelerated in Asia (thanks mainly to the record flow of USD 179 billion recorded in China), with India being a major exception (-26%). In Latin America, the recovery to near pre-pandemic levels was almost complete, while in Africa inflows more than doubled (though inflated by a single intra-firm financial transaction in South Africa in the second half of 2021). Finally, the least developed countries saw more modest recovery growth (+19%), with flows up to USD 28 billion.<sup>4</sup>

## 1.2 The Italian economy and industrial sectors

Also for the Italian economy, 2021 was a year of recovery with global GDP growth recently estimated by ISTAT at +6.6%<sup>5</sup> (up from +6.3% by Oxford Economics). The rebound, after the deep recession of 2020 (-9%), was driven by the domestic demand (specifically, public investments driven by the National Recovery and Resilience Plan (PNRR), with positive effects on private ones) and foreign demand (with exports of goods in full recovery).

Despite supply bottlenecks on a global scale, Italy's industrial production showed greater resilience than the Eurozone average. In 2021, the index showed an increase of 11.8% in volume on a trend basis, better than France and Germany, recovering the decline in 2020 (-11.4%). All the main groupings (consumer goods, capital goods and intermediate goods) recorded strong positive performances, with rubber and plastics, electrical equipment and metallurgy among the top three sectors, followed by instrumental mechanics and transport equipment. For construction, the production volume index recorded a 24.3% year-on-year increase (significantly higher than the Eurozone average). The Government's tax incentives (eco-bonus and super-bonus, recently extended to 2023) have in fact encouraged a sustained recovery in demand for Italian construction, extended to all sectors (especially the residential one).<sup>6</sup>

In the first nine months of 2021, FDI amounted to Euro 4,565 million, while the flows from Italy to other countries amounted to Euro 17,138 million.<sup>7</sup>

## 1.3 Italian exports

In line with the recovery in international trade, 2021 was also a year of full recovery for Italian goods exports, which achieved a value of Euro 516 billion. Growth amounted to 18.2% year-on-year (+7.5% on 2019), relatively stronger towards EU countries than non-EU markets. With respect to the main industry groupings, intermediate goods recorded the strongest increase (+23.7%), also as a result of the price hike recorded especially for metals and metal products in recent months. This was followed by capital goods (+15.3%), which were affected, at least in part, by the difficulties faced by the automotive supply chain. Despite the double-digit, the acceleration of consumer goods was more contained (+12.8%), mainly driven by durable goods against a more modest increase in non-durable goods. With respect to the trade balance, the surplus exceeded Euro 50 billion. However, it was down by more than 20%, as imports of goods rose more sharply than exports.<sup>8</sup> With regard to Italian exports of services, a trend increase of more than 13% in value was recorded in 2021 which, however, is not yet sufficient to make up for the sharp contraction recorded in 2020 (down by approximately -32%).<sup>9</sup>

<sup>4</sup> UNCTAD, *Global Investment Trends Monitor*, January 2022.

<sup>5</sup> Istat, *GDP and debt of Public Administrations* (March 2022).

<sup>6</sup> Istat, *Industrial output* (January 2022) and *Construction* (February 2022).

<sup>7</sup> OECD.

<sup>8</sup> Istat, *Foreign trade and import prices* (February 2022).

<sup>9</sup> Bank of Italy, *Balance of payments and international investment position* (February 2022).





Source: Istat

## 1.4 Business demographics, bank loans and bankruptcies

The number of newly-established businesses confirms the improvement in the economy's outlook: 2021 ended with a newfound momentum in business activities which, between January and December, recorded the incorporation of 332,596 new companies (up 14% on the previous year). However, the rebound in the incorporation rate did not coincide with a full recovery of the pre-pandemic figure, maintaining a gap of around 20 thousand fewer newly-established businesses than in 2019. The upturn in the registration of new companies was not accompanied by a return to a physiological flow of companies being struck off from the Chamber of Commerce registers: the 246 thousand businesses which ceased operations between January and December last year are the lowest value in the last fifteen years. The annual balance between newly-established businesses and business closures is therefore positive (+86,587 units). Southern Italy continued to record the highest balance (around 37 thousand), followed by North-West and central Italy, with a similar balance (over and just under 20 thousand companies respectively); conversely, North-East Italy recorded the lowest increase (over 9 thousand).<sup>10</sup>

Bank loans to non-financial companies recorded a positive trend during the year although, in December, it decreased compared, in particular, to the first half of the year (+1.6% on an annual basis). In the same month, non-performing loans continued to fall (-20.3% on an annual basis), while the impact of impaired loans to total loans stood at around 2.6%.<sup>11</sup>

However, against this backdrop, insolvencies rose again in the first three quarters of the year, as confirmed by Cerved: total bankruptcies numbered 6,765, up 43.5% on the same period of 2020. Despite the trend reversal, Italian business bankruptcies remained below the "ordinary" pre-pandemic level (-15.7% compared to the first nine months of 2019), thanks both to higher-than-expected GDP growth and the continuation of some government measures to support businesses.<sup>12</sup>

## 1.5 Credit recovery and payments

With respect to non-payments, Cerved's figures confirm a progressive improvement. In the third quarter of 2021, the percentage of unpaid invoices compared to those past due and falling due hit a record low (10.5%), down to below pre-pandemic levels (13.8% in the same period of 2019). In the same period, 53.6% of businesses paid their suppliers on time, marking the highest level ever recorded in the sample monitoring. Businesses with delays of more than 60 days also fell below pre-Covid levels, to 5%. Furthermore, the decrease in non-payment and improved punctuality are common to all regions and company sizes.<sup>13</sup>

<sup>10</sup> Unioncamere (January 2022).

<sup>11</sup> Bank of Italy, *Bank and Money* (February 2022).

<sup>12</sup> Cerved, Bankruptcies, insolvency proceedings and business closures (December 2021).

<sup>13</sup> Cerved, *Payments Observatory* (December 2021).



With respect to SACE SRV credit recovery business, in 2021, the recovery rate of short-term receivables was 13% higher than in the previous year. Consequently, the recovery rate improved (29%) despite the requests for rescheduling and extensions due to the ongoing emergency, both in Italy and abroad, and thanks to the out-of-court settlement of numerous disputes. With respect to medium- and long-term receivables, considering the same volumes, especially from foreign counterparties, the recovery rate is in line with 2020 thanks to effective out-of-court activities. Furthermore, in 2021, SACE SRV was entrusted with management of over Euro 340 million new uninsured receivables.

## 2. Significant events in 2021

### 2.1 Strategy

In a macroeconomic context that showed some signs of recovery after the sharp slowdown caused by the public health emergency which hit 2020, the SACE Group continued to support Italian businesses on both the domestic and foreign markets, serving over 24 thousand businesses in 2021, up 58% on the previous year.

SACE Group mobilised resources for Euro 41.8 billion, specifically SACE: Euro 27.6 billion and its subsidiaries: Euro 14.2 billion. In addition to constantly supporting exports and internationalisation through traditional business tools, SACE strengthened its new role of supporting businesses which it took on during the Covid-19 emergency as a result of the regulatory measures adopted in 2020 ("Liquidity decree", "Relaunch decree", "Simplification decree" and "August decree"). These measures broadened the scope of SACE's operations, under separate management, supporting business liquidity and the transition towards a clean, circular economy and sustainable mobility.

SACE mobilised resources for exports and internationalisation for a total of Euro 12.7 billion. The support to businesses also included both in-person and digital events, such as (i) twenty-six operational (on/offline) business matching meetings between Italian suppliers and large foreign companies, which were attended by over 1,500 businesses, 67% of which were SMEs, (ii) various initiatives to explore opportunities for Made in Italy, including those in the Gulf countries, which ended with the last one dedicated to Expo 2020 in Dubai, in addition to specific initiatives supporting the 3F (food, fashion and furniture) sectors which saw the participation of about 50 importers, distributors and local retailers and 540 businesses involved, 80% of which were SMEs and businesses from the Central and Southern Italy driven by the agri-food sector.

With respect to export and internationalisation, the SACE S.p.A.'s co-insurance framework for SACE - MEF risks came into force on 1 January 2021, as provided for by article 2 of the Liquidity decree, envisaging a scheme to share the commitments undertaken at a rate of ten and ninety per cent, respectively.

A total of Euro 12 billion was mobilised in respect of the Garanzia Italia scheme (article 1 of the Liquidity decree). Since January 2021, again through the specific online portal, businesses could also apply for guarantees on non-recourse factoring, leaseback and Midcap company transactions, as well as the right to extend the repayment period up to eight years. With approximately 3,000 guarantees issued in 2021, the Garanzia Italia scheme was further extended to 30 June 2022 (article 1.59 of Budget Law no. 234 of 30 December 2021).

The resources mobilised for transactions falling under the Green New Deal (pursuant to article 64 of the "Simplification" decree) amount to Euro 2.9 billion and comprise guarantees and bonds. The Green fund also supported some infrastructure works in the high-speed rail sector covered by the PNRR. Following the growing demand for support and in order to encourage greater use of this scheme by SMEs and MidCaps, in the fourth quarter of 2021, the financial intermediaries could enter their applications via an online portal for amounts of less than € 15 million. At the reporting date, two agreements with banks operating throughout Italy were already active.

Moreover, thanks to the guarantee on trade receivables (pursuant to article 35 of the "Relaunch" decree), the short-term credit insurance companies participating in the agreement, including SACE BT, were able to reactivate insurance limits (until 30 June 2021, the end of the guarantee) for more than Euro 27 billion, compared with the June 2020 balances.

With respect to its subsidiaries, SIMEST S.p.A. mobilised resources for Euro 4.7 billion, specifically for subsidised loans (Fund 394) and for the PNRR. Net resources mobilised by SACE Fct



and SACE BT amounted to Euro 4.6 billion and Euro 4.9 billion, respectively. SACE SRV business also grew, specifically in terms of credit recovery.

The integration of new sustainability and liquidity support products, which are now part of the SACE Group's range of products and services supporting growth in both domestic and international markets, led to the redesign and launch of the new SACE Education portal, which complements the former Education to Export portal, offering Italian companies free and innovative support in improving their risk management strategies. The new portal also fosters greater internal culture in the fields of sustainability and digitalisation, combining export and internationalisation with infrastructure, green and digital issues. Eighty webinars were held, with over 500 hours of training provided to businesses and 4,768 registered users.

During the year, SACE also continued with the digitalisation of its processes. SACE has been adopting international IT security standards for several years and, in December 2021, obtained the ISO/IEC 27001/2013 Certification (the reference standard for the certification of the Information Security Management System) for the management, operational management, development, assistance and monitoring of technological and application systems as well as cyber security services supporting the group's operations. This not only guarantees IT security but, more generally, protects the confidentiality, integrity and availability of the information managed.

During the year, the reorganisation of the SACE Group continued, implementing the provisions of article 67.2 of Decree law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020 (the "August decree"). Specifically, in March 2021, the MEF and CDP agreed to transfer the SACE Group, excluding SIMEST, from CDP to the MEF. Consequently, SACE was asked to sell its entire investment in SIMEST to CDP. At December 31, 2021, this transaction was still pending. Consequently, in these consolidated financial statements, SIMEST has been reclassified as a disposal group and its total assets and total liabilities have been recognised separately in the specific items of the financial statements, as required by IFRS 5.

## 2.2 Summary of 2021 regulatory actions

Below is a summary of the main 2021 regulatory actions that concerned SACE.

- Decree law no. 73 of 25 May 2021 (the "Sostegni Bis decree" or "DL73") converted with amendments into Law no. 106 of 23 July 2021 - Urgent measures related to the Covid-19 emergency, for businesses, work, young people, health and territorial services, which:
  - extended the Garanzia Italia scheme until 31 December 2021;
  - extended the duration of loans that can be guaranteed up to 10 years;
  - introduced the possibility of replacing/extending loans with a duration of no more than 6 years, already guaranteed by SACE, with new loans with a duration of up to 10 years;
  - decreased the retention fee for lenders envisaged by "Garanzia Italia Titoli di Debito" scheme;
  - removed the obligation not to distribute dividends for businesses benefiting from the "Garanzia Italia MID" scheme;
  - amended article 14-bis of Decree law no. 269/2003 to allow the issue of the so-called "market guarantees", also to cover loan portfolios.

Law no. 234 of 30 December 2021, National budget for 2022 and long-term budget for the three-year period 2022-2024, (specifically, article 1.59) further extended the Garanzia Italia scheme to 30 June 2022. Article 1.61 provided that, pursuant to article 64, paragraphs 2 and 5 of Decree law no. 76 of 16 July 2020, for 2022, the resources available on the fund referred to in article 1.85 of Law no. 160 of 27 December 2019, be used to cover the guarantees referred to in the same article 64 to the extent of Euro 565 million, for a maximum commitment for SACE of Euro 3,000 million.



### 3. Preparation of the consolidated financial statements

As part of the operating context introduced by the 2020 regulatory measures, SACE's balance sheet and income statement as at and for the year ended 31 December 2021 include the effects of the application of article 2.9 of the Liquidity decree and, specifically, the transfer up to a reinsurance percentage of 90% of the performing portfolio at 8 April 2020 via the MEF's reinsurance of the portfolio concurrently recognising, in 2020, a liability to the MEF of approximately Euro 1.5 billion (partly repaid in 2021). This amount was quantified in the Report on the capital endowment of SACE drafted in accordance with the above-mentioned law and subject to checks pursuant to paragraph 6 of said law. In quantifying the assets to be transferred, SACE took into account the Premium provision corresponding to the outstanding and transferred commitments, considering that it was able to exclude the amount set aside as the Equalisation provision (which, at 31 March 2020, amounted to Euro 710 million), taking into account the regulatory provisions governing the Equalisation provision and, in particular, the aim of stabilising the retained Technical account, the nature of this provision not directly attributable to the business in force, and the general market practice adopted in reinsurance transactions. In January 2021, as a result of discussions with the MEF that followed the transmission of the Report on the capital endowment of SACE, it was noted that the above-mentioned provision of the Liquidity decree could be subject to a broader interpretation. Indeed, this provision could refer to, in a broader sense, to all the Technical provisions, which also include the Equalisation provision. As a result, an in-depth analysis was carried out, first to define, together with the MEF, the interpretation of the provision of the Liquidity decree and, subsequently, to identify, again with the MEF, where necessary, the criteria to calculate the portion of assets to be transferred, if any, including against the Equalisation provision, also taking into account the fact that this provision cannot be analytically attributed to the individual commitments transferred, as its aim is to cover the overall technical balance retained. At December 31, 2021 and still at the approval date of the consolidated financial statements by the Board of Directors, the in-depth analysis of both the interpretation of the above provision of the Liquidity decree and the possible subsequent quantification of the assets to be transferred are still in progress.

The balance sheet also includes the cash and cash equivalents on the current account in the name of SACE and relating to the fund established pursuant to article 1.14 of the Liquidity decree, to cover the State's commitments related to the granting of guarantees under SACE's new business made available in 2020 by the MEF on a central treasury account in the name of SACE S.p.A.

Finally, the new business introduced in 2020 (Garanzia Italia scheme, article 35 Trade receivables, green guarantees) is recognised separately as required by applicable legislation. At December 31, 2021, SACE's financial position and financial performance include the reimbursement of the acquisition costs incurred during the year, mainly relating to expense for the personnel involved in the new business.



The main highlights of the 2021 financial performance are set forth below

(in € thousands)	Total as of 31/12/2021	Total as of 31/12/2020
Gross premiums	562,576	828,749
Change in technical provisions	(39,968)	(902,029)
Outward reinsurance premiums for the year	(308,784)	89,496
Net premium income	213,823	16,216
Net claims incurred	(116,904)	(59,320)
Operating expenses	(77,240)	(102,427)
<i>Commissions and other acquisition expenses</i>	(1,023)	4,641
<i>Investment management charges</i>	(4,255)	(3,417)
<i>Other administrative expenses</i>	(71,962)	(103,650)
<b>Technical operating income</b>	<b>19,679</b>	<b>(145,531)</b>
<b>Non-technical operating income</b>	<b>140,458</b>	<b>137,152</b>
<b>Profit before taxes</b>	<b>160,137</b>	<b>(8,379)</b>
Taxes	(43,210)	4,235
<b>Profit (loss) for the year after tax</b>	<b>116,927</b>	<b>(4,144)</b>
<b>Profit (loss) for discontinued operations</b>		
<b>Net profit for the year</b>	<b>116,927</b>	
pertaining to the Group	115,992	(5,251)
pertaining to minority interests	935	1,107

SACE's profit At December 31, 2021 amounts to Euro 116.9 million. The items that contributed to the profit for the year may be summarised as follows:

- "gross premiums" (Euro 562.6 million), which decreased by 32% on the previous year (Euro 828.7 million), also due to the effect of the co-insurance scheme of SACE S.p.A. with the MEF, effective from 1 January 2021;
- the Euro 40 million decrease in technical provisions (a negative Euro 902 million at December 31, 2020);
- "net claims incurred", which are negative by Euro 116.9 million (a negative Euro 59.3 million in 2020). This item reflects claims paid for Euro 118 million (Euro 191.5 million in 2020), the increase in the provision for claims outstanding for Euro 24 million (a positive Euro 85.3 million at December 31, 2020) and the decrease in recoveries for a negative Euro 22.9 million (a positive Euro 46.9 million at December 31, 2020);
- acquisition costs which amount to Euro 77.2 million and include Euro 49.8 million related to commissions payable by reinsurers (Euro 62.1 million at December 31, 2020) and the reimbursement of acquisition costs on commissions on completed transactions relating to the new business introduced in 2020 by government decrees for Euro 39.8 million (of which Euro 31.9 million relating to commissions on co-insurance premiums);
- the positive balance of the non-technical account amounting to Euro 140.5 million (Euro 137.2 million at December 31, 2020). It includes the positive balance of financial items for Euro 154.3 million, fee and commission income for Euro 41.6 million and the negative effect of the year-end valuation of foreign currency items for Euro 43.6 million. The financial performance of the companies included in SACE's consolidation scope may be summarised as follows:
  - SACE Fct S.p.A. (wholly owned) recorded a profit for the year of Euro 2 million;
  - the subsidiary SIMEST S.p.A. (76.005% held) recorded a profit of Euro 3.9 million, mainly as a result of income from equity investments and fee and commission income;
  - SACE BT S.p.A. (wholly owned) recorded a profit for the year of Euro 0.3 million;
  - Sace do Brasil (99.99972% held) incurred a loss of Euro 0.2 million.



## 4. Insurance business

### 4.1 Premiums

In 2021, gross premiums amounted to Euro 562.6 million, of which Euro 548.3 million from direct insurance and Euro 14.3 million from indirect insurance (inwards reinsurance). They are down 32% on the previous year, including as a result of the co-insurance system with the MEF (SACE and MEF 10% and 90%, respectively).

Breakdown of premiums (in € thousands)

Business	31/12/2021	31/12/2020	Change compared to 2020
Non-life (direct business)	548,311	695,676	-21%
<i>Credit insurance</i>	454,112	613,151	-26%
<i>Surety</i>	52,353	51,900	1%
<i>Other property damage</i>	19,514	14,186	38%
<i>Non-motor TPL</i>	2,142	1,777	21%
<i>Fire</i>	16,165	12,006	35%
<i>Accident</i>	9	10	-14%
<i>Nautical vehicle corps</i>	4,016	2,645	>100%
Total Direct Business	548,311	695,676	-21%
Total Indirect Business	14,265	133,073	-89%
<b>Total</b>	<b>562,576</b>	<b>828,749</b>	<b>-32%</b>

With respect to the impact of individual businesses on gross premiums from direct insurance, 83% relates to credit insurance, 9% to bond insurance, 4% to other damage to goods and 4% to other damage.

Of the gross premiums from direct insurance, 79% relates to SACE S.p.A., while the remaining 21% to SACE BT S.p.A..

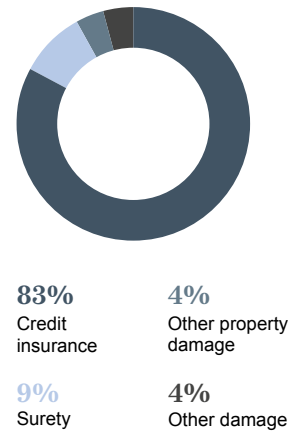
### 4.2 Claims and recoveries

In 2021, SACE paid claims for Euro 131.1 million, down by approximately 27% on 2020 (Euro 178.5 million). Approximately 96% of the claims paid related to overseas risk, mainly in the metal-lurgy industry, followed by the aviation sector (for the latter sector, most claims related to previous years). The remaining 4% relates to the Italy risk (of which Euro 0.3 million refers to the Garanzia Italia scheme).

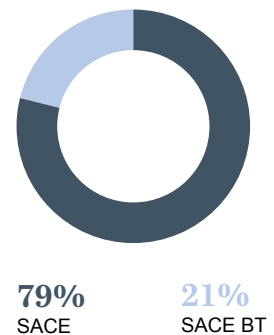
In 2021, recoveries amounted to Euro 54 million and mainly related to payments under bilateral agreements with Iraq (Euro 38 million), Serbia (Euro 5.1 million), Ecuador (Euro 2 million) and Bosnia (Euro 1.7 million). Trade recoveries amounted to Euro 30.6 million, up on 2020 (Euro 26.3 million). They mainly related to (i) payments for restructuring agreements entered into with Egyptian (Euro 6.5 million) and Italian (Euro 2 million) counterparties; (ii) distributions ordered by the bodies in charge of the insolvency proceedings of Italian counterparties (Euro 5.6 million) and (iii) the enforcement of guarantees issued by Iraq counterparties (Euro 3.4 million).

SACE BT S.p.A.'s claims amount to Euro 29.4 million (Euro 37.3 million at December 31, 2020). In 2021, collected recoveries amounted to Euro 6.1 million and mainly related to bonds.

Breakdown of premiums by business (direct business)



Breakdown of premiums by group companies (direct business)







## 5. Risk management

### 5.1 Risk management policies

Risk management is based on constant improvements to processes, human resources and the technologies used and is part of the decision-making process (risk-adjusted performance). The steps of identifying, measuring and controlling risks are essential factors in joint evaluation of company assets and liabilities using the most effective asset-liability management techniques.

The company implements its risk management in accordance with the fundamental principles of the applicable regulations, although it is not subject to supervisory regulations<sup>14</sup>. Risk management follows a set of procedures based on a three-pillar approach:

- Pillar I introduces a minimum capital requirement for the risks that insurance/financial institutions typically face (technical risk, counterparty risk, market risk and operational risk);
- Pillar II requires SACE S.p.A. and its subsidiaries to adopt a strategy to review and evaluate their capital adequacy;
- Pillar III introduces disclosure requirements concerning capital adequacy, risk exposure and general characteristics of risk management and control procedures.

To this end, every year, SACE defines the Risk Appetite Framework ("RAF") which groups the metrics, processes and systems supporting the correct management of the risk level and type that the company is willing to assume in line with its strategic objectives.

The most significant risks to which SACE S.p.A. and its subsidiaries are exposed are described below:

- **Technical risk:** which includes the underwriting risk and the credit risk. The first regards the policy portfolio and is the risk of incurring financial losses arising from unfavourable trends in actual compared to expected claims (tariff risk) or differences between the cost of claims and reserved cost (reserve risk); the second relates to the risk of defaulting and credit rating migration of the counterparty. Both risks are managed by adopting prudent pricing, and reserves and provisions, which are defined according to market best practices, and through prudent underwriting policies, monitoring techniques and active portfolio management.
- **Market risk:** this category includes the risks generated by market operations involving financial instruments. It includes interest rate, currency, credit and equity risks. SACE monitors and manages market risk using asset-liability management techniques and keeps it within previously defined limits by adopting guidelines on asset allocation and quantitative risk measurement models.
- **Operational risk:** the risk of incurring losses resulting from inadequate or failed internal processes, personnel or systems, or from external events. This definition includes, inter alia, losses resulting from fraud, human errors, business disruption, system unavailability, breach of contract and natural disasters. This risk pertains to exposures that SACE assesses on behalf of the State, with reference both to the export credit business operations and to those relating to the other public guarantees for which, in compliance with the specific applicable legislative provisions, SACE performs risk assessment and management activities. In light of this, the exposures considered in the assessment and measurement of the operational risks increased and the greater differentiation in the types of transactions is due to the various operational areas introduced by the new legal provisions.
- **Liquidity risk:** the risk of incurring losses resulting from the company's reduced ability to meet financial obligations generated by its core business and financial liabilities. Following the coming into force of Decree law no. 23/2020 which, inter alia, amended SACE's governance and its business (introducing the co-insurance system with the State in 2021), monitoring of this risk is increasingly important. Specifically, while the technical forms of underwriting that enable claim settlement to be spread out over time continue to exist, accurate management and continuous monitoring of this risk component are increasingly important in the current and future contexts. Consequently, the investment policy is closely linked to the specific liquidity requirements of the insurance portfolios. All the securities in the portfolios used to cover tech-

<sup>14</sup> For SACE FCT S.p.A. Circular no. 288 of 3 April 2015 – "Supervisory instructions for financial intermediaries" issued by the Bank of Italy, for SACE BT S.p.A. and SACE S.p.A. IVASS Regulation no. 38 of 3 July 2018, European Solvency II Directive no. 2009/138.



nical provisions are traded in regulated markets, many of which can be refinanced with central banks, and the short average life of the investments guarantees their rapid turnover.

On the other hand, liquidity risk is important for SACE Fct S.p.A. and SIMEST S.p.A.. This is essentially a funding liquidity risk which, more specifically, relates to the difficulties in i) efficiently managing current and future cash outflows, ii) procuring funds on the market without incurring capital losses or funding costs that are excessively high, iii) fulfilling business operating commitments should the loans be terminated. For both companies, a liquidity risk policy has been implemented to ensure a balance between commitments and funding.

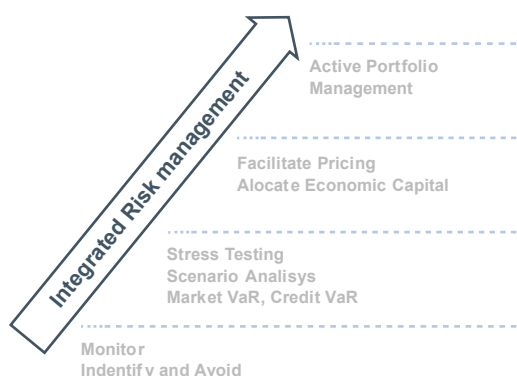
- **Concentration risk:** the risk arising from exposure to counterparties, groups of related counterparties and counterparties in the same business sector or which carry out the same activity or belong to the same geographical area.

The following risks are also identified and, where necessary, measured and mitigated by adopting appropriate management procedures:

- **Reputation risk:** the current and forward-looking impact of a decline in profits, sanctions, losses or damage to SACE's institutional role arising from a negative perception of the image of the company by customers, counterparties, shareholders, investors, supervisory authorities or other stakeholders. The prevention and monitoring of events that could pose a risk to its business reputation is a priority for SACE, which has set up a system of internal controls to mitigate this risk and adopted specific measures to prevent the occurrence of such events in its business operations.
- **Risk of belonging to a group:** "contamination" risk, intended as the risk that, as a result of transactions between the company and other group entities or difficulties experienced by one entity within the group may have negative effects on the company; risk of conflict of interest.
- **Risk of non-compliance with regulations:** the risk of incurring legal or administrative fines, suffering losses or damage to reputation as a consequence of violation of compulsory requirements (laws, regulations) or self-regulatory measures (e.g., Articles of Association, codes of conduct). SACE S.p.A. and its subsidiaries have developed a process for managing the risk of non-compliance in order to ensure that internal processes and procedures are consistent with the objective of preventing any infringement of regulations, whether imposed by the authorities or by the companies.

## 5.2 The role of risk management

The risk management division ensures full coverage of risk control and management within SACE, using an organisational structure which complies with the specific nature and the regulatory provisions of the individual subsidiaries. It also defines the methods and tools to be used to identify, measure and control risks and checks that they are appropriate and adequate to the risk profile, as a whole.



Specifically, the risk management division:

- proposes, develops and implements methodologies, models and systems for the measurement and integrated control of risks, monitoring the correct allocation of economic capital, in



line with the related company guidelines and in compliance with the applicable legislation, ensuring the control of risk/return and the creation of value for individual risk-taking units;

- oversees the definition of the risk appetite framework and operational limits and monitors compliance with these throughout the year;
- determines the current and future internal capital with regard to the relevant risks, ensuring the measurement and integrated control of overall risk exposure;
- defines adequate procedures to identify, assess, monitor and report risks, including scenario analysis and stress tests;
- monitors the levels of the technical provisions together with the other divisions concerned;
- monitors the capital, provisions and liquidity optimisation interventions, assessing the impacts and effectiveness of the risk transfer strategies;
- defines the guidelines regarding management and transfer of the risk, submitting them to the Board of Directors;
- prepares periodical reports on changes in the risks assumed and the existence of any irregular situations and exceeding of limits, and submits them to the Board of Directors, company management and heads of the operational divisions.

SACE's Risk Management Division includes a specific unit that monitors operational risks at group level. This unit assists the risk management divisions of the individual companies, moving their individual operational risk management systems to converging policies, while contributing to a single SACE policy.

The operational risk management and monitoring process is governed by the group policy on "Identifying operational risks", which describes the methodological framework and the operational tools used to:

- assess the company's exposure to operational risks (risk self assessment or RSA);
- gather and analyse internal loss data related to operational risk events (loss data collection or LDC);
- define mitigation actions to minimise the residual risk identified in company processes;
- assess the operational risk inherent in the launch of new products, promoting the implementation of control frameworks suitable for minimising the residual operational risk.

The cyber risk management process is governed by the Manual for the management of the cyber risk monitoring framework and includes performance and risk indicators developed in the Information Security Dashboard in order to assess the level of exposure and effectiveness of the controls and safeguards for this type of risk.

The aim is to identify adequate and efficient measures that ensure the strengthening of the security levels and mitigate risk exposure.

The adoption of the operational risk management framework has strengthened risk controls and improved the overall effectiveness and efficiency of processes, reducing the variability of the profits for the year relating to specific risk categories and protecting assets from significant unexpected losses.

Risk governance is entrusted to the following bodies in addition to those specified in the company's Articles of Association:

- **Board of Directors:** has ultimate responsibility for the corporate governance system and defines the strategic guidelines, while ensuring its completeness, functionality and effectiveness.
- **Risk and Control Committee<sup>15</sup>:** assists the Board of Directors with risk issues and internal controls and provides consulting support and proposals.
- **Management Committee<sup>16</sup>:** examines and evaluates the strategies, objectives and operational planning guidelines and oversees their implementation, assesses the performance of operations and identifies the measures necessary to achieve better profitability results and investigates key issues regarding management and operational guidance.

<sup>15</sup> In Sace S.p.A., SACE BT: Risk and internal control committee and in SIMEST: Risk and control board committee. Set up in July 2020. Its members were appointed in December 2020.

<sup>16</sup> In SIMEST S.p.A.: Executive Committee. Furthermore, it provides the guidelines to define commercial policies, validates the development of new products and supervises and monitors strategic or significant initiatives, specifically those across the entire group.



- **Risk Evaluation Committee<sup>17</sup>**: assesses proposed operations delegated by the Board of Directors (risk taking, changes, restructuring agreements, claims, commercial recoveries, agreements for political recoveries) and other relevant transactions, expressing a risk opinion on the transaction.
- **Risks Committee**: assists the Risk and Control Committee with the implementation of an effective risk management and control system, while contributing to the definition of strategies and guidelines for risk management and transfer. It assesses the actions necessary to ensure adequate internal controls, the potential critical situations that may have an impact by promoting improvement actions and the findings of integrated risk assessment activities carried out by level II and III control functions together.
- **Investment Committee<sup>18</sup>**: periodically defines company portfolio investment strategies to optimise the risk/yield profile of financial activities and compliance with the guidelines established by the Board of Directors. It monitors the trends and outlook of investment performance, reporting any critical areas to the competent functions. It submits proposals for updating the guidelines on financial activities by the decision-making body.
- **Claims Committee**: analyses the performance of large claims and sets out the operating guidelines for SACE BT S.p.A..

## 5.3 Reinsurance

Reinsurance is an effective business tool that supports the underwriting policy, optimising the existing exposures and mitigating risks through active portfolio management.

Indeed, the aim of reinsurance is to spread the risk in order to:

- create a more balanced portfolio;
- enhance financial soundness;
- stabilise operating results;
- increase underwriting capacity.

Reinsurance policies are selected with a view to optimising the trade-off between the financial impact of the policy cost and the benefit in terms of risk mitigation. Various forms of reinsurance may be used; specifically:

**Quota share reinsurance**: aimed mainly at enhancing underwriting capacity. This type of policy provides for the proportional transfer of the premium to the reinsurer, equal to the transferred portion of risk, and the retrocession of the ceding commission by the reinsurer. In the case of claims, the reinsurer must settle its share of the claim;

**Surplus share reinsurance**: purchased to increase underwriting capacity towards debtors/countries/sectors in relation to which the company has already reached its full underwriting capacity;

**Non-proportional reinsurance (excess of loss or stop loss)**: purchased to enhance SACE's guarantee portfolio in terms of capital relief or to stabilise the technical account. They limit the maximum cost of the claim within default amounts.

Furthermore, reinsurance can be either on a compulsory basis, through the automatic transfer of predefined risks, or on an optional basis, covering individual risks or similar subgroups of risks, selected on a case-by-case basis.

The Reinsurance division studies, proposes and implements the most effective reinsurance solutions based on the relevant objectives and manages the related operational processes.

At December 31, 2021, the most significant form of risk transfer for SACE S.p.A. was the reinsurance with the MEF pursuant to Decree law no. 23 of 8 April 2020 (the "Liquidity Decree"), converted with amendments by Law no. 40 of 5 June 2020 which extended, on the risks in the portfolio, the reinsurance percentages compared to the previous Agreement signed with the MEF in 2014, approved by Prime minister decree of 20 November 2014 and registered with the Court of

<sup>17</sup> In SACE BT S.p.A.: Commitments Committee. It i. sets the risk ceilings / individual transactions / terms and conditions of policies and changes in accordance with the established limits; ii. approves compensation in accordance with the established limits; in SACE Fct S.p.A.: Credit Committee. It i. approves factoring transactions in accordance with the established limits; ii. assesses the proposed operations delegated by the Board of Directors and, where necessary, those delegated by the DG; in SIMEST S.p.A.: Risk evaluation committee which assesses proposed transactions and other relevant issues by expressing a risk opinion on the transaction to support the decision-making body's decisions.

<sup>18</sup> Only in Sace S.p.A.



Auditors on 23 December 2014, which regulated the proportional transfer of risks that may result in high levels of concentration for SACE. As part of the measures to support exports, internationalisation and business investment, the Liquidity Decree introduced the transfer of reinsurance risk to the MEF, up to 90 per cent of the commitments undertaken by SACE on the date Decree law no. 23/2020 came into force, with some specific exceptions in respect of exposures for which the risk profile is badly impaired.

Article 2.9 of the Liquidity Decree also introduced a new regulatory framework, effective as of 1 January 2021, whereby SACE takes on commitments arising from insurance and guarantee activities for non-market risks up to ten per cent of the principal and interest of each commitment. The remaining ninety per cent is taken on by the State without solidarity bond. The new scheme, regulated by a specific Agreement signed by the MEF and SACE on 26 November 2020, increases SACE's underwriting capacity to support exports. In this respect, SACE can reinsure with the other Export Credit Agencies (ECAs) the operations both for its share and that of the MEF, based on framework agreements that regulate relations with the other ECAs in this area.

In addition to state reinsurance, SACE portfolio is also reinsured with leading specialised private counterparties, in line with the requirements of the reinsurance strategy. The coverage in place with the private market refers both to treaties for compulsory proportionate cession, signed in 2019 and 2020, and to contracts for optional cession on individual transactions signed by SACE as of 2014.

With respect to SACE S.p.A., at December 31, 2021, out of a portfolio of transactions completed totalling Euro 66.5 billion (out of a total of approximately Euro 74.8 billion, of which Euro 8.4 billion co-insured by the MEF), Euro 53.5 billion Euro (80.5%) was ceded in reinsurance. Approximately 88.4% thereof is reinsured with the MEF and includes the portion ceded pursuant to the Liquidity Decree up to the 90% threshold mentioned above, 10.3% is reinsured with the private reinsurance market, represented by the main counterparties operating at global level and the remaining 1.3% is reinsured with other ECAs pursuant to current bilateral agreements. With reference to the cessations of the year, against resources mobilised for a total of Euro 13 billion, approximately Euro 1.5 billion was reinsured, of which (i) Euro 1.2 billion ceded to the MEF and (ii) Euro 0.3 billion ceded to the reinsurance treaty with the private market, for transactions approved prior to 1 January 2021 and finalised in the current year or for changes in transactions finalised before 31 December 2020. In addition, during the year, reinsurance was completed with other ECAs for a total ceded commitment of approximately Euro 46 million and negotiations are ongoing for further cessations.

During the year, SACE BT maintained substantial stability in its reinsurance panel, which is largely characterised by long-term relationships and selected counterparty risk. The reinsurance structure is composed of proportionate and excess of loss treaties according to the characteristics of the various lines of business managed. The State Agreement on commercial credit insurance provided for by article 35 of Decree law no. 34 of 19 May 2020 expired on 30 June 2021.



## 5.4 Loans and receivables and guarantee portfolio

SACE S.p.A.'s total exposure, calculated as the sum of receivables and outstanding guarantees (principal and interest) amounts to Euro 66.9 billion, down by 5.2% on 2020 mainly due to the effect of the guarantee portfolio, which accounts for 99.3% of total exposure. The receivables portfolio decreased by 13.5% on 2020 as a consequence of trade receivables and sovereign credits which fell by 28.3% and 2.7%, respectively.

At December 31, 2021 SACE BT S.p.A.'s total exposure amounted to Euro 96 billion, up by +15.5% on 2020.

The outstanding receivables of SACE Fct S.p.A., i.e., the total amount of receivables acquired net of receivables collected and credit notes, amount to Euro 2.2 billion and is essentially in line with the previous year end.

At December 31, 2021 SIMEST S.p.A. had 224 subscribed investments in its portfolio for a total credit exposure (principal) of approximately Euro 517 million. The overall portfolio decreased by around Euro 4 million compared to 31 December 2020.

(in € millions)	2021	2020	Change compared to 2020
<b>SACE</b>	<b>66,895.8</b>	<b>70,590.6</b>	<b>-5.2%</b>
Outstanding guarantees	66,459.0	70,085.8	-5.2%
- principal	59,422.7	62,560.1	-5.0%
- interest	7,036.3	7,525.7	-6.5%
Receivables	436.8	504.8	-13.5%
<b>SACE BT</b>	<b>96,022.6</b>	<b>83,167.6</b>	<b>15.5%</b>
Short-term receivables	12,175.3	11,217.4	8.5%
Surety Italy	6,740.9	6,352.4	6.1%
Other property damage	77,106.4	65,597.8	17.2%
<b>SACE Fct</b>	<b>2,220.8</b>	<b>2,231.3</b>	<b>-0.5%</b>
Outstanding receivables	2,220.8	2,231.3	-0.5%
<b>SIMEST</b>	<b>517</b>	<b>521</b>	<b>-1.0%</b>
Direct commitments of Italian partners	456	453	1%
Commitments backed by banks and insurance companies	32	25	28%
Commitments backed by collateral	29	43	-33%



## SACE

The analysis by geo-economic region shows that the highest exposure was towards the Middle East and North Africa (28.8% compared to 27.4% in 2020). The highest exposure by country is that of the US (17.2%), followed by other European countries and CIS (Commonwealth of Independent States), in terms of region, which accounts for 26.2% of the portfolio (up<sup>19</sup> 17.7% on 2020). The Americas account for 20.8% of the portfolio, up by 4% on 2020. The other geo-economic regions account for approximately 24.1% of the portfolio: EU countries decreased by 49.1% (with a portfolio impact down from 22.8% in 2020 to 11.6% in 2021), Sub-Saharan Africa grew by 7.9% (with a portfolio impact up from 7.2% in 2020 to 7.8% in 2021) and, finally, East Asia and Oceania decreased by 3.4% on the previous year (with a portfolio impact down from 4.9% in 2020 to 4.7% in 2021).

Receivables in US dollars increased on the previous year, from 40.9% to 41.3%. 38.6% of SACE S.p.A.'s guarantee portfolio is expressed in US dollars (2020: 35.3%). The US dollar appreciated considerably against the Euro from 1.2271 on 31 December 2020 to 1.1326 on 31 December 2021.

The currency risk on the receivables and guarantee portfolio is mitigated partly through the natural hedge provided by management of the provision for unearned premiums, and via the asset-liability management techniques adopted by the group.

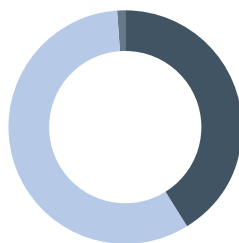
With respect to the level of concentration by segment, the largest five sectors account for 63.2% of the total portfolio. Once again, the cruise line industry shows the highest exposure (35.5%), up by 3.9% on 2020. The Oil&Gas sector has the second-highest exposure, up by 4.4% (with an impact that went from 13.9% to 15.2% of the total portfolio). The Chemicals and petrochemicals industry ranks third, down by 6.6%. The Electricity sector decreased by 3.2% while the infrastructure and construction sector fell by 41.5% (from 3.9% to 3.2% of the portfolio). The Shipbuilding sector decreased by 12.8%.

**SACE: total exposure by geo-economic region**



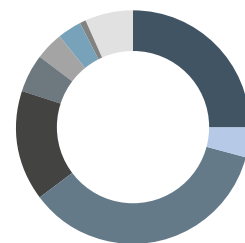
<b>28.8%</b> Middle East and North Africa	<b>4.7%</b> East Asia and Pacific
<b>11.6%</b> EU 27	<b>7.8%</b> Sub-Saharan Africa
<b>20.8%</b> Americas	<b>26.2%</b> Other European Countries and CIS

**SACE: loans and receivables portfolio by original currency**



<b>41.3%</b> USD	<b>0.9%</b> CHF
<b>57.8%</b> EURO	<b>0.0%</b> GBP

**SACE: guarantee portfolio by industrial sector**



<b>25.2%</b> Sovereign	<b>4.0%</b> Electrical
<b>4.1%</b> Political	<b>3.2%</b> Infrastructure and Construction
<b>35.5%</b> Cruise lines	<b>0.9%</b> Naval
<b>15.2%</b> Oil&Gas	<b>6.6%</b> Other Sectors
<b>5.3%</b> Chemicals/ Petrochemicals	

<sup>19</sup> The increase is mainly due to the classification of the United Kingdom in the Other European Countries and CIS area, previously mapped in the EU28 area.



## SACE BT

*Loans and receivables portfolio*

The credit insurance business has 138,650 exposures in place at December 31, 2021 (+7.8% on 2020), for a total of Euro 12.2 billion. Exposure was mainly concentrated in EU countries (82.6%), with Italy alone accounting for 67.1%.

Wholesale trade, retail trade and the agri-food sectors are the three main industrial sectors of the portfolio, with exposure of 23.0%, 9.3% and 12.4%, respectively.

*Surety portfolio*

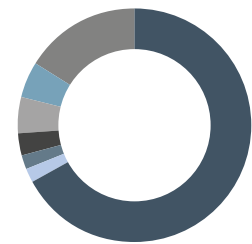
The exposure of the Bond portfolio (insured capital) amounts Euro 6.7 billion (+6.3% on 2020). Guarantees related to contracts account for 74.6% of the total exposure, followed by guarantees on tax payments and reimbursements (13.1%).

The portfolio comprises approximately 39,998 contracts and is concentrated in Northern Italy (63.6%).

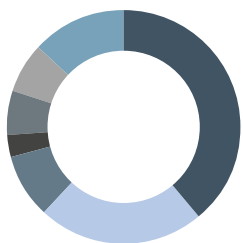
*Construction/Other property damage portfolio*

The nominal exposure (risk limits and insured capital) of the Construction/Other damage to goods portfolio amounts to Euro 77.1 billion (+17.5% on 2020).

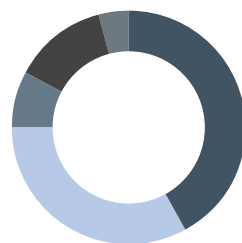
There are 10,391 policies in place (+10.3% on 2020). CAR and EAR policies account for 22.8% of the nominal exposure, Decennial Liability policies for 11.3% and the policies of the Non-Life businesses for the residual 65.9%.

**SACE BT: nominal credit exposure by geo-economic region**

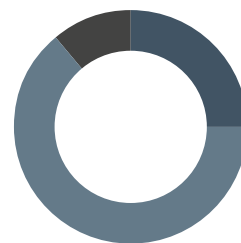
<b>67.0%</b> Italy	<b>5.0%</b> Americas
<b>2.0%</b> Middle East and Northern Africa	<b>5.0%</b> East Asia and Oceania
<b>2.0%</b> UK	<b>16.0%</b> Other EU countries
<b>3.0%</b> Other European countries and CIS	<b>0.0%</b> Sub-Saharan Africa

**SACE BT: nominal credit exposure by industrial sector**

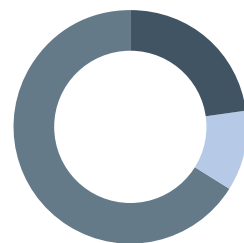
<b>39.0%</b> Other	<b>6.0%</b> Metal Products
<b>23.0%</b> Wholesale trade	<b>7.0%</b> Metallurgy
<b>9.0%</b> Retail trade	<b>13.0%</b> Agriculture
<b>3.0%</b> Textile industry	

**SACE BT: nominal surety bond exposure by type of policy**

<b>42.0%</b> Contracts	<b>13.0%</b> Tax payments and refunds
<b>33.0%</b> Equivalent to contracts	<b>4.0%</b> Other
<b>8.0%</b> Custom duties	

**SACE BT: nominal surety bond exposure by geographical region**

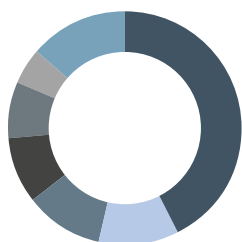
<b>25.0%</b> Central Italy	<b>64.0%</b> Northern Italy
<b>0.0%</b> Abroad	<b>11.0%</b> Southern Italy

**SACE BT: nominal exposure by type of policy (construction business)**

<b>23.0%</b> CAR/EAR	<b>66.0%</b> Non-life business
<b>11.0%</b> Decennial liability	



### SACE Fct: outstanding receivables by assignors' sector



<b>42.6%</b>	<b>7.8%</b>
Manufacturing	Energy products
<b>11.1%</b>	<b>10.9%</b>
Financial and insurance undertakings	Construction and public works
<b>13.5%</b>	<b>5.0%</b>
Other	Food
<b>9.1%</b>	
Commercial services	

### SACE Fct

At December 31, 2021, the outstanding receivables of SACE Fct S.p.A. amount to Euro 2,220.8 million, a 0.5% decrease compared with the previous year. In 2021, factoring transactions generated turnover of Euro 5,607 million (up by 18% on 2020). As mentioned earlier, the outstanding receivables mainly related to non-recourse operations, which account for 79.1% of the total portfolio.

Outstanding receivables by type of transaction (in € millions)	Amount	%
Without recourse	1,756.9	79.1%
With recourse	463.9	20.9%
<b>Total</b>	<b>2,220.8</b>	<b>100.0%</b>

Outstanding receivables are analysed below by assignor, debtor, geographical region and sector.

The breakdown of outstanding receivables by the assignors' sector shows a significant concentration in the manufacturing sector (42.6%), followed by financial and insurance companies (11.1%) and construction and public works (10.9%). Compared to the previous year, the concentration of outstanding receivables in the manufacturing sector increased (36.7% at December 31, 2020), whereas that of the energy products decreased (14.3% at December 31, 2020).

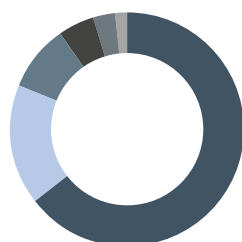
The geographical breakdown of assignors shows the greatest concentration of those resident in North West Italy (+64.5%; 2020: 52.6%), while assignors resident in Central Italy decreased to 9.1% at December 31, 2021 (from 22.4% at December 31, 2020).

According to the breakdown of outstanding receivables by debtors' sector, the majority of counterparties are in the private sector, which accounts for 90.5% of the total. Public administration debtors account for 9.5%, decreasing from 20.9% at the end of the previous year.

The graph below shows the breakdown of Italian debtors by sector, showing the prevalence of manufacturing (47.4%) and commercial services (16.2%). Compared to the previous year, the concentration of outstanding receivables in the manufacturing sector increased (30.2% at December 31, 2020), whereas that of the energy products decreased (20.4% at December 31, 2020).

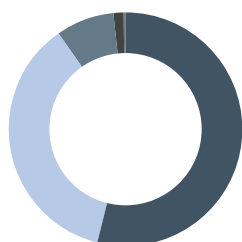
The graph below shows the breakdown of outstanding receivables by debtors' geographical region. The highest concentration refers to foreign debtors which account for 36.4% of the total, despite the decrease of the year (42.3% in 2020). Furthermore, debtors resident in North West Italy rose from 22.5% in the previous year to 29.9%.

### SACE Fct: outstanding receivables by assignors' geographical region



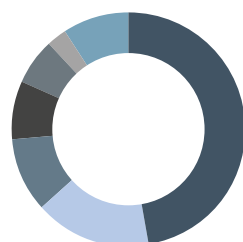
<b>64.5%</b>	<b>5.0%</b>
North-West	South
<b>16.8%</b>	<b>3.0%</b>
North-East	Islands
<b>9.1%</b>	<b>1.6%</b>
Central Italy	Abroad

### SACE Fct: outstanding receivables by debtors' sector



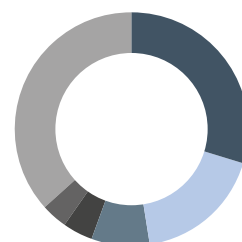
<b>53.9%</b>	<b>1.4%</b>
Companies	Central government
<b>36.4%</b>	<b>0.2%</b>
Abroad	Other
<b>8.1%</b>	
Other public bodies	

### SACE Fct: Italian debtors by sector



<b>47.4%</b>	<b>6.5%</b>
Manufacturing	Food
<b>16.2%</b>	<b>2.9%</b>
Commercial services	Other market services
<b>10.2%</b>	<b>8.9%</b>
Transport	Other
<b>7.9%</b>	
Energy products	

### SACE Fct: outstanding receivables by debtors' geographical region



<b>29.9%</b>	<b>4.3%</b>
North-West	South
<b>17.6%</b>	<b>3.7%</b>
North-East	Islands
<b>8.1%</b>	<b>36.4%</b>
Central Italy	Abroad



## SIMEST

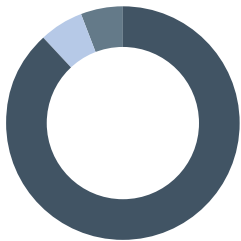
At December 31, 2021 SIMEST S.p.A. had 224 subscribed investments in its portfolio for a total credit exposure (principal) of approximately Euro 517 million. The overall portfolio decreased by around Euro 4 million compared to 31 December 2020.

At December 31, 2021 direct commitments of Italian partners for the forward purchase of equity investments amounted to some Euro 456 million (Euro 453 million at December 31, 2020). Commitments backed by bank and/or insurance guarantees total approximately Euro 32 million (Euro 25 million at December 31, 2020), and those backed by collateral Euro 29 million (Euro 43 million at December 31, 2020).

The geographical breakdown of the portfolio shows that the first 10 countries where SIMEST S.p.A. operates through target companies accounts for approximately 76% of the total, with 28 other countries covering the remaining 24%.

Italy accounts for the biggest portion (21.4% of the portfolio), followed by the USA (18%) and Brazil (10.8%). Overall, the first three countries in terms of exposure cover almost 50% of the total portfolio.

**SIMEST: portfolio by type of guarantee**

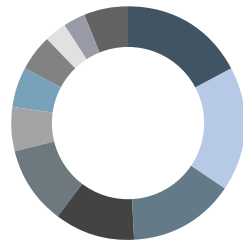


**88.4%**  
Commitments backed by collateral

**5.6%**  
Direct commitments of Italian partners

**6.2%**  
Commitments by bank and insurance guarantees

**SIMEST: portfolio by industrial sector**



**17.5%**  
Automobile

**5.7%**  
Infrastructure and construction

**17.2%**  
Metallurgy

**5.0%**  
Non-financial services

**14.7%**  
Mechanical

**3.0%**  
Electricity

**11.1%**  
Food Production

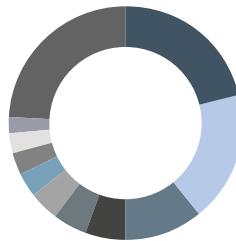
**2.9%**  
Other industries

**10.8%**  
Chemical/Petrochemicals

**6.1%**  
Other

**6.0%**  
Renewable energy

**SIMEST: portfolio by country**



**21.4%**  
Italy

**3.4%**  
Mexico

**18.0%**  
USA

**2.9%**  
France

**10.8%**  
Brazil

**2.7%**  
Spain

**5.5%**  
China

**2.4%**  
Rep. of South Africa

**4.7%**  
Switzerland

**24.0%**  
Other

**4.3%**  
UK

## 5.5 Financial portfolio

Financial management aims to achieve two main objectives:

- to preserve the value of company assets: in line with new legislation and the financial context of reference, the company pursues an integrated asset-liability management strategy that includes hedging transactions to offset negative variations in the guarantee and credit portfolio in case of worsening of risk factors;
- to contribute to the achievement of the company's economic goals.

This activity confirmed values in line with the limits defined for each company and each type of investment.



Asset class (in € millions)	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortised cost	Total	%
Bonds	258		2,694	2,952	40%
UCITS	107			107	1%
Shares and equity instruments	42	5		47	1%
Money Market			4,277	4,277	58%
<b>Total</b>	<b>407</b>	<b>5</b>	<b>6,971</b>	<b>7,383</b>	<b>100%</b>

40% of the portfolio is comprised of bonds and other debt securities, 58% of money market instruments, 1% of UCITS mainly made up of bonds and the remaining 1% of shares.

Monetary instruments include a funding component<sup>20</sup> granted by SACE S.p.A. to the subsidiary Sace FCT S.p.A. amounting to Euro 781 million.

During the year, SACE S.p.A. entered into a loan agreement in favour of the subsidiary Sace Fct S.p.A.. This loan, for which no disbursement has yet been requested and for which a maximum total amount of Euro 825 million is envisaged, may be granted in a single or in several instalments and will have a maximum duration of 36 months from the date the agreement is signed (30 July 2021).

With regard to the credit risk of the securities portfolio, SACE S.p.A. and its subsidiaries pursue a prudent investment policy, setting operating limits based on the types of financial instruments that may be used, on concentration by type and on the creditworthiness of the issuer.

#### Breakdown of securities portfolio by rating

Rating classes	%
AAA	4.1%
AA	0.7%
BBB	81.0%
BB	7.8%
Altre	6.4%
<b>Total</b>	<b>100%</b>

## 5.6 Analysis of the impacts of Covid-19

In March 2020, the novel Covid-19 coronavirus spread to many countries around the world and, on 11 March 2020, the World Health Organisation declared the situation to be a "pandemic". The pandemic has had a considerable impact on SACE in 2020, attributable to the downgrading of the counterparties' credit ratings by rating agencies and moratoria on guaranteed loan payments. Counterparties operating in sectors in which SACE's guarantee portfolio has the greatest exposures, such as the cruise ship and the aviation industries, have been particularly badly affected. More specifically, these factors resulted in an increase in credit risk, measured using the expected loss model, with a consequent impact on best estimates and the impairment of loans, deposits and securities.

The economic recovery in 2021, although substantial, has not led to a reversal of the negative impacts recorded in 2020 in terms of creditworthiness, which remain significant, particularly for those sectors most exposed to the pandemic crisis.

The impacts of Covid-19 may be analysed as follows:

<sup>20</sup> Funding to Sace FCT on demand comprising an irregular deposit for Euro 561 million and Euro 220 million at term, with short maturities within 60 days, as a time deposit.



<i>Impairment</i> (in € thousands)	Post Covid-19 impact	Pre Covid-19 impact	Covid-19 impact
Held to Maturity (HTM)	5,122	2,835	2,288
Cash and cash equivalents	332	324	7
Sovereign credit	10,661	8,667	1,994
<b>Total</b>	<b>16,115</b>	<b>11,826</b>	<b>4,289</b>

(in € thousands)	Expected loss
31.12.2019	2,920,433
31.12.2020	4,044,887
31.12.2021	4,114,711
Change (2021 vs 2019)	1,194,278
Of which Covid19 effect	1,045,324

The impact on financial instruments measured at fair value is not significant since the change for the existing items prior to the pandemic was minimal, given the short-term maturities and the measures of the Central Banks. On the other hand, with respect to new purchases, the volatility of the market factors led to benefits in terms of profitability of the new portfolio.

With respect to the liquidity risk, the pandemic crisis has and will not cause structural tensions given the high degree of liquidity of the financial portfolio, whose bond component is mainly eligible for repurchase agreements.

## 5.7 Analysis of the Climate Risk

In accordance with the OECD Recommendation “Common approaches for officially supported export credits and environmental and social due diligence”, SACE carries out an environmental and social assessment of all export transactions within its scope to ensure compliance with the World Bank Group’s international standards applicable to each transaction.

The World Bank standards require a process to identify potential risks and impacts, including those associated with climate change and adaptation (art. 7, IFC PS1); the level of analysis depends on the vulnerability of the operation to climate change, based on the type of infrastructure and the geographical location of the project (Guidance Note 32-35 to IFC PS1).

With respect to the operations completed in 2021, climate risk was specifically considered for some operations in the Oil&Gas sector.

## 6. Human Resources

At December 31, 2021 there were 1066 employees on the payroll, an increase of 6% compared to the previous year (1004 at December 31, 2020). During the year, 168 resources were hired and 106 left the company.

### Ripartizione del personale per inquadramento

	SACE	SACE BT	SACE SRV	SACE FCT	SACE do Brasil	SIMEST	Total	Breakdown
Executives	38	10	1	7	0	9	65	6%
Officials	309	67	8	42	1	83	510	48%
Office workers	258	82	30	33	1	87	491	46%
<b>Total</b>	<b>605</b>	<b>159</b>	<b>39</b>	<b>82</b>	<b>2</b>	<b>179</b>	<b>1066</b>	<b>100.00%</b>

Distribution of staff by age group	Breakdown
Under 29	16%
Between 30 and 39	29%
Between 40 and 49	30%
Over 50	25%



Distribution of staff by qualification	Breakdown
Degree	85%
Secondary school certificate/other	15%

During the year, "Exchange your Experience" was launched, an initiative promoted by HR Management and targeting around 40 SACE Group employees from the Business areas of the Italian and international offices. The aim was to reduce distances and share business issues, encourage the exchange of professional and cultural experiences and strengthen relationships across the board. Colleagues involved in the initiative met during a number of round tables and 1-to-1 meetings to analyse projects, proposals and insights and to explore SACE operational opportunities in their respective offices.

In 2021, in order to guarantee the training offer and strengthen skills and increase the effectiveness of remote working, synchronous and asynchronous training courses continued, necessary to strengthen and acquire hard, business and soft skills.

The "New Views of Working" project also continued, with the aim of redesigning together - company and people - the working methods of the future and leading the SACE Group into a new era, with "Whole Scale Change", a co-design training course to design together new protocols and ways of working.

The e-learning portal was enriched with a new platform (Team System HR), integrated with the other management systems, and completely renewed in terms of soft skills content. At the same time, redesigning of hard skill/business training courses also began.

Everyone at the company underwent an assessment of their performance in the previous year. These assessments considered hard skills, cross-sectional competencies (suitability for the job) and each employee's specific activities and objectives. They resulted in structured feedback and a shared training plan.

In 2021, the flexible benefits plan, which was launched in 2019 as a tool to increase purchasing power through the conversion of performance bonuses and the accrual of additional incentive/one-off amounts, was again made available to employees. Despite the Covid-19 emergency, participation in the plan rose by 35%, confirming a growing degree of use in the three-year period of application that is above market averages.

The Early Career Program continued in 2021. This a programme for young people based on the principles of equity, competitiveness and performance. All the programme's initiatives were implemented: training courses on soft and hard skills; project work on strategic-business topics; potential assessments; mentoring, a project aimed at pairing an ECP resource with a mentor with high seniority, in order to support and accelerate the professional development and integration of young people into the company.

Since 2019 SACE has adopted the TRS (Total Reward Statement). This customised document gives each employee a clear and comprehensive view of their remuneration package, including all fixed and variable elements, benefits and services that the company offers its employees. As part of the digital experience, an updated version was created in 2021, further enriched with content for its employees, through the creation of a navigable portal, with a dynamic TRS with which the employee can view the current and past situation.

In confirming the central role of health as a primary and essential value for each employee, a new check-up plan was launched for all permanent employees of the SACE Group in May 2021. The plan's multiple analyses, checks and specialist visits are aimed at the primary and secondary prevention of all factors that may lead to the onset or deterioration of specific diseases.

In 2021, work continued on the gradual harmonisation of contract provisions between the various companies in the hub. Specifically, as of 1 January 2021, health care and preventive medicine services were standardised for both SACE BT S.p.A. and SIMEST S.p.A..

Diversity and inclusion ("D&I") activities continued, using both a specific and cross-section approach, with a focus on: gender, parenthood, sexual orientation and gender identity, age difference, disability. The main goal was to raise awareness, inform and involve the company on D&I issues, with a series of seminars and workshops open to all employees, organised in partnership with external professionals or non-profit associations operating in the sector, focusing on corporate social responsibility. With respect to disability, the "Le diverse abilità del talento" (the different abilities of



talent) campaign was launched, including: six video stories in which colleagues with visible and invisible disabilities told how proud they were of working with the SACE Group and the importance of the human experience within their teams; three webtalks on specific disability issues, and an event celebrating the International Day of Disability on 3 December.

## 7. Litigation

At December 31, 2021, SACE was defendant in 13 lawsuits for a contested amount of around Euro 29.1 million, and plaintiff in 7 cases for a total of approximately Euro 163.1 million. SACE was plaintiff in a further 39 proceedings which included oppositions to the statement of liabilities and summary proceedings pursuant to article 702-bis of the Italian code of civil procedure to obtain recognition of its privilege pursuant to Legislative decree no. 123/1998 to payment before other creditors in insolvency proceedings, for claims paid (or being paid) against guarantees to support the internationalisation of business enterprises. The company was also involved in two labour disputes.

SACE BT was involved in 134 lawsuits as defendant for a contested amount of approximately Euro 60.2 million, and was plaintiff in 6 lawsuits for approximately Euro 21.1 million. The company was also involved in two labour disputes.

SACE FCT was defendant in 4 lawsuits for an overall contested amount of Euro 10.3 million, and plaintiff in 35 lawsuits for a total of approximately Euro 46.4 million.

SIMEST S.p.A. was defendant in one dispute for a contested amount of approximately Euro 147 thousand and plaintiff in 69 proceedings (mainly injunctions, arrangements with creditors and bankruptcies) in relation to receivables - of principal and net of amounts received from guarantors - totalling approximately Euro 117 million.

## 8. Distribution network and marketing activity

During the year, SACE confirmed its traditional role as Export Credit Agency while consolidating its new role within the country system to support and relaunch Italy's economy, supporting the main growth lines: exports, driven by Made in Italy products and production chains, infrastructures and the energy transition, consolidating the system of public guarantees to support the pandemic emergency and the implementation of the first subsidised financing products linked to Italy's PNRR.

In this respect, SACE adjusted its service model, based on the segmentation of corporate customers by size and geographical area, centralising management of relations with large corporate customers and expanding the Mid-Cap portfolio by including companies that operate on the domestic market. In addition, 2021 saw the launch of the activities necessary to develop the distribution model for SMEs, which envisages the development of the sales network according to a grassroots approach of intermediaries and private and institutional third-party networks. The actions of the International Network and its offices located in the main Italian export countries enabled monitoring of foreign markets and the development of relations with the main international buyers.

Commercial activities were focused on expanding the range of products and services to support the growth of Italian companies, especially SMEs. During the year, the many commercial initiatives launched involved more than 57,000 leading, prospective and existing customers (up 60% on 2020), with the aim of promoting the products of all group companies, including those related to the new business. Furthermore, new commercial partnerships were established with banks, universities, consulting firms and e-commerce platforms.

The business model has increasingly shifted to multi-channel and digitalisation. The commercial process has been extended with digital functionalities to reach companies through new and different touch points which, in addition to enriching the customer experience, offer greater opportunities in terms of marketing strategy, accurate targeting and the creation of relevant information content. Thanks to this multi-channel approach, supported by a product catalogue that enhances the different distribution models, SACE was able to reach potential customers more easily in order to offer highly customised services.



In 2021, the Education to Export (E2E) programme involved 5,000 users in events delivered online and/or offline. The educational offer was enhanced with SACE Education, a training hub aimed at fostering a greater culture among Italian companies in the areas of risk management, sustainability and digitalisation. 2021 also saw the launch of SACE Academy, highly specialised managerial training provided in collaboration with some of Italy's top universities.

## 9. Corporate governance

The management of SACE is based on principles of compliance and transparency and the adoption of a framework of prevention and control that is described below. The most recent version of the Organisation, management and control model ("Model") was approved on 28 May 2020 by SACE's Board of Directors pursuant to and for the effects specified by Legislative decree no. 231/01 (the "Decree"). The Model is regularly updated on the basis of audits which include the definition of a risk map and analysis of internal controls. The Model comprises:

a general part that illustrates the principles of the Decree, the analysis of the System of Internal Controls, the Supervisory Body, the disciplinary system, staff training and dissemination of the Model both within and outside the company;

a special part that identifies the areas of specific interest in relation to the business activities undertaken, for which a potential risk of committing a crime is theoretically possible. This part includes references to the System of Internal Controls with regard to the prevention of crimes.

The function of monitoring the suitability and application of the Model has been assigned to the Supervisory Body, a collective body appointed by the Board of Directors. It has three members, who must meet the following criteria: have proven experience, have in-depth knowledge of the company and its operations and be skilled in their respective professional fields. At the time of appointing the Supervisory Body, the Board also appoints one member as the Chair.

The Supervisory Body provides an annual report to the Board of Directors and the Board of Statutory Auditors. The Supervisory Body also meets the Supervisory Bodies of the other SACE group companies at least once a year. This meeting is an opportunity to jointly examine issues concerning the activities of said Bodies, to discuss the work undertaken during the previous year and that planned for the coming year and to agree upon any joint action to be taken within the scope of their activities.

### 9.1 Code of Conduct

The Code of Conduct sets out the principles and rules of conduct with which SACE and its subsidiaries are expected to comply in their relations with stakeholders. Compliance by all addressees is fundamental for the good operation, reliability and reputation of SACE and its subsidiaries. It is separate from the Model, however the two are related in that they are both an integral part of the prevention system that has been adopted. Its adoption reflects SACE's mission to make business ethics a real part of company life, including rights, duties and responsibilities which it assumes vis-à-vis its stakeholders. The Code recognises the legal relevance and mandatory effect of the principles and values that must guide the actions of SACE's stakeholders and is part of the Organisation, management and control model pursuant to Legislative decree no. 231/01. Under the Code, all external parties with which SACE does business are required to act in accordance with the rules and procedures inspired by those same principles. To make all internal and external stakeholders aware of the Code, it is published on each company's internet and Intranet site and is largely disseminated to all employees through specific communications and training. The Code of Conduct has been drawn up to clearly define the set of values that SACE recognises, accepts and shares and the set of responsibilities it assumes vis-à-vis parties within and outside the company. SACE Group's Code of Conduct was drawn up in 2021.

### 9.2 Internal control and risk management system

The internal control and risk management system is built around a set of rules, processes, procedures, functions, organisational structures and resources aimed at ensuring the correct functioning and good performance of the company and achievement of the following objectives: implementation of company strategies and policies; adequate control of current and future risks



and containment of risk within the limits indicated in the reference framework for determining the company's risk appetite; the effectiveness and efficiency of company processes; the timeliness of company reporting systems; the reliability and integrity of company, accounting and management information and security of IT data and procedures; the safeguarding of assets, their value and protection from losses, including over the medium and long term; the compliance of transactions with the law and supervisory regulations, as well as internal regulations, policies and procedures.

All levels have specific responsibilities within the internal control and risk management system. In detail:

- Ultimate responsibility for the system lies with the Board of Directors, which must ensure its completeness, functionality and efficacy at all times. The Board of Directors approves the company's organisational structure and the assignment of duties and responsibilities to the various operational units and is responsible for ensuring their continued adequacy. It also has responsibility for ensuring the adequacy of the risk management system to identify, evaluate and control risks, including future risks, when implementing the company's business strategies and policies and in view of the evolution of internal and external factors, in order to guarantee the safeguarding of the company's assets, including in the medium and long term. Lastly, it promotes a high level of business integrity, ethical conduct and a culture of internal control in order to raise awareness among everyone at the company about the importance and usefulness of such controls.
- Senior management is responsible for the application, maintenance and monitoring of the internal control and risk management system and for defining its organisational structure, functions and responsibilities.
- The Board of Statutory Auditors must evaluate the efficacy and efficiency of internal controls, especially as regards the actions of the Internal Audit function by checking that it complies with the requirements of autonomy, independence and functionality. It must also inform the Board of Directors of any irregularities or weaknesses in the internal control system, suggest appropriate corrective measures and see that these are implemented.

The system of internal controls and risk management is organised on three levels:

- first level controls. the operational units and heads of each unit identify, assess, monitor, mitigate and report the risks associated with the company's ordinary business activities, in accordance with the risk management process. They must see that operations are carried out properly and that established limits are respected in line with the risk objectives and the procedures of the risk management process.
- second level controls. the Risk management function is responsible for ensuring (i) correct implementation of the risk management process and (ii) that the various functions respect the established operating limits. The Compliance and Anti-money laundering function uses a risk-based approach to manage the risk of non-compliance with regulations, the money laundering and terrorism financing risk, as well as the reputational risk connected with business transactions;
- third level controls. the Internal Audit function is responsible for monitoring and periodically assessing the efficacy and efficiency of the risk management, control and governance system, in relation to the type and importance of the risk.

The relevant paragraph also includes information relating to the "Report on corporate governance and ownership structures" pursuant to article 123-bis of Legislative decree no. 58/1998 (Consolidated Finance Law). As allowed by this article for companies whose shares are not traded on regulated markets, the company opted not to disclose the information referred to in article 123-bis, paragraphs 1 and 2. Accordingly, it only provides the information referred to in paragraph 2, point b).

### 9.3 Internal Auditing

The Internal Auditing function performs independent and impartial assurance and consultancy activities on behalf of SACE and its subsidiaries, aimed at improving the efficacy and efficiency of the organisation. It helps the company to pursue its objectives by adopting a systematic approach that generates added value by evaluating and improving the governance, risk management and control processes and identifying sources of inefficiency in order to enhance corporate performance. The policy regulating Internal audit activities is approved by the Board of Directors and formalises the objectives, powers, responsibilities and lines of reporting to top management



regarding the results of the work carried out and the annual plan. The plan is approved by the Board of Directors and establishes the audit work priorities, identified on the basis of the company's strategic objectives and the assessment of current and future risks in view of trends in operating performance. The annual plan may also be reviewed and amended in response to significant changes that affect the company's business, plans, systems, activities, risks or controls. Furthermore, where necessary, the Internal audit function performs controls not envisaged by the plan. It also monitors internal controls at all levels and works to promote a culture of control endorsed by the Board of Directors. It carries out its activities in compliance with the regulatory framework, international standards for the professional practice of internal auditing and the Code of Ethics of the Institute of Internal Auditors (IIA).

## 9.4 Manager responsible for preparing the Company's financial reports and financial information process

The provisions of article 13 of the Corporate Bylaws of SACE S.p.A., establishing the professional requirements and procedures for appointing and dismissing the manager in charge of financial reporting, are provided below.

Article 13 of SACE S.p.A.'s Corporate Bylaws (paragraphs 10.1 - 10.8)

*10.1. The Board of Directors may, with the compulsory consent of the Board of Auditors, appoint a manager responsible for preparing the corporate accounting documents, of which in art. 154-bis of the Consolidation Act for dispositions on financial matters (Legislative decree 58 dated 1998 and subsequent amendments), for a period of not less than the term of office of the Board and not more than six business years.*

*10.2. The manager responsible for preparing the corporate accounting documents must be in possession of the same probity requirements as the directors.*

*10.3. The manager responsible for preparing the corporate accounting documents must be chosen on the basis of criteria of professionalism and skills from among the directors who have acquired an overall experience of at least three years in the management of businesses or consultancy firms or professional firms.*

*10.4. The Board of Directors may dismiss the manager responsible for preparing the corporate accounting documents only for legitimate reasons and with the consent of the Board of Auditors.*

*10.5. The manager responsible for preparing the corporate accounting documents shall withdraw from office in the absence of the requirements necessary for taking office. Withdrawal will be declared by the Board of Directors within thirty days of becoming aware of the absence of requirements.*

*10.6. The manager responsible for preparing the corporate accounting documents will set adequate accounting and administrative procedures for drawing up the financial statements and the consolidated financial statements, if provided.*

*10.7. The Board of Directors will ensure that the manager responsible for preparing the corporate accounting documents is conferred with adequate powers and means for exercising the duties conferred and ensure the effective respect of the management and accounting procedures.*

*10.8. The Chief Executive Officer and the manager responsible for preparing the corporate accounting documents will certify the effective application of the procedures of which in paragraph 6 during the course of the business year to which the documents refer, in a suitable report attached to the business year financial statements and consolidated financial statements, if provided, and certify their correspondence to the findings in the accounts books and documents and their suitability in terms of providing a truthful and correct representation of the equity, economic and financial situation of the company and the group of companies in the scope of consolidation, in the case of the consolidated financial statements being provided.*

## 9.5 Other information

For information about the "Non-financial statement" pursuant to Legislative decree no. 254 of 30 December 2016, reference should be made to the separate document which is currently being approved by the Board of Directors and which is published together with these financial statements.



## 10. Shareholding structure and share capital

SACE S.p.A.'s share capital amounts to Euro 3,730.3 million. At December 31, 2021 SACE S.p.A. had no treasury shares or shares of the sole shareholder, Cassa Depositi e Prestiti S.p.A. (CDP S.p.A.) nor did its subsidiaries hold any shares in the parent either directly or through trustees or nominees. As of the date the Liquidity decree (Decree law no. 23/2020) became effective and, more specifically, pursuant to article 3 of said decree, it is noted that SACE S.p.A. is not subject to CDP S.p.A.'s management or coordination.



## 11. Business outlook for 2022

Two years after the outbreak of the pandemic, the global macroeconomic context was gradually improving, though still with differences between countries, reflecting the progress of vaccination campaigns. However, the scenario for 2022 changed rapidly following the escalation of tensions between Russia and Ukraine, which led to a conflict whose outcome is currently highly uncertain. While at the beginning of the year the consensus outlook pointed to a consolidation of world GDP growth (+4.2% according to Oxford Economics, a more moderate rate than that recorded last year due to the elimination of the rebound effect), the most recent estimates have been revised downwards. While remaining positive, the acceleration of global economic activity is expected to be more moderate and below 4%. The increase in prices of energy goods (natural gas and oil), some agricultural commodities (e.g., wheat exported from Russia and Ukraine) and industrial goods (e.g., aluminium) is the main driver. These hikes, which are already clearly visible, translate into further upward pressure on global consumer inflation, which could exceed 6% this year, postponing the expected slowdown to 2023. The other drivers range from trade relations to the banking-financial channel and to operators' confidence. Geographically, the downward revision to the growth forecasts at the beginning of the year affects both advanced economies (+3.3%, down 0.5 percentage points) and emerging economies (+4.3%, down 0.3 percentage points). Specifically, the Eurozone is that most exposed to the conflict, especially in relation to energy and trade (the considerable sanctions imposed on Russia by the European Commission - together with other countries, such as the United States - will also have a negative impact on the Eurozone economy) and GDP growth has been limited to 3.1% (about one percentage point less than the forecasts made before the conflict). In the USA, the impact will be relatively more contained, with growth expected at 3.4%. The outlook for the emerging markets aggregate is weighed down more by the weakening of the Chinese economy, whose GDP will grow by "only" 5% as a result of the difficulties faced by the real estate market and the zero-tolerance policy against Covid-19 (however, to date, it does not seem to be affected by the ongoing crisis in Eastern Europe).

Against this background, the volume of international trade is set to be expanding, not only for goods but also for services. However, critical issues along global value chains remain high and could be exacerbated by the conflict and affect the manufacturing industry (and, therefore, also trade in goods). For Italy, forecasts at the beginning of the year point towards a consolidation of the economy, with GDP expected to grow at a high rate of 4.1%, thanks again to public and private investments, the resilience of exports and the consolidation of household consumption. Based on the recent developments, a downward revision cannot be ruled out for Italy as well, which is exposed on several fronts (first and foremost energy, due to its high dependence on Russian gas imports).

Both from an economic and geopolitical perspective, the risks on the global scenario remain significant and downward-oriented. While the public health impacts linked to the pandemic are beginning to show a progressive - albeit slow - reduction, difficulties in global value chains, rising energy prices and high levels of debt are still evident, threatening the financial stability of public and private economic players, particularly in some emerging economies. In addition to this, poverty and social inequalities are increasing, fuelled by the pandemic crisis as are issues relating to the fight against climate change and the challenge of energy transition costs, which are becoming increasingly important. Lastly, an alternative worst-case scenario based on the assumption that the conflict between Russia and Ukraine will continue in 2023 cannot be ruled out. This would lead to further downward forecasts on the growth prospects of the world economy, especially in Europe.

Rome, March 24, 2022

On behalf of the Board of Directors

Chief Executive Officer  
Pierfrancesco Latini











02

Consolidated  
Financial  
Statements



# Consolidated Financial Statements

## Consolidated Balance Sheet

### Assets

(in € thousands)		Total 31/12/2021	Total 31/12/2020
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>10,123</b>	<b>11,547</b>
1.1	Goodwill	92	92
1.2	Other intangible assets	10,031	11,455
<b>2</b>	<b>TANGIBLE ASSETS</b>	<b>67,313</b>	<b>74,488</b>
2.1	Property	62,521	68,465
2.2	Other tangible assets	4,791	6,023
<b>3</b>	<b>REINSURERS' SHARE OF TECHNICAL PROVISIONS</b>	<b>3,730,155</b>	<b>3,495,165</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>4,928,979</b>	<b>6,866,382</b>
4.1	Investment property	12,275	12,305
4.2	<i>Investments in subsidiaries, associates companies and joint ventures</i>	10,180	9,340
4.3	Financial assets at amortised cost	4,440,692	5,247,848
4.4	Financial assets at fair value through other comprehensive income	-	5,165
4.5	Financial assets at fair value through profit or loss	465,832	1,591,724
4.5.1	Financial assets held for trading	405,154	1,257,477
4.5.2	<i>Financial assets designated as at fair value</i>	-	-
4.5.3	<i>Other financial assets for which fair value measurement is mandatory</i>	60,678	334,246
<b>5</b>	<b>SUNDRY RECEIVABLES</b>	<b>866,286</b>	<b>938,094</b>
5.1	Receivables arising out of direct insurance business	591,483	603,188
5.2	Receivables arising out of reinsurance business	66,760	129,579
5.3	Other receivables	208,043	205,327
<b>6</b>	<b>OTHER ASSETS</b>	<b>726,433</b>	<b>154,632</b>
6.1	Non-current assets or of a disposal group classified as held for sale	542,623	-
6.2	Deferred acquisition costs	-	-
6.3	Deferred tax assets	138,971	122,382
6.4	Current tax assets	5,677	9,365
6.5	Other assets	39,162	22,885
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>37,315,344</b>	<b>34,495,589</b>
	<b>TOTAL ASSETS</b>	<b>47,644,632</b>	<b>46,035,896</b>



# Consolidated Balance Sheet

## Equity and liabilities

(in € thousands)		Total 31/12/2021	Total 31/12/2020
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>5,643,271</b>	<b>5,526,207</b>
<b>1.1</b>	<b>Group interest</b>	<b>5,569,121</b>	<b>5,452,990</b>
1.1.1	Share capital	3,730,324	3,730,324
1.1.2	Other equity instruments	-	-
1.1.3	Capital reserves	43,305	43,305
1.1.4	Revenue reserves and other equity reserves	1,678,547	1,683,798
1.1.5	Own shares	-	-
1.1.6	Reserves for net exchange differences	-	-
1.1.7	Gains (losses) on financial assets at fair value through other comprehensive income	-	-
1.1.8	Other gain (losses) recognised directly in equity	953	814
1.1.9	Group interest in the profit (loss) for the year	115,992	(5,251)
<b>1.2</b>	<b>Minority interest</b>	<b>74,150</b>	<b>73,217</b>
1.2.1	Share capital and reserves	73,282	72,175
1.2.2	Gains (losses) taken directly to equity	(67)	(65)
1.2.3	Minority interest in the profit (loss) for the year	935	1,107
<b>2</b>	<b>PROVISIONS</b>	<b>45,606</b>	<b>62,916</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>	<b>4,768,422</b>	<b>4,543,097</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>4,092,995</b>	<b>2,758,494</b>
4.1	Financial liabilities at fair value through profit or loss	173,952	146,881
4.1.1	Financial liabilities held for trading	173,952	146,881
4.1.2	<i>Financial liabilities designated as at fair value</i>	-	-
4.2	Financial liabilities at amortised cost	3,919,043	2,611,613
<b>5</b>	<b>PAYABLE</b>	<b>1,089,089</b>	<b>1,806,312</b>
5.1	Payable arising out of direct insurance business	36,607	35,483
5.2	Payable arising out of reinsurance business	832,263	1,684,904
5.3	Other payable	220,219	85,925
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>32,005,250</b>	<b>31,338,870</b>
6.1	Liabilities of a disposal group classified as held for sale	234,290	-
6.2	Deferred tax liabilities	223,930	201,293
6.3	Current tax liabilities	4,399	3,793
6.4	Other liabilities	31,542,630	31,133,784
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>47,644,632</b>	<b>46,035,896</b>



# Income statement

## Profit & Loss account

(in € thousands)		Total 31/12/2021	Total 31/12/2020
1.1	Net premiums	213,824	16,216
1.1.1	Gross premiums for the year	522,608	(73,280)
1.1.2	Outward reinsurance premiums for the year	(308,784)	89,496
1.2	Commissions income	41,646	32,739
1.3	Income and expense from financial instruments at fair value through profit or loss	613	(26,891)
1.3 bis	Reclassification using the overlay approach	-	-
1.4	Income from investments in subsidiaries, associates companies and joint ventures	1,226	870
1.5	Income from other financial instruments and investment property	181,714	105,610
1.5.1	Interest income	176,874	103,829
1.5.2	Other income	1,852	1,505
1.5.3	Realised gains	2,988	172
1.5.4	Valuation gains	-	104
1.6	Other revenue	89,423	131,400
1	<b>TOTAL REVENUES AND INCOME</b>	<b>528,446</b>	<b>259,945</b>
2.1	Net claims incurred	116,904	59,320
2.1.1	Claims paid and changes in technical provisions	191,342	93,448
2.1.2	Reinsurers' share	(74,438)	(34,128)
2.2	Commissions expense	4,421	2,071
2.3	Expense from investments in subsidiaries, associates companies and joint ventures	-	-
2.4	Expense related to other financial instruments and investment property	23,649	39,869
2.4.1	Interest expense	24,897	25,762
2.4.2	Other expense	311	224
2.4.3	Realised losses	-	29
2.4.4	Valuation losses	(1,559)	13,854
2.5	Operating expenses	117,076	102,427
2.5.1	Commissions and other acquisition expenses	1,023	(4,641)
2.5.2	Investment management charges	4,255	3,417
2.5.3	Other administrative expenses	111,798	103,650
2.6	Other expenses	106,258	64,637
2	<b>TOTAL COSTS AND EXPENSES</b>	<b>368,309</b>	<b>268,324</b>
	<b>PROFIT (LOSS) FOR THE YEAR BEFORE TAXES</b>	<b>160,137</b>	<b>(8,379)</b>
3	Taxes	43,210	(4,235)
	<b>PROFIT (LOSS) FOR THE YEAR NET OF TAXES</b>	<b>116,927</b>	<b>(4,144)</b>
4	<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
	<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>116,927</b>	<b>(4,144)</b>
	of which Group interest	115,992	(5,251)
	of which minority interest	935	1,107



# Statement of comprehensive income

## Net amounts

(in € thousands)	Totale 31/12/2021	Totale 31/12/2020
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>116,927</b>	<b>(4,144)</b>
<b>Other income components after tax without reclassification to profit or loss</b>		
Changes in shareholders' equity of subsidiaries		
Changes in intangible assets revaluation reserve		
Change in tangible assets		
Income and charges relating to non-current assets or disposal group classified as held for sale		
Actuarial gains and losses and adjustments related to defined benefit plans	163	323
Gains (losses) on equity investments designated as at fair value through other comprehensive income		
<i>Change in own creditworthiness on financial liabilities designated as at fair value</i>		
Other		
<b>Other income components after tax with reclassification to profit or loss</b>		
Change in the reserve for net exchange differences	(24)	(86)
Gains or losses on financial assets (other than equity investments) at fair value through other comprehensive income		
Gains or losses on cash flow hedges	-	2,882
Gains or losses on hedging instruments a net investment in a foreign operation		
Changes in shareholders' equity of subsidiaries		
Income and charges relating to non-current assets or disposal group classified as held for sale		
<i>Reclassification using the overlay approach</i>		
Other		
<b>TOTAL OTHER COMPREHENSIVE INCOME STATEMENT COMPONENTS</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME STATEMENT</b>	<b>117,066</b>	<b>(1,025)</b>
<b>of which Group interest</b>	<b>116,131</b>	<b>(2,131)</b>
<b>of which minority interest</b>	<b>935</b>	<b>1,107</b>



## Statement of changes in equity

(in € thousands)	Balance at 31/12/2019	Adjustments for reclassification in profit and loss		Balance at 31/12/2020	Adjustments for reclassification in profit and loss		Balance at 31/12/2021
		Allocations	Transfers		Allocations	Transfers	
Share capital	3,730,324	-	-	3,730,324	-	-	3,730,324
Other equity instruments	-	-	-	-	-	-	-
Capital reserves	43,305	-	-	43,305	-	-	43,305
Revenue reserves and other equity reserves	1,644,101	109,698	(70,000)	1,683,799	(5,251)	-	1,678,548
Own shares	-	-	-	-	-	-	-
Net profit (loss) for the year	109,698	(5,251)	(109,698)	(5,251)	115,992	5,251	115,992
Other comprehensive income items	(2,306)	3,119	-	814	139	-	953
<b>Total</b>	<b>5,525,121</b>	<b>107,566</b>	<b>(179,698)</b>	<b>5,452,990</b>	<b>110,880</b>	<b>5,251</b>	<b>5,569,121</b>
Share capital and reserves	78,618	(6,509)	-	72,110	1,107	-	73,215
Net profit (loss) for the year	(6,509)	1,107	6,509	1,107	935	(1,107)	935
Other comprehensive income items	-	-	-	-	-	-	-
<b>Total minority interest</b>	<b>72,109</b>	<b>(5,402)</b>	<b>6,509</b>	<b>73,217</b>	<b>2,042</b>	<b>(1,107)</b>	<b>74,150</b>
<b>Total</b>	<b>5,597,231</b>	<b>102,164</b>	<b>(173,189)</b>	<b>5,526,207</b>	<b>112,922</b>	<b>4,144</b>	<b>5,643,271</b>



# Statement of cash flows

(in € thousands)	31/12/2021	31/12/2020
<b>Profit (loss) for the year before tax</b>	<b>160,137</b>	<b>(8,379)</b>
<b>Changes in non monetary items</b>	<b>(1,188,310)</b>	<b>288,768</b>
Change in the provision for unearned premiums - non-life business	(835,951)	423,904
Change in the provision for claims outstanding and other technical provisions - non-life business	(24,463)	(85,344)
Change in the general provision	(17,310)	(32,740)
Not monetary Income and expense on financial instruments, investment property and equity investments	(239,470)	29,496
Other changes	(71,116)	(46,548)
<b>Change in receivables and payables generated by operations</b>	<b>291,215</b>	<b>145,135</b>
Change in receivables and payables arising from direct insurance and reinsurance business	154,223	46,966
Change in other receivables and payables	136,992	98,170
<b>Tax paid</b>	<b>(43,210)</b>	<b>4,235</b>
<b>Net cash flow generated/absorbed by investment and financial activities</b>	<b>1,193,125</b>	<b>837,202</b>
Liabilities from financial contracts	-	-
Other financial instruments at fair value through profit or loss	1,193,125	837,202
<b>TOTAL NET CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>	<b>412,957</b>	<b>1,266,962</b>
Net cash flow generated/absorbed by investment property	(19)	153
<i>Net cash flow generated/absorbed by subsidiaries, associates companies and joint ventures</i>	386	238
Net cash flow generated/absorbed by financial assets at amortised cost	694,405	(1,339,080)
Net cash flow generated/absorbed by financial assets at fair value through other comprehensive income	-	-
Net cash flow generated/absorbed by tangible assets and intangible assets	6,562	5,731
Other net cash flows generated/absorbed by investment activities	-	-
<b>TOTAL NET CASH FLOW ARISING FROM INVESTMENT OPERATIONS</b>	<b>701,334</b>	<b>(1,332,958)</b>
Net cash flow generated/absorbed by capital instruments pertaining to the Group	137	3,121
Net cash flow generated/absorbed by own shares	-	-
Distribution of dividends pertaining to the Group	-	(70,000)
Net cash flow generated/absorbed by capital and reserves pertaining to minority interest	-	-
Net cash flow generated/absorbed by subordinated liabilities and participating financial instruments	-	-
Net cash flow generated/absorbed by financial liabilities at amortised cost	1,317,180	(1,674,186)
<b>TOTAL NET CASH FLOW ARISING FROM FINANCING OPERATIONS</b>	<b>1,317,317</b>	<b>(1,741,065)</b>
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	<b>3,495,589</b>	<b>5,302,651</b>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,431,608	(1,807,062)
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<b>5,927,197</b>	<b>3,495,589</b>

These consolidated financial statements have been prepared without taking into account the amounts in the central treasury account held in the name of SACE and relating to the Fund established pursuant to article 1.14 of the Liquidity decree (Euro 31 billion), and the corresponding balancing entry recognised under other liabilities.







# 03

## Notes to the consolidated financial statements



# Notes to the consolidated financial statements

These consolidated financial statements have been prepared without taking into account the amounts in the central treasury account held in the name of SACE and relating to the Fund established pursuant to article 1.14 of the Liquidity decree (Euro 31 billion), and the corresponding balancing entry recognised under other liabilities.

## General information

The SACE Group is comprised of SACE S.p.A. and its subsidiaries, SACE BT S.p.A., SACE Fct S.p.A., SACE SRV S.r.l., SACE do Brasil and SIMEST S.p.A. SACE S.p.A. is active in the non-life business, in particular in non-marketable credit risk coverage, the subsidiary SACE BT S.p.A. in bonds and short-term credit risk coverage, while the subsidiary SACE Fct S.p.A. operates in the factoring market and SIMEST S.p.A. provides funding for internationalisation, export credit support and equity investments. Through the São Paulo office in Brazil, established under Brazilian law (SACE do Brasil), SACE has expanded its business in a geographical area of strategic importance for the Italian economy, consolidating its current customer portfolio and promoting agreements with important local financial institutions.

SACE's registered office is in Piazza Poli 37/42, Rome. The reporting date of the consolidated financial statements (31 December 2021) coincides with that of the financial statements of the subsidiaries. The consolidated financial statements are presented in euros, the functional and the reporting currency of SACE S.p.A. and its subsidiaries. The amounts reported in the notes are in thousands of euros.

The consolidated financial statements have been audited by Deloitte & Touche S.p.A.

## Applicable legislation

Under Legislative decree no. 38 of 28 February 2005, starting from 2005, companies within the scope of application of Legislative decree no. 173 of 26 May 1997 are required to prepare their consolidated financial statements in accordance with the international financial reporting standards issued by the IASB (International Accounting Standards Board) and endorsed by EC Regulation no. 1606/2002 (IAS/IFRS). Pursuant to the aforesaid Decree, the powers attributed to ISVAP (IVASS from 1 January 2013) by Legislative decree no. 173/1997 and subsequent Legislative decree no. 209/2005 must be exercised thereby in compliance with IAS/IFRS.

According to the options exercised by the Italian legislator, insurance sector companies:

- a) must draw up their consolidated financial statements in accordance with IAS/IFRS starting from 2005;
- b) must continue to draw up their separate financial statements in accordance with Legislative decree no. 173/97;
- c) must draw up their separate financial statements in accordance with IAS/IFRS starting from 2006 if they issue financial instruments admitted to trading on regulated markets of any member state of the European Union and do not prepare consolidated financial statements.

Based on the above, the consolidated financial statements of SACE S.p.A. have been prepared in accordance with IAS/IFRS, ISVAP Regulation no. 7/2007, as amended by Ruling no. 74 of 8 May 2018, regarding the formats to be used, and applicable IVASS rulings, regulations and circulars.



## Accounting standards used and statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with IAS/IFRS issued by the IASB and endorsed by the European Union and in the technical formats required under ISVAP Regulation no. 7/2007, as amended by Ruling no. 74 of 8 May 2018. The term international accounting standards refers here to all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and those previously issued by the Standing Interpretations Committee ("SIC"), as well as the technical formats required under ISVAP Regulation no. 7/2007, as subsequently amended.

## Forthcoming accounting standards and interpretations

### Standards endorsed which came into force in 2021

The European Commission Regulations that have endorsed the new standards or the amendments to existing standards and whose application became mandatory as of 1 January 2021 are listed below:

- Commission Regulation (EU) 2021/1421 of 30 August 2021, published in the Official Journal L. 305/17 on 31 August 2021, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 16;
- Commission Regulation (EU) 2021/25 of 13 January 2021, published in Official Journal L. 11/7 on 14 January 2021, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 39 and International Financial Reporting Standards 4, 7, 9 and 16;
- Commission Regulation (EU) 2020/2097 of 15 December 2020, published in Official Journal L. 425 of 16 December 2020, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 4.

### New accounting standards and interpretations that have already been issued and endorsed by the European Union but are not yet effective

The new standards and interpretations that have already been issued and endorsed, but which are not yet into force and, therefore, do not apply to the preparation of the 2021 financial statements are listed below:

- Commission Regulation (EU) 2021/1080 of 28 June 2021, published in Official Journal L. 234/90 on 2 July 2021, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 16, 37 and 41 and International Financial Reporting Standards 1, 3 and 9;
- Commission Regulation (EU) 2021/2036 of 19 November 2021 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 17.

### Accounting standards, amendments and interpretations not yet endorsed by the European Union at December 31, 2021



At the approval date of these financial statements, several accounting standards, interpretations and amendments were issued by the IASB, but have not yet been endorsed by the EU, namely:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021).

For the full list of the standards and amendments published by the IASB, including whether they have been endorsed by the European Union, reference should be made to the EFRAG website at <http://www.efrag.org/Endorsement>.

## Financial statements

The consolidated financial statements and related annexes are presented in accordance with the requirements of ISVAP Regulation no. 7/2007, as amended by Ruling no. 74 of 8 May 2018.

Other revenue includes the reimbursement of the acquisition costs incurred by SACE S.p.A. in connection with the Garanzia Italia scheme, short-term trade receivables insurance, the Garanzia Green New Deal scheme and the co-insurance system with the MEF.

## Basis of consolidation

Subsidiaries are companies controlled by SACE. Under IFRS 10, the group controls an investment entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are consolidated from the date on which control is assumed and until such control ceases to exist. All the subsidiaries are included in the scope of consolidation.

## Changes in accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), endorsed by the European Union pursuant to (EC) regulation no. 1606/2002 in force on the same date.

They have also been prepared in accordance with IVASS Ruling no. 74 of 8 May 2018, which amended and supplemented the provisions of IVASS Regulation no. 7/2007 with regard to the application of IFRS 9 (Financial Instruments) which replaces IAS 39 starting from annual periods beginning on or after 1 January 2018.

The accounting policies are unchanged from the previous year.

## Financial assets at amortised cost

This category applies to the financial assets covered by IFRS 7.8(f), other than receivables recognised under sundry receivables, that meet the following two conditions (IFRS 9.4.1.2):

- a) the objective of the entity's business model is to hold the financial asset to collect the contractual cash flows;
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Financial assets at fair value through other comprehensive income

This item includes the financial assets referred to in IFRS 7.8(h) and, specifically:

- financial assets that meet the following two conditions (IFRS 9.4.1.2A):
  - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- equity investments, considering the clarifications set out in IFRS 9 BC5.21, which the entity irrevocably elected to measure at fair value through other comprehensive income at initial recognition in accordance with IFRS 9.5.7.5.

## Financial assets at fair value through profit or loss

This item includes the financial assets referred to in IFRS 7.8(a) not classified as financial assets at amortised cost or at fair value through other comprehensive income (IFRS 9.4.1.4), specifically:

- financial assets held for trading;
- financial assets designated at fair value and, in particular, financial assets irrevocably designated at fair value at initial recognition to eliminate or significantly reduce an accounting mismatch (IFRS 9.4.1.5) and financial assets whose credit risk is managed using a credit derivative that is measured at fair value through profit or loss where the eligibility criteria set out in IFRS 9.6.7.1 are met;
- other financial assets for which fair value measurement is mandatory including, in particular, financial assets other than those which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and assets not held for trading but managed in accordance with other business models (IFRS 9.B4.1.5).

## Financial liabilities at fair value through profit or loss

This item comprises financial liabilities measured at fair value through profit or loss as defined by IFRS 7.8(e) and, in detail:

- financial liabilities held for trading;
- financial liabilities at fair value and, in particular, financial liabilities irrevocably designated on initial recognition at fair value to eliminate or significantly reduce a measurement or recognition inconsistency, i.e., an accounting mismatch (IFRS 9.4.2.2(a)) or a group of financial liabilities or a group of financial assets and financial liabilities managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy (IFRS 9.4.2.2(b)).

## Financial liabilities at amortised cost

This item includes the financial liabilities defined and governed by IFRS 9.4.2.1, as established by IFRS 7.8(g).

Specifically, it comprises investment contracts (as defined in IFRS 4. IG 2) that do not fall within the scope of IFRS 4, the deposits received from reinsurers, any financial components of insurance contracts and lease receivables recognised by a lessor.

## The impairment model

With respect to impairment, instruments measured at amortised cost and at fair value through equity, are subject to a model based on expected losses instead of the incurred loss model, envisaged by IAS 39. Under IFRS 9, companies shall recognise 12-month ECL since the initial recognition of the financial instrument (stage 1). Conversely, the time horizon to calculate the expected credit loss is the entire residual life of the asset under assessment, when the credit quality of the financial instrument has deteriorated significantly since the date of initial recognition (stage 2) or



is impaired (stage 3).

Name	Country of head office	Method (1)	Business (2)	% Direct investment	% Total interest (3)	% Voting rights at ordinary Shareholders' Meetings (4)	% of consolidation
SACE BT	Italy	G	1	100%	100%	100%	100%
SACE Fct	Italy	G	11	100%	100%	100%	100%
SACE SRV	Italy	G	11	0%	100%	100%	100%
SACE do Brasil	Brazil	G	11	99.9997%	100%	100%	100%
SIMEST	Italy	G	11	76.005%	76.005%	76.005%	76.005%
FONDO SVILUPPO EXPORT	Italy	G	11	100%	100%	N.A.	100%

(1) Method of consolidation: Line-by-line=G, Proportionate=P, Line-by-line by unitary division=U

(2) 1= Italian ins; 2 = EU ins; 3 = third-party country ins; 4 = insurance holdings; 4.1 = mixed financial holding companies; 5 = EU reins; 6 = third-party country reins; 7 = banks; 8 = asset management companies; 9 = other holdings; 10 = real estate companies; 11 = other

(3) The product of the percentages of ownership relating to all companies, along the equity investment chain, between the company preparing the consolidated financial statements and the company in question. If the latter is owned directly by several subsidiaries, the single results must be added

(4) total percentage of voting rights available at the general meeting, only disclosed if different from the direct or indirect percentage of ownership

#### BREAKDOWN OF NON-CONSOLIDATED EQUITY INVESTMENTS

Name	Country of head office	Business (1)	Type (2)	% direct investment	% total investment (3)	% voting rights at ordinary Shareholders' Meetings (4)	Carrying amount
African Trade Insurance Agency	Kenya	3	b	3.23%	3.23%	3.23%	10,180

(1) 1=Italian ins.; 2=EU ins.; 3=third-party country ins.; 4=insurance holding; 5=EU reins.; 6=third-party country reins.; 7=banks; 8=asset management company; 9=other holdings; 10=real estate companies; 11=other

(2) a=subsidiaries (IAS 27); b=associates (IAS 28); c=joint ventures (IAS 31); companies classified as held for sale in accordance with IFRS 5 must be marked with an asterisk (\*) and the key must be included at the foot of the table.

(3) The product of the percentages of ownership relating to all companies, along the equity investment chain, between the company preparing the consolidated financial statements and the company in question. If the latter is owned directly by several subsidiaries, the single results must be added

(4) total percentage of voting rights available at the general meeting, only disclosed if different from the direct or indirect percentage of ownership

## Scope of consolidation

The scope of consolidation includes SACE S.p.A. and all its direct and indirect subsidiaries: SACE BT S.p.A., SACE Fct S.p.A., SACE SRV S.r.l., SACE do Brasil and SIMEST S.p.A.

For the purposes of a better presentation, Fondo Sviluppo Export, included in SACE S.p.A.'s assets, has been consolidated on a line-by-line basis. Indeed, SACE is the only subscriber to the Fund.

## Transactions eliminated on consolidation

In preparing the consolidated financial statements, all balances and transactions between the companies and also realised gains and losses on intercompany transactions have been eliminated. Impairment losses arising from intercompany transactions continue to be recognised.

## Principles of consolidation

The carrying amount of investments has been eliminated against equity with recognition of goodwill if deemed recoverable.



## Use of estimates

In preparing the financial statements, the directors are required to make estimates and evaluations which influence the carrying amounts of assets, liabilities, costs and revenues. The assumptions made for the 2021 financial statements are deemed appropriate. Consequently, these financial statements have been prepared clearly and give a true and fair view of the financial position, financial performance and cash flows for the year.

In order to make reliable estimates and assumptions, the directors have referred to past experience and to other factors deemed reasonable under the circumstances, based on all available information. However, it cannot be excluded that changes in these estimates and assumptions may have an impact on the financial position and financial performance and on the contingent liabilities disclosed in the notes, should different judgements be made with respect to those previously expressed, also considering the current context characterised by the ongoing public health emergency. Specifically, management made greater use of subjective judgements for the following: calculating technical provisions; calculating the fair value of financial assets and liabilities when fair value was not directly observable on active markets; calculating the recoverable amount of recognised receivables; estimating the recoverability of deferred tax assets and calculating the provisions for risks and charges.

## Measurement criteria

### Intangible assets

#### a) Goodwill

With respect to business combinations, the assets, liabilities and acquired and identifiable contingent liabilities are recognised at their fair value on the date of acquisition. The residual positive difference between the purchase price and the group's interest in the fair value of such assets and liabilities is classified as goodwill and recognised as an intangible asset; the negative difference is recognised through profit or loss at the time of acquisition. Goodwill is not amortised but is tested for impairment annually in accordance with IAS 36. Subsequent to initial recognition, it is recognised at cost, net of accumulated impairment losses.

#### b) Other intangible assets

This item comprises the assets defined and regulated by IAS 38. Only identifiable intangible assets controlled by group companies are recognised when it is probable that use of the assets will generate future economic benefits and when the cost of the asset is determined or can be reliably measured. This item mainly reflects the costs of software purchased from third parties or developed internally. This item does not include amounts relating to deferred acquisition costs or intangible assets governed by other international accounting standards. These assets are recognised at cost. For assets with a finite useful life, the cost is amortised at constant rates according to their relative useful life. Assets with an indefinite useful life are not amortised but, in accordance with IAS 36 – Impairment of assets (in the manner described in the paragraph referring to impairment losses and reversal of impairment losses on non-financial assets), an impairment test is carried out at each reporting date or in the case of evidence of permanent impairment. The loss, equal to the difference between the carrying amount of the asset and its recoverable amount, is recognised through profit and loss. Amortisation rates are consistent with plans for the technical-financial use of each single category of assets.

Intangible assets are derecognised when sold or when no future economic benefits are expected from the asset.

### Property, plant and equipment

#### a) Property

This item comprises property used in group operations as specified and governed by IAS 16. These assets are distinguished between Land and Buildings and are recognised at cost which, in



addition to the purchase price, includes any accessory charges directly attributable to the purchase and bringing into use of the asset.

Subsequently, the cost of the buildings is depreciated on a straight-line basis over their useful life. Land, whether purchased separately or as part of the value of buildings, is not depreciated, as of indefinite life. If the value of land is incorporated in the value of the building, the land is unbundled only if the company has full use of the building in all its parts. An impairment test is carried out whenever there is evidence of a potential loss of value. The total of any such impairments, equal to the difference between the carrying amount of the asset and its recoverable amount (equal to the lower of fair value less costs to sell, and the related value in use of the asset, meaning the present value of future cash flows deriving from the asset), is recognised through profit or loss. Property is derecognised on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

#### b) Other tangible assets

This item comprises furniture, fittings, plant and equipment, office machinery and assets listed in the public registers. These items are stated at cost and subsequently recognised net of depreciation and any impairment losses. Depreciation rates are consistent with plans for the technical-financial use of each single category of assets.

Other property, plant and equipment are derecognised on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

## Reinsurers' share of technical provisions

This item includes amounts corresponding to risks ceded to reinsurers under contracts regulated by IFRS 4. Reinsurers' shares of technical provisions are determined on the basis of agreements or treaties entered into between the parties, according to the same criteria described for technical provisions, except in the case of a different assessment of the recoverability of the receivable.

## Investments

### Investment property

This item comprises the property as specified and governed by IAS 40. Such investments comprise land, buildings and individual residential units not included among property used in group operations or available as part of the core business for purchase and sale. Investment property is recognised at cost which includes any directly attributable accessory charges or those necessary to bring the asset to working conditions. Investment property is depreciated in accordance with IAS 40. Property is stated net of accumulated depreciation and any impairment losses. Extraordinary maintenance costs that result in future economic benefits are capitalised on the value of the property, while ordinary maintenance costs are recognised through profit or loss as incurred. These assets are depreciated on a straight-line basis over their estimated useful life, except for the portion relating to the land belonging to the building or purchased separately, which is assumed to have an indefinite useful life and is therefore not depreciated. If a permanent impairment emerges during periodic testing or after specific events, the corresponding impairment loss is recognised. Investment property is derecognised on disposal or in the case of events such as to eliminate the expected economic benefits of use.

### Equity investments in subsidiaries, associates and joint ventures

All subsidiaries have been consolidated on a line-by-line basis. This item comprises equity investments measured using the equity method and relating to associates or jointly-controlled companies. In periods following the initial recognition at purchase cost, the change in the carrying amount of the equity investments attributable to the profit or loss of investees is taken to profit or loss.



## Sundry receivables

### Receivables arising out of direct insurance business

This item includes premiums receivable from policyholders still to be collected. Initial recognition is at fair value and subsequently at amortised cost. Short-term receivables are not discounted since the effects would not be significant. Medium/long-term receivables are discounted. Impairment losses on these receivables are recognised on the basis of past collection experience, in respect of each business line.

### Receivables arising out of reinsurance business

The item includes accounts receivable from reinsurers. Initial recognition is at fair value and subsequently at amortised cost. Recognition does not entail discounting since these are short-term receivables and the effects would not be significant. On each subsequent reporting date, they are recognised at their estimated realisable value.

### Other receivables

This item includes other trade receivables as defined by IAS 32 and governed by IFRS 9, not relating to taxes and not included in the two preceding categories. Initial recognition is at fair value and subsequently at amortised cost net of any impairment losses. They are measured analytically and, if impaired, are written down individually.

## Other assets

### Non-current assets held for sale and discontinued operations

This caption relates to the assets of a disposal group which are defined and governed by IFRS 5.

Specifically, this caption relates to SACE S.p.A.'s investment in SIMEST S.p.A. pursuant to article 67.2 of Decree law no. 104 of 14 August 2020, converted, with amendments, by Law no. 126 of 13 October 2020 (the "August Decree") which governed the reorganisation of the SACE Group. This entailed the sale of the entire investment in SIMEST to CDP and the sale of the SACE Group, excluding SIMEST, by CDP to the MEF. At December 31, 2021, this operation was still underway.

### Deferred tax assets and liabilities

These items include, respectively, tax assets deriving from deductible temporary differences and tax liabilities deriving from taxable temporary differences, as defined and governed by IAS 12. They are recognised in accordance with applicable Italian legislation.

All deferred tax liabilities on taxable temporary differences are recognised. Tax assets on deductible temporary differences are recognised if it is probable that sufficient taxable income will be generated in the future such to permit their use. Deferred tax assets and liabilities are recognised on the basis of the tax rate in force in the period in which the asset or liability is realised or settled.

### Current tax assets and liabilities

These items include, respectively, current tax assets and liabilities as defined and governed by IAS 12. Income tax is recognised on the basis of Italian tax law. Tax charges (income) are the total of current and deferred tax included in the determination of the profit or loss for the year. Current taxes are recognised with a balancing entry in profit or loss.

### Other assets

This is a residual item comprising assets not included in the above items. It mainly includes transitory reinsurance accounts and deferred commissions payable on contracts to which IFRS 4 does not apply.



## Cash and cash equivalents

This item reflects cash, current accounts with banks and demand deposits. These assets are recognised at face value. Cash and cash equivalents in foreign currency are recognised at closing rates.

## Equity attributable to the owners of the parent

This section includes equity instruments forming the equity attributable to the owners of the parent, as required by the Italian Civil Code and insurance sector legislation, taking into account the necessary consolidation adjustments. Specific information on each component of equity follows.

### Share capital

The item includes those elements that, according to the legal form of the parent, form its capital. Share capital (subscribed and paid up) is stated at face value.

### Retained earnings and other equity reserves

The item includes:

- the reserve comprising gains (losses) arising from first-time adoption of IAS/IFRS as per IFRS 1;
- reserves arising from reclassification of certain supplemental reserves and all equalisation reserves recognised under the standards previously in force (IFRS 4);
- other reserves required by the Italian Civil Code and previous insurance legislation;
- consolidation reserves.

### Reserves for net exchange differences

This item includes exchange differences taken to equity as per IAS 21, arising on transactions in foreign currency.

### Other gains (losses) taken directly to equity

This item reflects the net balance of the changes recorded directly against equity. Accordingly, it includes the actuarial gains and losses deriving from the measurement of post-employment benefits pursuant to IAS 19.

### Provisions

The item includes the liabilities defined and governed by IAS 37 (Provisions, contingent liabilities and contingent assets).

Provisions for risks and charges are made when the following three conditions are met:

- a) an effective obligation (legal or implicit) exists;
- b) it is probable that resources will be used to meet the obligation and settle it;
- c) the amount of the obligation can be reliably estimated.

The amount of the provision is equal to the forecast obligation discounted at current market rates. The obligation is not discounted if this would not be significant. Continuation of the conditions that require the provision is regularly reviewed. If the liability is deemed possible but not probable, no provision is recognised, but it is disclosed in the notes.



## Technical provisions

IFRS 4 permits recognition of technical provisions on the basis of generally accepted local accounting standards. A review of all the non-life contracts showed that all the contracts qualify as insurance contracts. Claims provisions do not include compensation and equalisation provisions in that these are not permitted under IFRS. These provisions are recognised according to the accounting standards adopted prior to IFRS as all the outstanding non-life policies fall within the scope of IFRS 4 (insurance contracts). Specifically, this item includes:

- the Provision for unearned premiums: the provision for premium instalments is determined on a pro rata basis, applied analytically to each policy on the basis of gross premiums. The provision for unearned premiums has also been aligned with the expected rate of claims not covered by the provision for premium instalments referring to insurance contracts signed by the reporting date (provision for unexpired risks). This provision, calculated using the Credit-Metrics method (which calculates the expected loss of the entire portfolio until it is run off) relates to the business trend and covers the portion of risk that fall after the reporting date. SACE opted to calculate the provision empirically rather than analytically. In detail, starting from the estimated expected loss of the entire portfolio, the main components taken into consideration in order to determine the provision include:
  - observed and expected trends in the portfolio of outstanding guarantees with specific focus on the risk profile, concentration by counterparty and industrial sector;
  - the total exposure in foreign currency and observed and expected trends in exchange rates;
  - the duration of the portfolio run-off and observed trends.
- the Provision for claims outstanding which includes provisions for claims reported but not yet paid on the basis of the forecast cost of the claim, including settlement and acquisition costs. These provisions are determined on the basis of an analytical estimate of the ultimate cost of covering charges relating to the compensation paid, direct costs and payment for each individual claim.

## Payables

This item comprises trade payables arising out of direct and indirect insurance business.

### Payable arising out of direct and indirect insurance business

They are recognised at cost.

### Other payables

The item reflects the liability towards employees for Italian post-employment benefits (TFR).

It is calculated analytically for each employee in accordance with the law and current collective bargaining agreements. Due to the reform of supplementary pension schemes under Law nos. 252/2005 and 296/2006 and bearing in mind the OIC guidelines, it was decided to: a) recognise the obligation for benefits accrued at 31 December 2006 in accordance with the rules of defined benefit plans; this means that the company must measure the obligation for benefits accrued by employees using actuarial techniques and must determine the total amount of actuarial gains and losses to be recognised in profit or loss with a balancing entry in equity; b) recognise the obligation for benefits accruing from 1 January 2007, to be allocated to supplementary pension schemes or to the treasury fund set up at INPS (Italy's social security institution), according to the contributions due each year.

## Other liabilities

This category includes:



## Liabilities of a disposal group HFS

Reference should be made to the assets section.

## Current and deferred tax liabilities

Reference should be made to the assets section.

## Other liabilities

The item comprises:

- transitory reinsurance accounts;
- any accrued expenses and deferred income that could not be allocated to specific items;
- the balancing entry of cash on the central treasury current account paid by the MEF and related to the new business.

## Items of the Income Statement

Costs and revenue are recognised on an accruals basis. The recognised balance of the various revenue items is identified, for each item, according to the criteria set out below.

## Net premiums

This item includes premiums for the year relating to contracts classifiable as insurance contracts under IFRS 4.

All contracts under which one party, the insurer, accepts significant insurance risk, agreeing to compensate another party, the policyholder or another beneficiary, if a specified uncertain future event adversely affects the policyholder or another beneficiary are considered to be insurance contracts.

All contracts distributed by the group qualify as insurance contracts according to IFRS 4. The premiums are recognised net of reinsurance transfers.

## Net income from financial instruments at fair value through profit or loss

This item comprises realised gains and losses and changes in the carrying amount of assets and liabilities at fair value through profit or loss.

## Income and expense on investments in subsidiaries, associates and joint ventures

These items include income and expense on investments measured using the equity method and recognised in the corresponding item under assets.

## Income and expense from other financial instruments and investment property

These items include income and expense on investment property and financial instruments not at fair value through profit or loss.



Specifically, they comprise:

- interest income and expense (recognised on financial instruments using the effective interest method);
- other income and expense (including, by way of example, revenue from the use of third-party assets, investment property and dividends and investment property management charges, such as service charges and maintenance and repair costs not capitalised);
- realised gains and losses (including those resulting from the derecognition of a financial asset/liability or investment property);
- unrealised gains and losses (including positive and negative changes resulting from write-backs and value re-adjustments and from measurement subsequent to initial recognition of investment property at fair value and of financial assets and liabilities).

## Other revenue and Other costs

These items comprise, respectively:

- revenue from services other than insurance services and the third-party use of property, plant and equipment and intangible assets or other assets belonging to the company, as required by IFRS 15;
- other net technical income and charges linked to insurance contracts;
- additional provisions made during the year;
- exchange differences to be charged to profit or loss according to IAS 21;
- realised gains and reversals of impairment losses on property, plant and equipment and intangible assets and realised losses, impairment losses and depreciation not otherwise allocated to other cost items, and amortisation of intangible assets;
- gains and losses relating to non-current assets and disposal groups held for sale, other than those relating to discontinued operations.

## Net claims incurred

This item includes – before settlement costs and net of amounts ceded to reinsurers – amounts paid, net of recoveries, changes in the claims provisions, in the recovery provision relating to insurance contracts and financial instruments governed by IFRS 4. It also includes direct and indirect claim settlement costs.

## Operating expenses

The item includes:

- commissions and other acquisition costs on contracts classified as insurance or investment contracts under IFRS 4; these costs are recognised net of reinsurance;
- investment management expenses including general expenses and payroll expenses relating to the management of financial instruments, investment property and equity investments as well as custodian and administrative costs;
- other administrative expenses, including general expenses and payroll expenses not allocated to costs of claims, insurance contract acquisition costs or investment management expenses.

## Current taxes

This item includes income taxes calculated in accordance with Italian tax law.



## Deferred taxes

This item refers to income tax payable in future years relating to taxable temporary differences. Deferred taxes are charged to profit or loss except for those relating to gains and losses recognised directly in equity in respect of which taxes are treated in the same way. Deferred taxes are calculated using the tax rates prevailing in each year in which the tax will become payable.

## Items in foreign currency

Transactions in foreign currency are recognised initially in the functional currency, adopting the exchange rate prevailing on the date of the transaction.

On each annual or interim reporting date, foreign currency items are measured as follows:

- a) cash balances are translated at closing rate;
- b) non-cash balances measured at historical cost are translated using the transaction-date exchange rate;
- c) non-cash items at fair value are translated using closing rates.

Exchange differences arising from cash settlement or conversion of cash items at rates other than the initial conversion rate, are recognised in profit and loss when they arise. When a gain or loss relating to a non-cash item is recognised in equity, the related exchange difference is also recognised in equity.

## New business of 2020

With respect to the new business launched in 2020 by the “Liquidity, Relaunch and Simplification Decrees”, characterised by the full mitigation of risks for SACE via the MEF’s Fund, it is noted that SACE recognises the revenue from the reimbursement of the acquisition costs incurred in profit or loss. The statement of financial position includes the cash held in the current account in the name of SACE (Euro 31 billion) relating to the Fund established pursuant to article 1.14 of the “Liquidity” decree, to cover the State’s commitments in connection with the granting of guarantees related to SACE’s new business. The statement of financial position also includes a balancing entry under sundry liabilities. The commissions received in respect of the guarantees issued are recognised separately in accordance with applicable legislation, under the “Liability with the MEF”, with a balancing entry under other technical charges.

As of 2021, in accordance with the Liquidity decree, SACE and the State assumed commitments through a co-insurance scheme to the extent of ten and ninety per cent of the commitments, respectively.

## Risk management

SACE regularly assesses its exposure to the currency, interest rate and credit risks and manages them by means of asset-liability management techniques, in accordance with its risk management policies.

SACE uses financial instruments designated as hedges mainly for the management of:

- currency risk on financial instruments denominated in foreign currency;
- interest risk on fixed rate receivables and payables;
- credit risk.

The forward and swap contracts are mainly used for this purpose. The counterparties to these contracts are prime international banks with high ratings. Information regarding the fair value of outstanding derivatives at the reporting date is included in the Annex.



## Exchange rates

The main currencies were converted into euros, using the following exchange rates:

	31 December 2021	31 December 2020	31 December 2019
US Dollar	1.1326	1.2271	1.1234
GB Pound	0.8403	0.89903	0.8508
Swiss Franc	1.0331	1.0802	1.0854

## Segment reporting

Pursuant to the provisions of IVASS Regulation no. 7/2007, it is noted that the SACE Group operates in the following segments:

- non-life insurance business (SACE S.p.A. and SACE BT S.p.A.)
- other businesses (SACE Fct S.p.A., Simest S.p.A. and Fondo Sviluppo Export).



## Balance Sheet by business sector

(in € thousands)		Non-life business			Life business		Other businesses		Elimination between sectors		Total	
		31/12/2021	31/12/2020		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
1	INTANGIBLE ASSETS	8,339	8,378				1,784	3,168			10,123	11,547
2	TANGIBLE ASSETS	64,426	65,944				2,887	8,544			67,313	74,488
3	REINSURERS' SHARE OF TECHNICAL PROVISIONS	3,730,155	3,495,165								3,730,155	3,495,165
4	INVESTMENTS	3,841,794	4,092,408				1,878,269	2,774,105	-791,084	-132	4,928,979	6,866,382
4.1	Investment property	12,275	12,305								12,275	12,305
4.2	Equity investments in subsidiaries, associates companies and joint ventures	10,180	9,340								10,180	9,340
4.3	Financial assets at amortised cost	3,516,525	2,907,926				1,715,167	2,339,922	-791,000		4,440,692	5,247,848
4.4	Financial assets measured at fair value through other comprehensive income							5,165				5,165
4.5	Financial assets at fair value through profit or loss	302,814	1,162,837				163,102	429,018	-84	-132	465,832	1,591,724
5	SUNDRY RECEIVABLES	868,222	951,177				6,572	8,275	-8,508	-21,358	866,286	938,094
6	OTHER ASSETS	174,128	129,852				555,994	25,086	-3,689	-306	726,433	154,632
6.1	Non-current assets or of a disposal group classified as held for sale						546,311		-3,688		542,623	
6.2	Deferred acquisition costs											
6.5	Other assets	174,128	129,852				9,683	25,086	-1	-306	183,810	154,632
7	CASH AND CASH EQUIVALENTS	37,221,808	34,320,235				93,536	175,353			37,315,344	34,495,589
	TOTAL ASSETS	45,908,873	43,063,160				2,539,043	2,994,531	-803,281	-21,796	47,644,632	46,035,896
1	SHAREHOLDERS' EQUITY										5,643,271	5,526,207
2	PROVISIONS	39,262	56,946				6,358	5,985	-15	-15	45,606	62,916
3	TECHNICAL PROVISIONS	4,768,422	4,543,097								4,768,422	4,543,097
4	FINANCIAL LIABILITIES	3,157,212	1,703,036				1,726,975	2,354,548	-791,193	-1,299,090	4,092,995	2,758,494
4.1	Financial liabilities at fair value through profit or loss	173,952	146,881								173,952	146,881
4.2	Financial liabilities at amortised cost	2,983,260	1,556,155				1,726,975	2,354,548	-791,193	-1,299,090	3,919,043	2,611,613
5	PAYABLE	1,060,122	1,770,132				34,430	57,565	-5,463	-21,385	1,089,089	1,806,311
6	OTHER LIABILITIES	31,766,185	31,322,827				242,165	16,258	-3,101	-215	32,005,250	31,338,870
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES										47,644,632	46,035,896



## Income Statement by business sector

(in € thousands)	Non-life business		Life business		Other businesses		Elimination between sectors		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
1.1 Net premiums	213,824	16,216							213,824	16,216
1.1.1 Gross premiums for the year	522,608	-73,280							522,608	-73,280
1.1.2 Outward reinsurance premiums for the year	-308,784	89,496							-308,784	89,496
1.2 Commissions income					41,646	32,739			41,646	32,739
1.3 Income and expense from financial instruments at fair value through profit or loss	11,919	-20,140			-10,833	-6,751	-473		613	-26,891
1.3 bis <i>Reclassification using the overlay approach</i>										
1.4 <i>Income from investments in subsidiaries, associates companies and joint ventures</i>	1,226	870							1,226	870
1.5 Income from other financial instruments and investment property	129,792	59,057			52,362	46,553	-440		181,714	105,610
1.6 Other revenue	83,152	114,334			16,992	14,659	-10,721	2,408	89,423	131,400
1 TOTAL REVENUES AND INCOME	439,913	170,337			100,167	87,200	-11,634	2,408	528,446	259,945
2.1 Net claims incurred	-116,209	-60,336					-695	1,016	-116,904	-59,320
2.1.1 Claims paid and changes in technical provisions	-190,647	-94,464					-695	1,016	-191,342	-93,448
2.1.2 Reinsurers' share	74,438	34,128							74,438	34,128
2.2 Commissions expense	-1				-9,891	-2,070	5,470		-4,421	-2,071
2.3 <i>Expense from investments in subsidiaries, associates companies and joint ventures</i>										
2.4 Expense related to other financial instruments and investment property	-14,908	-28,091			-8,741	-11,778			-23,649	-39,869
2.5 Operating expenses	-67,855	-64,862			-48,155	-38,820	-1,066	1,255	-117,076	-102,427
2.6 Other expenses	-86,500	-71,863			-19,545	7,002	-214	224	-106,258	-64,637
2 TOTAL COSTS AND EXPENSES	-285,472	-225,153			-86,333	-45,665	3,496	2,494	-368,309	-268,324
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES	154,440	-54,816			13,834	41,535	-8,139	4,902	160,137	-8,379



# Notes to the consolidated balance sheet

## 1. Intangible assets (Item 1)

Table 1 (amounts in € thousands)

Intangible assets	Net amount at 31/12/2021	Net amount at 31/12/2020
Goodwill	92	92
Other intangible assets	10,031	11,455
<b>Total</b>	<b>10,123</b>	<b>11,547</b>

“Goodwill” (Euro 92 thousand) relates to SACE SRV S.r.l. (formerly SACE Servizi) established in the second half of 2007.

Other intangible assets mainly include costs for the company's information system. Amortisation periods reflect the useful life of capitalised costs.

Further details on the measurement of Intangible Assets are provided in Annex 1 “Breakdown of Property, Plant and Equipment and Intangible Assets”.

## 2. Tangible assets (Item 2)

Changes in the original carrying amounts and accumulated depreciation for the year are set forth below:

Table 2 (amounts in € thousands)

Real property	Amount
Opening balance	68,465
Non-current assets or of a disposal group classified as held for sale	-4,498
Increases and purchases	1,027
Decreases	-26
Depreciation	-2,447
<b>Closing balance</b>	<b>62,521</b>

This item amounts to Euro 62,521 thousand and relates to the carrying amount of the building located in Rome, Piazza Poli 37/42, owned by SACE S.p.A. and used by the company to operate. The fair value of this building exceeds its carrying amount. No title or ownership restrictions exist on property, plant and equipment and no assets have been pledged to guarantee liabilities. Further details on the measurement of Property are set forth in the Annex 1 “Breakdown of property, plant and equipment and intangible assets”.

Table 3 (amounts in € thousands)

Other property, plant and equipment	Amount
Opening balance	6,023
Non-current assets or of a disposal group classified as held for sale	-654
Increases and purchases	950
Decreases	-16
Depreciation	-1,512
<b>Closing balance</b>	<b>4,791</b>



### 3. Reinsurers' share of technical provisions (Item 3)

This item, which totals Euro 3,730,155 thousand (Euro 3,495,165 thousand at December 31, 2020) includes reinsurers' commitments arising on reinsurance contracts regulated by IFRS 4. Further details are provided in the annex 2 "Breakdown of reinsurers' share of technical provisions". The change in this item is mainly due to the effects of the reinsurance scheme in place with the MEF pursuant to Decree Law No. 23/2020.

### 4. Investments (Item 4)

The detail is as follows:

Table 4 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
4.1. Investment property	12,275	12,305
4.2 Equity investments in subsidiaries, associates and joint ventures	10,180	9,340
4.3 Financial assets at amortised cost	4,440,692	5,247,848
4.4 Financial assets at fair value through other comprehensive income		5,165
4.5 Financial assets at fair value through profit or loss:	465,832	1,591,724
4.5.1 Financial assets held for trading	405,154	1,257,477
4.5.2 Financial assets designated at fair value		
4.5.3 Other financial assets for which fair value measurement is mandatory	60,678	334,246
<b>Total</b>	<b>4,928,979</b>	<b>6,866,382</b>

#### 4.1 Investment property

Investment property (Item 4.1) refers to property leased to third parties by the subsidiary SACE BT S.p.A. Overall, the market value of each asset exceeds the carrying amount. The expert appraisals are in line with the provisions of Title III of ISVAP Regulation No. 22. Further details are provided in Annex 1 "Breakdown of Property, Plant and Equipment and Intangible Assets".

#### 4.2 Investments in subsidiaries, associates and joint ventures

This item comprises the investment in ATI (African Trade Insurance Agency), equal to 100 shares worth USD 12.8 million.

#### 4.3 Financial assets at amortised cost

The detail is as follows:

Table 5 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
Government bonds	2,266,968	2,431,266
Other listed securities	440,007	474,628
Equity investment loans		305,802
Other	1,733,717	2,036,152
<b>Total</b>	<b>4,440,692</b>	<b>5,247,848</b>

"Other" includes the loans and receivables of the subsidiary SACE Fct S.p.A. (Euro 1,714,754 thousand).



This item includes financial assets that meet both of the following characteristics:

- the objective of the entity's business model is to hold the financial asset to collect the contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Further details are provided in Annex 3 "Breakdown of Financial Assets".

## 4.4 Financial assets at fair value through other comprehensive income

This item includes the financial assets covered by IFRS 7, paragraph 8(h).

## 4.5 Financial assets measured at fair value through profit or loss

This item includes the financial assets covered by IFRS 7, paragraph 8(a) not classified as financial assets at amortised cost or at fair value through other comprehensive income (IFRS 9, paragraph 4.1.4).

Further details are provided in Annex 3 "Breakdown of Financial Assets".

### 4.5.1 Financial assets held for trading

**Table 6 (amounts in € thousands)**

Financial assets held for trading	31/12/2021	31/12/2020
Government bonds	197,652	992,360
Listed bonds	1	15,038
Unlisted bonds	158,451	207,330
Listed shares	17,669	17,221
Equity instruments	24,255	24,615
Forward contracts	6,052	75
Other	1,074	838
<b>Total</b>	<b>405,154</b>	<b>1,257,477</b>

### 4.5.3 Other financial assets for which fair value measurement is mandatory

This item comprises financial assets other than those which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and assets not held for trading but managed in accordance with other business models (IFRS 9.B4.1.5).

**Table 7 (amounts in € thousands)**

Breakdown	31/12/2021	31/12/2020
Government bonds	60,678	60,828
Bonds		56,049
Equity investment loans		217,369
<b>Total</b>	<b>60,678</b>	<b>334,246</b>

The information required by IFRS 13.93 letter b) about fair value hierarchies in accordance with IFRS 13.92 is provided in Annex 9 "Breakdown of Financial Assets and Liabilities by Level". Level 1 includes financial instruments listed in regulated markets, level 2 comprises unlisted securities and derivatives which are valued on the basis of directly observable inputs, level 3 securities and financial instruments measured using valuation techniques based to a large extent on unobservable inputs.

Annex 9.1 "Breakdown of level 3 financial assets and liabilities measured at fair value on a recur-



ring basis” provides the information required by IFRS 13.93 letters e) and f) about the reconciliation between opening and closing balances and the breakdown of changes of the year in assets and liabilities measured at fair value on a recurring basis, classified under level 3.

## 5. Sundry receivables (Item 5)

Table 8 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
5.1 Receivables arising out of direct insurance business	591,483	603,188
5.2 Receivables arising out of reinsurance business	66,760	129,579
5.3 Other receivables	208,043	205,327
<b>Total</b>	<b>866,286</b>	<b>938,094</b>

### 5.1 Receivables arising out of direct insurance business

This item, of Euro 591,483 thousand, mainly relates to subrogation receivables from sovereign debtors for Euro 267,250 thousand (Euro 272,978 thousand at December 31, 2020) and from foreign trade debtors for Euro 144,391 thousand (Euro 210,631 thousand at December 31, 2020).

### 5.2 Receivables arising out of reinsurance business

This item, amounting to Euro 66,760 thousand, refers to current account debit and credit balances for premiums, claims, commissions, deposits and related interest to counterparties with which reinsurance business is transacted.

It comprises the transactions pursuant to the Agreement with the MEF (Euro 40,342 thousand).

### 5.3 Other receivables

“Other receivables” are detailed below.

Table 9 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
Receivables from tax authorities	13,997	10,885
Receivables for invoices to be issued	802	647
Receivables from CDP for tax consolidation	1,814	30,659
Receivables for margins on financial transactions	164,500	133,110
Sundry receivables	26,930	30,024
<b>Total</b>	<b>208,043</b>	<b>205,325</b>

Sundry receivables mainly comprise receivables from policyholders in relation to their exposure (Euro 17,006 thousand). Their terms and conditions are similar to the receivables from foreign countries due directly to SACE.



## 6. Other assets (Item 6)

Table 10 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
6.1. Non-current assets or group's disposal asset held for sale	542,623	
6.2. Deferred acquisition costs		
6.3. Deferred tax assets	138,971	122,382
6.4. Current tax assets	5,677	9,365
6.5 Other assets	39,162	22,885
<b>Total</b>	<b>726,433</b>	<b>154,632</b>

"Non-current assets or of a disposal group as held for sale" include SACE S.p.A.'s investment in SIMEST S.p.A. "Current tax assets" amounting to Euro 5,677 thousand, include receivables from companies included in the tax consolidation scheme. "Deferred tax assets" reflect the deferred tax assets recognised in the ordinary financial statements of companies included in the scope of consolidation and taxes relating to IAS adjustments to the consolidated financial statements as required and governed by IAS 12. For a more detailed breakdown of deferred tax assets and liabilities reference should be made to the "Income statement - Taxation" section.

Net deferred taxes, of Euro 138,971 thousand, relate to the taxes calculated on technical provisions (Euro 41,255 thousand), taxes calculated on financial assets at amortised cost and financial assets measured at fair value (Euro 54,917 thousand), taxes calculated on the provisions for risks and charges (Euro 9,538 thousand) and deferred tax assets calculated on unrealised exchange differences on receivables and payables (Euro 29,411).

## 7. Cash and cash equivalents (Item 7)

Table 11 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
Bank and Post Office demand deposits	37,315,336	34,495,579
Cash in hand	8	10
<b>Total</b>	<b>37,315,344</b>	<b>34,495,589</b>

This item includes Euro 31 billion paid by the MEF on SACE's current account held with the Central Treasury (Bank of Italy) and related to the new business covered under the Liquidity Decree.



## 8. Shareholders Equity

At December 31, 2021, equity totalled Euro 5,643,271 thousand. The breakdown as follows:

Table 12 (amounts in € thousands)

Breakdown	31/12/2021	31/12/2020
<b>SHAREHOLDERS' EQUITY</b>	<b>5,643,271</b>	<b>5,526,207</b>
<b>Group interest</b>	<b>5,569,121</b>	<b>5,452,990</b>
Share capital	3,730,324	3,730,324
Capital reserves	43,305	43,305
Revenue reserve and other equity reserves	1,678,547	1,683,798
Other gain (losses) recognised directly in equity	953	814
Group interest in the profit (loss) for the year	115,992	(5,251)
<b>Minority interest</b>	<b>74,150</b>	<b>73,217</b>
Share capital and reserves	73,282	72,175
Gains (losses) taken directly to equity	(67)	(65)
Minority interest in the profit (loss) for the year	935	1,107

The share capital consists of 1,053,428 ordinary shares and is fully paid in. Revenue reserve and other equity reserves

include gains and losses arising on first-time adoption of IFRS (IFRS 1) and also equalisation provisions as per IFRS 4.14(a) and the reserves required by the Italian Civil Code and special legislation prior to the adoption of IFRS (reserves arising on waivers of accounting standards and also reserves arising on exchange gains and losses).

## 9. Provisions

A breakdown of the provisions to cover the legal or implicit obligations to which SACE is exposed in exercising its business is provided below:

Table 13 (amounts in € thousands)

Description	31/12/2021	31/12/2020
Provision for credit risk - financial commitments and guarantees issued	233	929
Provisions for amounts due to policyholders	986	8,026
Provision for legal disputes	19,759	18,390
Provision for payments to agents	2,699	2,353
Other provisions	21,929	33,218
<b>Total</b>	<b>45,606</b>	<b>62,916</b>

The "Provision for credit risk - financial commitments and guarantees issued" relates to SACE Fct S.p.A. commitments to grant funds for formal non-recourse financing.

"Other provisions" include Euro 5,773 thousand related to agreements with policyholders which are nearing completion and Euro 5,727 thousand attributable to the "Intersectoral solidarity fund to provide income support and to support employment and professional retraining of employees of insurance and service companies" established by INPS, pursuant to Ministerial Decree No. 78459 of 17 January 2014.



Table 14 (amounts in € thousands)

Description	Amount
Opening balance	62,916
Group's disposal liabilities held for sale	-1,129
Provisions	13,098
Utilisations	-29,279
Closing balance	45,606

## 10. Technical provisions (Item 3)

Technical provisions include reinsurance commitments gross of commitments ceded. This item is detailed below.

Table 15 (amounts in € thousands)

Description	31/12/2021	31/12/2020
Provision for unearned premiums - non-life business	3,944,347	3,906,062
Provision for claims outstanding - non-life business	822,999	636,146
Other provisions	1,076	889
<b>Total</b>	<b>4,768,422</b>	<b>4,543,097</b>

Further details are provided in the Annex 4 "Breakdown of technical provisions".

## 11. Financial liabilities (Item 4)

The breakdown is as follows:

Table 16 (amounts in € thousands)

Description	31/12/2021	31/12/2020
4.1 Financial liabilities at fair value through profit or loss:	173,952	146,881
4.1.1 Financial liabilities held for trading	173,952	146,881
4.1.2 Financial liabilities designated as at fair value		
4.2 Financial liabilities at amortised cost	3,919,043	2,611,613
<b>Total</b>	<b>4,092,995</b>	<b>2,758,494</b>

"Financial liabilities held for trading" include the financial instruments in portfolio.

"Financial liabilities at amortised cost" increased on the previous year end, mainly as a consequence of the signing of repurchase agreements with banks. This item includes

- Euro 2,415 million relating to repurchase agreements between SACE S.p.A. and banks;
- Euro 500 million related to the subordinated loan, listed on the Luxembourg Stock Exchange, issued by the parent SACE S.p.A.;
- Euro 705 million related to bank loans taken out by SACE Fct S.p.A. not repaid at December 31, 2021;
- Euro 16 million related to financial liabilities arising from lease contracts within the scope of application of IFRS16.

Further details are provided in the Annex 5 "Breakdown of financial liabilities".



## 12. Payables (Item 5)

Table 17 (amounts in € thousands)

Description	31/12/2021	31/12/2020
5.1 Payable arising out of direct insurance business	36,607	35,483
5.2 Payable arising out of reinsurance business	832,263	1,684,904
5.3 Other payable	220,219	85,925
<b>Total</b>	<b>1,089,089</b>	<b>1,806,312</b>

“Payables arising out of direct insurance business” mainly include the amounts due to policyholders for deductibles on amounts recovered, equal to Euro 29,622 thousand. “Payables arising out of reinsurance business” include Euro 625,213 thousand related to the amount due to the MEF for the technical provisions transferred in accordance with article 2 of Decree Law No. 23/2020.

Other payables include:

Table 18 (amounts in € thousands)

Description	31/12/2021	31/12/2020
Amounts due to suppliers	19,310	16,046
Provision for termination benefits	3,445	6,504
Payables for financial margins	18,454	
Sundry payables	179,010	63,375
<b>Total</b>	<b>220,219</b>	<b>85,925</b>

“Sundry payables” consist in premiums to co-insurers (Euro 133,862 thousand) and payments received from creditors in connection with factoring activities (Euro 16,905 thousand).

## 13. Other liabilities (Item 6)

The breakdown of this item is as follows:

Table 19 (amounts in € thousands)

Description	31/12/2021	31/12/2020
6.1 Group's disposal liabilities held for sale	234,290	
6.2 Deferred tax liabilities	223,930	201,293
6.3 Current tax liabilities	4,399	3,793
6.4 Other liabilities	31,542,631	31,133,784
<b>Total</b>	<b>32,005,250</b>	<b>31,338,870</b>

Deferred tax liabilities, of Euro 223,930 thousand, mainly relate to the taxes calculated on the elimination of the equalisation provision for IFRS purposes (Euro 114,333 thousand), the taxes calculated on financial assets at amortised cost and financial assets measured at fair value (Euro 58,417 thousand). The total balance also considers Euro 36,754 thousand related to deferred tax liabilities calculated on unrealised exchange differences on receivables and payables.

“Other liabilities” include the balancing entry of the MEF's deposit on the treasury current account held by SACE of Euro 31 billion (recognised under asset item Cash and cash equivalents), the liability, net of the operating expenses incurred, related to the fees on Garanzia Italia transactions at December 31, 2021 (Euro 224,816 thousand), the reinsurance of short-term trade receivables (Euro 238,908 thousand) and the Green Guarantee (Euro 71,720 thousand).



# Notes to the consolidated income statement

## 14. Net premiums

This item includes the premiums earned relating to insurance contracts under IFRS 4.2, net of amounts ceded to reinsurers. Gross premiums written for the period amount to Euro 562,575 thousand. Information about premium income by business for 2021 is provided in the Directors' Report.

Further details are provided in Annex 6 "Breakdown of Insurance Technical Items".

## 15. Income and expense from financial instruments at fair value through profit or loss

This item comprises realised gains and losses and increases and decreases in the carrying amount of financial assets and liabilities at fair value through profit or loss. Specifically, it reflects the carrying amount of financial instruments used to hedge exchange rates (see also "Other revenue" for the component relating to exchange rate adjustments to receivables in the portfolio) and the balance of asset swap transactions. Further details are provided in Annex 7 "Financial and Investment Income and Expense".

## 16. Income from other financial instruments and investment property

This item includes income on investment property and financial instruments not measured at fair value through profit or loss. In particular, it comprises the following:

### *Interest income*

This item includes interest income recognised using the effective interest method (IFRS 9).

### *Other income*

This item includes income from lease of investment property.

### *Realised gains*

This item includes gains realised upon derecognition of a financial asset or liability or investment property.

### *Valuation gains*

This item includes positive changes resulting from reversals of impairment and measurement subsequent to initial recognition of financial assets and liabilities.

Further details are provided in the Annex 7 "Financial and Investment Income and Expense".

## 17. Other revenue

This item, totalling Euro 89,423 thousand, mainly includes exchange rate differences to be recognised in profit or loss as set forth in IAS 21 of Euro 19,902 thousand (Euro 80,012 thousand in 2020), of which Euro 16,432 thousand related to unrealised exchange differences, and the



utilisation of the risk provision for Euro 15,351 (Euro 27,362 thousand in 2020). It also includes the reimbursement of the operating expenses on the transactions carried out as part of the new business launched in 2020 by the relevant government decrees (Euro 7,916 thousand) and the fees and commissions on co-insurance premiums (Euro 31,920 thousand).

## 18. Net claims incurred

This item includes the amount of claims paid (gross of settlement costs and amounts ceded to reinsurers) for Euro 117,961 thousand (Euro 191,500 thousand at December 31, 2020). Information about claims in 2021 by class of business is provided in the Directors' Report. Further details are provided in Annex 6 "Breakdown of Insurance Technical Items".

## 19. Expense related to other financial instruments and investment property

This item reflects charges on investment property and financial instruments not measured at fair value through profit or loss. The breakdown is as follows:

### *Interest expense*

This item includes interest expense recognised using the effective interest method (related to outstanding loans).

### *Other expense*

This item includes, amongst others, costs relating to investment property and, specifically, property management charges and maintenance and repair costs not capitalised.

### *Realised losses*

This item includes losses realised upon derecognition of a financial asset or liability.

### *Valuation losses*

This item includes negative changes resulting from amortisation and depreciation, impairment and measurement subsequent to initial recognition of financial assets and liabilities.

Further details are provided in the Annex 7 "Financial and Investment Income and Expense".

## 20. Operating expenses

### *Commissions and other acquisition expenses*

This item includes acquisition costs, net of amounts ceded to reinsurers, related to insurance contracts. It amounts to a positive Euro 1,023 thousand (a positive Euro 4,641 thousand in 2020) and mainly reflects fees and commissions received from insurers on ceded premiums (Euro 33,702 thousand; Euro 48,493 thousand in 2020) related to the Agreement entered into with the MEF (Euro 27,323 thousand).

### *Investment management expenses*

This item includes general and personnel expenses related to the management of financial instruments, investment property and equity investments.

### *Other administrative expenses*

This item includes general and personnel expenses not allocated to claims expenses, acquisition costs in respect of insurance contracts or investment management expenses.



## 21. Other expenses

The items under this heading, for a total of Euro 106,258 thousand (Euro 64,637 thousand at December 31, 2020) includes:

- impairment losses and additional provisions accrued during the year for Euro 9,227 thousand (Euro 9,795 thousand at December 31, 2020);
- exchange differences recognised in profit or loss as set forth in IAS 21 for Euro 60,811 thousand (Euro 21,728 thousand at December 31, 2020), of which unrealised exchange differences for Euro 60,000 thousand;
- realised losses, depreciation and amortisation for Euro 3,931 (Euro 4,156 thousand at December 31, 2020);
- the impairment loss on SIMEST S.p.A.'s investment (Euro 3,510 thousand).

## 22. Taxes

Taxes recognised in the consolidated income statement are as follows:

**Table 20 (amounts in € thousands)**

**Income tax**

Through profit or loss	2021	2020
<i>Current taxes</i>		
Expense (Income) for current taxes	35,633	4,003
Adjustments to prior year current taxes	3,605	2,471
<i>Deferred taxes</i>		
Expense (Income) due to recognition and elimination of temporary differences	3,972	(10,710)
Expense (Income) due to changes in tax rates or new taxes		
Expense (Income) arising from tax losses		
Expense (Income) arising from impairment losses or reversals of impairment losses on deferred tax assets		
<b>Total income tax</b>	<b>43,210</b>	<b>(4,235)</b>

The reconciliation between the tax charge and the theoretical tax charge, calculated using the theoretical tax rates ruling in Italy, is as follows:

**Table 21 (amounts in € thousands)**

**Reconciliation between average effective and theoretical tax rates - breakdown**

Rates as percentages	2021	2020
Ordinary rate applicable	30.82%	30.82%
Effect of increases/decreases	-3.84%	-81.36%
<b>Tax rate on profit before taxes</b>	<b>26.98%</b>	<b>-50.54%</b>



Overall, deferred tax assets, net of deferred tax liabilities, can be analysed as follows:

**Table 22 (amounts in € thousands)**

Deferred tax assets and liabilities related to:	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
Intangible assets						
Unrealised revaluation	13,512	13,232			13,512	13,232
Technical provisions			114,333	110,118	(114,333)	(110,118)
Employee benefits			589	489	(589)	(489)
Assets at FV			58,417	47,279	(58,417)	(47,279)
Other items	125,459	109,150	50,591	43,407	74,868	65,743
Taxable losses	138,971	122,382	223,930	201,293	(84,959)	(78,911)
<b>Total net tax (assets)/liabilities</b>	<b>138,971</b>	<b>122,382</b>	<b>223,930</b>	<b>201,293</b>	<b>(84,959)</b>	<b>(78,911)</b>



## Other information

### Intragroup and related party transactions

As part of its business operations, SACE S.p.A. has never engaged in any transactions with its subsidiaries that are atypical or outside its normal scope of business. All intra-group transactions are settled at arm's length and regarded the following:

- services rendered under specific agreements in that they do not constitute the company's core business;
- costs for rental of offices;
- reinsurance business and non-recurring deposits with the subsidiary SACE BT S.p.A.;
- irregular deposits in favour of the SACE Fct S.p.A. subsidiary;
- staff secondments (the amount relates to the reimbursement of the costs incurred by the seconding company in the form of remuneration and the related costs) with group companies (CDP, SACE Fct, SIMEST, SACE BT and SACE SRV).

With reference to transactions with the sole shareholder Cassa Depositi e Prestiti S.p.A., in 2021, insurance guarantees were issued which generated premiums of Euro 129.8 million (Euro 180 million in 2020). SACE's financial investment portfolio contains three bonds for a total nominal amount of Euro 300 million issued by the sole shareholder Cassa Depositi e Prestiti S.p.A. that was already included in the portfolio at December 31, 2020. Furthermore, at December 31, 2021, there were Euro 5,726.1 million as demand deposits at Cassa Depositi e Prestiti S.p.A., Euro 164.5 million as repo agreements and asset swap and IRS transactions for a total notional amount of Euro 1,114 million.

### Fees paid to senior managers with strategic responsibility

The fees paid in 2021 amount to Euro 2,783 thousand.

### Other information

Since SACE S.p.A. has renewed its participation in the tax consolidation scheme of Cassa Depositi e Prestiti S.p.A. for the three-year period 2019-2021, current IRES (corporate income tax) has been recognised as a tax consolidation charge to the parent.

From the social point of view, SACE supported IPE ("Istituto per ricerche ed attività educative") by means of a cash disbursement of Euro 10 thousand (this disclosure is made pursuant to Law no. 124/2017).

### Independent auditors' fees

Pursuant to Legislative decree no. 39 of 27 January 2010, the fees due to the independent auditors for the audit of the 2021 financial statements amount to Euro 338 thousand.

### Analysis of the impacts of Covid - 19

For an analysis of the impacts of COVID-19 on the figures of the consolidated financial statements, reference should be made to the directors' report.



## Garanzia Italia, Insurance of short-term receivables and Green New Deal

In 2021, following the applications received through the “Garanzia Italia” portal, 2,957 guarantees were issued for a total of Euro 11,990 million and a guaranteed maximum amount<sup>1</sup> of Euro 11,642 million. With respect to the guarantees issued from the start of the new business to 31 December 2021, the amounts paid are equal to of Euro 173.5 million and the amounts to be collected are Euro 11.2 million.

The acquisition costs for the Garanzia Italia scheme amount to Euro 6.6 million, as expenses incurred by SACE S.p.A. for both the planning and implementation of the new technical forms (refinancing, leaseback, non-recourse factoring), the new MID CAP operations, the extension of coverage from 6 to 8 years, and the issue of contracts received, checks carried out and information flows.

With respect to the SACE-Riassicurati agreement pursuant to article 35 of Decree law no. 34 of 19 May 2020, which became effective on 5 November 2020, reinsurance premiums for balances from the fourth quarter of 2020 to the third quarter of 2021 amounted to Euro 310.5 million, the fees paid under the agreement were Euro 107 million, the indemnities to be paid amounted to Euro 27.1 million and the recoveries were Euro 0.8 million. The acquisition costs incurred by SACE in 2021 to control management and accounting information flows received and checks and credit recovery activities, amounted to Euro 0.9 million.

With respect to Green operations, pursuant to article 64 of Legislative decree no. 76 of 16 July 2020, between 1 January 2021 and 31 December 2021, SACE approved the issue of 83 guarantees for total financing of Euro 4,154 million and a guaranteed commitment (principal and interest) of Euro 2,225 million. A total of 76 guarantees were issued (resources mobilised) in 2021, for total financing of Euro 2,859 million and a guaranteed commitment (principal and interest) of Euro 1,529 million. Earned premiums amounted to Euro 74.2 million. The commissions paid by the MEF to SACE - pending finalisation of the Technical Annex - for the first three quarters amount to Euro 0.4 million.

## Events after the reporting date

In February 2022, the serious geo-political tensions between Russia and Ukraine, which escalated into a war, worsened the entire global economic-financial context, with potential repercussions on growth and inflation (strongly influenced by the trend of energy commodity prices) and on Italian companies' exports. The sanctions imposed on Russia, which have been severely tightened as a result of developments in the current conflict, and the restrictive countermeasures implemented by Russia in response to the sanctions imposed to protect the financial system and the domestic currency (rouble), have led to i) a significant widening of credit spreads, especially for the shorter maturities in the areas hit by the conflict ii) a significant depreciation of the rouble, iii) repeated downgrades by international rating agencies with forecasts of imminent sovereign default, iv) general market volatility, which in risk-off phases contributed to a significant appreciation of the US dollar and other “safe haven” assets, v) a sharp increase in commodity prices, including gas and oil, whose prices reached their highest levels since 2008.

As the risk is worsening, SACE S.p.A. implemented actions of stringent monitoring of the macro context, of the sanction framework and of the existing exposures with the case-by-case assessment of the individual positions taken and of the related mitigation actions to be implemented, depending on the individual contract structures, as well as on the existence of any collateral and specific reserves to service the debt. At December 31, 2021, SACE S.p.A.'s direct exposure to the geographical areas affected by the current conflict (Russia, Belarus and Ukraine) is attributable to i) guarantees relating to exposures already at risk (net of amounts ceded to reinsurers) for Euro 225 million, ii) maximum increase in the claims provision for Euro 6.3 million relating to claims accrued in the provision and iii) receivables from subrogation for commercial risk amounting to Euro 53.6 million in the 2021 financial statements. The effects of the increased risk described above, which are currently difficult to quantify accurately given the uncertainty and the rapid evolution of

<sup>1</sup> The guaranteed amount is the principal plus ancillary charges and interest, net of the percentage cover, upon issuing of the guarantee.



the events in progress, could have a negative impact on the company's future insurance business, which would in any case be absorbed, even in the most adverse scenario, by the capacity of the technical provisions and equity reserves.

The crisis between Russia and Ukraine has also generated a global increase in malicious activities in cyberspace, increasing the possibility of spillover phenomena occurring outside the area under attack. Specifically, SACE plays a key role in providing insurance and financial support to businesses, also through the banking system, supporting exports and internationalisation, also operating in the area affected by the conflict. Therefore, in this particular historical period, it is subject to an increase in potential exposure to cyber risk. Regardless of the current crisis, SACE constantly monitors the development of the situation in terms of cyber security, using the CSIRT (Computer Security Incident Response Team) of the National Cybersecurity Agency as one of its main information sources, also considering the application of mitigation actions and protection measures suggested by the CSIRT.

During the year, the reorganisation of the SACE Group continued - with its sale, net of SIMEST, by CDP to the MEF - implementing the provisions of article 67.2 of Decree law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020 (the "August decree"). The law provides that "By agreement between the Ministry of Economy and Finance and Cassa Depositi e Prestiti (CDP) S.p.A., a decree of the Minister of Economy and Finance, in agreement with the Minister of Foreign Affairs and International Cooperation, subject to registration by the Court of Auditors, shall determine the reorganisation of the SACE Group and the transfer value of the equity investments concerned, deemed appropriate by the parties". On 17 March 2022, the MEF - MAECI interministerial decree was published on the MEF website, registered by the Court of Auditors, setting out the characteristics of the reorganisation. With the endorsement of the shares and the registrations in the shareholders' registers of SACE and SIMEST on 21 March 2022, all the conditions for the completion of the transaction were met.













04

Annexes  
to the Notes



# Annexes to the Notes

## (ISVAP Regulation No. 7/2007 and subsequent additions)

### Annex 1. Breakdown of reinsurers' share of technical provisions

(in € thousands)	At cost	Restated or at fair value	Restated or at fair value
Investment property	12,275		12,275
Other property	62,521		62,521
Other property, plant and equipment	4,791		4,791
Other intangible assets	10,031		10,031

### Annex 2 Detail of reinsurers' share of technical provisions

(in € thousands)	Direct business		Indirect business		Total carrying amount	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Non-life provisions</b>	<b>3,725,011</b>	<b>3,491,524</b>	<b>5,144</b>	<b>3,641</b>	<b>3,730,155</b>	<b>3,495,165</b>
Provision for unearned premiums	3,204,628	3,182,790	3,559	1,910	3,208,187	3,184,700
Provision for outstanding claims	519,722	308,506	1,585	1,730	521,307	310,236
Other reserves	661	229			661	229
<b>Life provisions</b>						
Provision for sums to be paid						
Mathematical provisions						
Technical provisions where the investment risk is borne by the policyholders and relating to pension fund administration						
Other reserves						
<b>Total of reinsurers' share of technical provisions</b>	<b>3,725,011</b>	<b>3,491,524</b>	<b>5,144</b>	<b>3,641</b>	<b>3,730,155</b>	<b>3,495,165</b>



## Annex 3. Breakdown of financial assets

(in € thousands)	Financial assets at fair value through profit or loss									
	Financial assets at amortised cost		Financial assets at fair value through other comprehensive income		Financial assets held for trading		Financial assets at fair value		Other financial assets for which fair value measurement is mandatory	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Equity instruments										
- of which listed										
Debt securities	2,706,975	2,905,895								
- of which listed	2,706,975	2,905,895								
Units of UCITS										
Loans and receivables with insured banks	413	98							413	98
Interbank loans and receivables										
Deposits with ceding companies	136	208							136	208
Financial asset components of insurance policies										
Other loans and receivables	1,706,169	2,341,648							1,706,169	2,559,018
Non-hedging derivatives									7,126	912
Hedging derivatives										
Other financial investments	27,000								47,687	24,615
Total	4,440,693	5,247,848							4,906,524	6,844,737



## Annex 4 Detail of technical provisions

(in € thousands)	Direct business		Direct business		Total carrying amount	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Non-life provisions</b>	<b>4,434,390</b>	<b>4,278,030</b>	<b>334,032</b>	<b>265,067</b>	<b>4,768,422</b>	<b>4,543,097</b>
Provision for unearned premiums	3,748,894	3,717,296	195,453	188,766	3,944,347	3,906,062
Provision for outstanding claims	684,420	559,845	138,579	76,301	822,999	636,146
Other reserves	1,076	889			1,076	889
<i>of which provisions stated following liability adequacy tests</i>						
<b>Life provisions</b>						
Provision for sums to be paid						
Mathematical provisions						
Technical provisions where the investment risk is borne by the policyholders and relating to pension fund administration						
Other reserves						
<i>of which provisions stated following liability adequacy tests</i>						
<i>of which deferred liabilities towards policyholders</i>						
<b>Total technical provisions</b>	<b>4,434,390</b>	<b>4,278,030</b>	<b>334,032</b>	<b>265,067</b>	<b>4,768,422</b>	<b>4,543,097</b>



## Annex 5 Breakdown of financial liabilities

## Financial liabilities at fair value through profit or loss

	Financial liabilities held for trading		Financial liabilities designated at fair value		Financial liabilities at amortised cost		Total carrying amount	
(in € thousands)	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Participating financial instruments								
Subordinated liabilities					531,476	531,577	531,476	531,577
Liabilities from financial contracts issued by insurance companies arising from:								
- financial contracts where the investment risk is borne by policyholders								
- pension fund administration								
- other contracts								
Deposits received from reinsurers					13,596	12,925	13,596	12,925
Financial liability components of insurance policies								
Debt securities issued								
Due to banks					705,287	922,000	705,287	922,000
Interbank liabilities								
Other loans obtained					119,807	110,588	119,807	110,588
Non-hedging derivatives	1,397	20,095					1,397	20,095
Hedging derivatives	172,555	126,786					172,555	126,786
Other financial liabilities					2,548,877	1,034,522	2,548,877	1,034,522
<b>Total</b>	<b>173,952</b>	<b>146,881</b>			<b>3,919,043</b>	<b>2,611,613</b>	<b>4,092,995</b>	<b>2,758,494</b>



## Annex 6 Detail of technical insurance items

(in € thousands)	31/12/2021			31/12/2020		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
<b>Non - Life business</b>						
<b>NET PREMIUMS</b>	<b>522,608</b>	<b>(308,784)</b>	<b>213,824</b>	<b>(73,280)</b>	<b>89,497</b>	<b>16,216</b>
a Premiums written	562,576	(382,158)	180,418	828,749	(387,778)	440,971
b Change in the provision for unearned premiums	(39,968)	73,374	33,407	(902,026)	477,274	(424,752)
<b>NET CLAIMS INCURRED</b>	<b>191,342</b>	<b>(74,438)</b>	<b>116,904</b>	<b>93,448</b>	<b>(34,128)</b>	<b>59,320</b>
a Claims paid	195,640	(77,678)	117,962	234,187	(42,687)	191,500
b Change in the provision for outstanding claims	(26,706)	2,488	(24,217)	(118,285)	6,273	(112,012)
c Change in recoveries	21,057	1,893	22,950	(49,550)	2,638	(46,912)
d Change in other technical provisions	1,351	(1,141)	210	27,099	(352)	26,747
<b>Life business</b>						
<b>NET PREMIUMS</b>						
<b>NET CLAIMS INCURRED</b>						
a Amounts paid						
b Change in the provision for claims to be paid						
c Change in mathematical provisions						
d Change in technical provisions where the investment risk is borne by the policyholders and relating to the administration of pension funds						
e Change in other technical provisions						



## Annex 7 Financial and investment income and expense

	Valuation gains				Valuation losses			Valuation losses		
	Total realised gains and losses		Reversals of write-downs		Valuation losses		Valuation losses		Total unrealised gains and losses	
	Interest	Other income	Other expense	Realised gains	Realised losses	Valuation gains	Valuation losses	Valuation losses	31/12/2021	31/12/2020
(in € thousands)										
Investment income (expense)	99,920	36,721	(334)	89,808	(50,390)	9,968	(27,516)	4,472	(13,076)	42,983
a On investment property		580	(311)				(5)		(5)	304
Related to investments in subsidiaries, associates companies and joint ventures						1,226			1,226	870
c On financial assets at amortised cost	142,580	630		2,988			(4,816)	4,472	(344)	51,833
d On financial assets at fair value through other comprehensive income		9							9	
e On financial assets held for trading	(53,895)	34,866	(23)	84,376	(50,126)	6,052	(7,939)		(1,887)	(13,640)
f On financial assets designated as at fair value										
g On other financial assets for which fair value measurement is mandatory	11,235	636		2,444	(264)	2,690	(14,757)		(12,067)	3,615
Sundry receivables - income (expense)	8,421							2,004	2,004	9,862
Cash and cash equivalents - income (expense)	81							(96)	(96)	27
Financial liabilities - Income (expense)									(13,040)	(12,838)
a On financial assets held for trading										
b On financial liabilities designated as at fair value										
c On financial liabilities at amortised cost	(13,040)								(13,040)	(12,837)
Payables - Income (expense)	(115)								(115)	(312)
Total	95,267	36,721	(334)	89,808	(50,390)	9,968	(27,516)	6,380	(11,168)	39,721



## Annex 8 Detail of insurance business costs

(in € thousands)	Non-life business		Life business	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Gross commissions and other acquisition costs	51,695	58,440		
a Acquisition commissions	22,912	18,775		
b Other acquisition costs	28,668	27,295		
c Change in deferred acquisition costs				
d Collection commissions	115	12,370		
Reinsurance commissions and profit-sharing	(49,783)	(62,121)		
Investment management charges	4,018	3,138		
Other administrative expenses		65,405		
<b>Total</b>	<b>61,925</b>	<b>64,862</b>		



Annex 9 Assets and liabilities measured at fair value on a recurring and non-recurring basis: breakdown by fair value level

(in € thousands)	Level 1		Level 2		Level 3		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Assets and liabilities measured at fair value on a recurring basis</b>								
Financial assets at fair value through other comprehensive income								
Financial assets held for trading	215,321	1,024,620	48,462	78,489		5,165		5,165
Financial assets designated at fair value					141,372	154,368	405,154	1,257,477
Financial assets held for trading								
Other financial assets for which fair value measurement is mandatory	60,678	60,828		56,049		217,369	60,678	334,246
Investment property								
Tangible assets								
Intangible assets								
<b>Total assets measured at fair value on a recurring basis</b>	<b>275,999</b>	<b>1,085,448</b>	<b>48,462</b>	<b>134,538</b>	<b>141,372</b>	<b>376,902</b>	<b>465,832</b>	<b>1,596,889</b>
Financial liabilities at fair value through profit or loss			173,952	146,881			173,952	146,881
Financial liabilities at fair value through profit or loss								
<b>Total liabilities measured at fair value on a recurring basis</b>			<b>173,952</b>	<b>146,881</b>			<b>173,952</b>	<b>146,881</b>
<b>Assets and liabilities measured at fair value on a non-recurring basis</b>								
Non-current assets or disposal group classified as held for sale			542,623				542,623	
Non-current assets or disposal group classified as held for sale			234,290				234,290	



## Annex 9.1 Breakdown of level 3 financial assets and liabilities measured at fair value on a recurring basis

(in € thousands)	Financial assets at fair value through profit or loss		Financial assets at fair value through profit or loss		Financial liabilities at fair value through profit or loss	
	Financial assets at fair value through other comprehensive income	Financial assets held for trading	Financial assets designated as at fair value	Financial assets designated as at fair value	Investment property	Property, plant and equipment
			Financial assets designated as at fair value	Financial assets designated as at fair value	Intangible assets	Financial liabilities held for trading
						Financial liabilities designated "AS" at fair value
Opening balance	5,165	154,368		217,369		
Purchases/Issues		125				
Sales/Repurchases						
Repayments		(11,808)				
Profit or loss recognised in profit or loss		(1,306)				
- of which for value gains/losses		(1,376)				
Gain or loss recognised in other comprehensive income						
Transfers to level 3						
Transfers to other levels						
Other changes	(5,165)	(7)		(217,369)		
Closing balance		141,372				



## Annex 10 Assets and liabilities not measured at fair value: breakdown by fair value level

(in € thousands)	Carrying amount		Fair value							
			Level 1		Level 2		Level 3		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Assets</b>										
Financial assets at amortised cost	4,440,692	5,247,848	2,929,336	3,141,691	2	2	1,716,544	2,341,746	4,645,882	5,483,439
<i>Investments in subsidiaries, associates companies and joint ventures</i>	10,180	9,340			10,180	9,340			10,180	9,340
Investment property	12,275	12,305			12,275	12,305			12,275	12,305
Tangible assets	67,313	74,488			125,512	81,623			125,512	81,623
<b>Total assets</b>	<b>4,530,460</b>	<b>5,343,981</b>	<b>2,929,336</b>	<b>3,141,691</b>	<b>147,969</b>	<b>103,270</b>	<b>1,716,544</b>	<b>2,341,746</b>	<b>4,793,849</b>	<b>5,586,707</b>
<b>Liabilities</b>										
Financial liabilities at amortised cost	3,919,043	2,611,613	532,709	541,245	32,151	32,333	3,369,693	2,062,076	3,934,553	2,635,654



## Annex 11 Detail of other comprehensive income components

(in € thousands)	Allocations		Adjustments for reclassification in profit and loss		Other changes		Total changes		Taxes		Balance	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Other income components without reclassification in profit and loss</b>												
Reserve arising from changes in shareholders' equity of subsidiaries	228	414					228	414	(65)	(90)	(1,270)	(1,107)
Intangible assets revaluation reserve												
Tangible assets revaluation reserve												
Income and charges relating to non-current assets or to a disposal group held for sale												
Actuarial gains and losses and adjustments relating to defined benefit plans	228	414					228	414	(65)	(90)	(1,270)	(1,107)
Gains (losses) on equity investments designated as at fair value through other comprehensive income												
Reserve arising from change in own creditworthiness on financial liabilities at fair value												
Other												
<b>Other income components with reclassification in profit and loss</b>												
Reserves for net exchange differences	(24)	2,796					(24)	2,796			317	293
Gains or losses on cash flow hedges	(24)	(86)					(24)	(86)			317	293
Gains or losses on hedges of net investments in foreign entities		2,882						2,882				
Reserve arising from changes in shareholders' equity of subsidiaries												
Income and charges relating to non-current assets or to a disposal group held for sale												
<i>Reclassification using the overlay approach</i>												
Other												
<b>TOTAL OF OTHER COMPREHENSIVE INCOME COMPONENTS</b>	<b>204</b>	<b>3,210</b>					<b>204</b>	<b>3,210</b>	<b>(65)</b>	<b>(90)</b>	<b>(953)</b>	<b>(814)</b>



I, the undersigned, declare that these financial statements comply with the truth and accounting records.

The legal representatives of the company (\*)

Pierfrancesco Latini (\*\*)

The Statutory Auditors

Silvio Salini

Gino Gandolfi

Maira Paragone

Space reserved for the stamp of the registry office  
to be applied at the time of filing the accounts

(\*) For foreign companies, the document must be signed by the general representative for Italy.

(\*\*) Chief Executive Officer



# Certification of the consolidated financial statements pursuant to article 13, para. 10.8 of the corporate bylaws of SACE S.p.A.

We the undersigned, Pierfrancesco Latini, in my capacity as CEO and Nicoletta Cassano, in my capacity as manager responsible for preparing the financial reports of Sace S.p.A., hereby certify:

- the adequacy in relation to the characteristics of the company and
- the effective application

of the administrative and accounting procedures used to prepare the consolidated financial statements for the year ended at December 31, 2021.

The adequacy of the administrative and accounting procedures used to prepare the consolidated financial statements for the year ended at December 31, 2021 was assessed on the basis of a process defined by SACE in accordance with generally recognised international standards.

We hereby also certify that:

- the consolidated financial statements at December 31, 2021:
  - correspond to the results of company records and accounting entries;
  - were drawn up according to the International Financial Reporting Standards adopted by the European Union pursuant to Regulation (EC) 1606/2002, the provisions of Legislative Decree 38/2005, the Italian Civil Code, Legislative Decree 209 of 7 September 2005 and the applicable ISVAP regulations and circulars and that to the best of our knowledge they give a true and fair view of the state of affairs, the financial standing and the operating result of the company and the group of companies included in the scope of consolidation.
- the directors report on operations includes a fair review of the operating performance and result and the situation of the company and all the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 24 March 2022

**CEO**

**Manager responsible for  
reparing the company's financial reports**

Pierfrancesco Latini

Nicoletta Cassano













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Report of the  
independent  
boards





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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 N. 537/2014**

**To the Shareholder of**  
**SACE S.p.A.**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Opinion**

We have audited the consolidated financial statements of SACE Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the regulation issued pursuant to art. 90 of Legislative Decree no. 209 of September 7, 2005.

**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 the company in accordance with the regulations and standards on ethics and independence applicable to the audit of the financial statements under Italian law. 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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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### *Evaluation of Provision for unearned premiums*

#### **Description of the key aspect of the audit**

At December 31, 2021, the Group recorded in item 3 "Technical Provisions" – liabilities of the Balance Sheet – a provision for unearned premiums for Euro 3,944.3 million, including the provision for unexpired risks.

As highlighted by the Directors into the Notes to the Consolidated Financial Statements, section "Use of estimates", the technical provisions calculation is affected by complex subjective judgments and estimates based on past experience, which, with regards to the current fiscal year, may even be affected by the uncertainty related to the current context characterized by the persistence of the health emergency.

The use of such subjective judgments and estimates influences the carrying amounts of the Group financial statements.

The Group, in the Notes to the Consolidated Financial Statements, section "Measurement Criteria", provides details for the criteria adopted and the methodology applied in calculating the provision for unearned premiums. The provision for unearned premiums is determined on an accruals basis, applied analytically to each policy on the basis of gross premiums. The provision has also been aligned with the expected rate of claims referring to insurance contracts in portfolio signed by the reporting date (provision for unexpired risks). In respect of the provision for unexpired risks, the Directors highlight that the method used considers the expected loss of the entire portfolio; the main components taken into consideration in order to determine the provision for unexpired risks includes:

- the observed and expected trends in the portfolio of outstanding guarantees with specific focus on the risk profile, concentration by counterparty and industrial sector;
- the exposure in foreign currency and observed and expected trends in exchange rates;
- duration of the portfolio run-off and observed trends.

In the light of the significance of the provision for unearned premiums amounts registered into the consolidated financial statements, of the complexity of the measurement criteria and of the variability of the assumptions made to determine the expected loss affecting the provision for unearned premiums itself and even in the light of the persistence of the pandemic emergency, we have considered the evaluation of the provision for unearned premiums a key audit matter for the Group consolidated financial statements as of December 31, 2021.

#### **Audit procedures performed**

The audit procedures, also carried out with the support of specialists belonging to the Deloitte network, included, among others, the following:

- understanding of the process of formation of the provision for unearned





premiums and detection and verification of the implementation of the relevant controls on the process of preparing financial information for the aforementioned provision;

- carrying out verification procedures in relation to the completeness and adequacy of the portfolios taken into consideration and their databases;
- verification of the correctness of the amounts related to the unearned premiums provision through the independent recalculation of the same for a sample of insurance contracts in the portfolio;
- reasonableness analysis of the methods and of the main technical and evolutionary hypotheses on which the estimate of the overall expected loss of portfolio has been based for the purpose of determining the provision for unexpired risks, also in the light of the current situation of persistence of the sanitary emergency;
- verification of the computation of the provision for unexpired risks through the application of simplified methods in order to evaluate the reasonableness of the provision amounts determined by the Group Management;
- verification of the completeness and adequacy of the information provided by the Group with respect to the provisions of the applicable legislation.

#### **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 International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 90 of Legislative Decree no. 209 of September 7, 2005 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 unintentional behaviors or events.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, and, in preparing the consolidated financial statements, for the appropriateness of using the going concern assumption, as well as for adequate disclosure in matter.

The Directors use the going concern assumption in the preparation of the consolidated financial statements unless they have assessed that the conditions exist for the liquidation of the parent company SACE S.p.A. or for the interruption of the activity or do not have 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 unintended behaviors or events, 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 unintended behaviors or events 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.

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 unintended behaviors or events, 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, related safeguards.

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.

#### **Other information communicated pursuant to art. 10 of the EU Regulation 537/2014**

The Shareholders' Meeting of SACE S.p.A. has appointed us on October 17, 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 Management Control Committee, in its role of Audit Committee, referred to art. 11 of the said Regulation.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, and art. 123-bis, paragraph 4, of Legislative Decree no. 58 of February 24, 1998**

The Directors of SACE S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structures as at December 31, 2021, 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 some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree no. 58 of February 24, 1998, with the consolidated financial statements of SACE Group as at December 31, 2021 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of SACE Group as at December 31, 2021 and are prepared in accordance with the law.





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With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

**Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254**

The Directors of SACE S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by other auditor.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Vittorio Frigerio**  
Partner

Rome  
April 11, 2022

*This report has been translated into the English language  
solely for the convenience of international readers.*



# SACE S.p.A.

## Consolidated financial statements at 31<sup>st</sup> December 2021 Report of the Board of Statutory Auditors

Dear Shareholder,

As stated in the notes to the financial statements, the scope of consolidation of SACE S.p.A., as at 31st December 2021, includes:

- SACE S.p.A., which directs and coordinates its direct subsidiaries;
- SIMEST S.p.A., with a 76.005% interest (until March 21st, 2022);
- SACE Fct S.p.A., wholly owned;
- SACE BT S.p.A., wholly owned;
- SACE SRV S.r.l., wholly owned through SACE BT S.p.A.;
- SACE do Brasil Representações Ltda, with a 99.99972% direct stake and a 0.00028% indirect stake through SACE SRV S.r.l.;
- Fondo Sviluppo Export – Investment fund in which SACE is the only holder.

At December 31st 2021 SACE S.p.A. does not hold any treasury shares or shares of its shareholder Cassa depositi e prestiti S.p.A.

The consolidated financial statements of SACE S.p.A. at 31st December 2021 have been prepared, pursuant to Legislative Decree No. 38 of 28 February 2005, in accordance with the IAS/IFRS principles issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as according to the technical formats required under IVASS Regulation No. 7/2007, as amended by Ruling No. 74 of 8 May 2018.

The measurement criteria and the basis of consolidation are described in the notes to the consolidated financial statements.

Together with the consolidated financial statements, the Directors of SACE S.p.A. provided the Board of Statutory Auditors with the reporting package at 31st December 2021, drawn up for the purposes of preparing the consolidated financial statements of Cassa depositi e prestiti S.p.A., on the basis of the instructions issued by Banca d'Italia and the same Cassa depositi e prestiti.

The consolidated financial statements were also audited by the independent auditors Deloitte & Touche S.p.A. Please note that no direct control on the financial statements of companies included in the scope of consolidation has been performed by this Board of Statutory Auditors, since it is under the responsibility of each competent body.

We acknowledge that the reports issued by each competent body concerning the part for which they are responsible, do not reveal any irregularities, findings, issues or reservations.

Furthermore, within the framework of the duties assigned to us by law, we checked the following:

- the compliance with measurement criteria, basis of consolidation and other legal requirements, especially the reference date of the figures and the consolidation rules in relation to the formation of the consolidation scope;
- the adequacy of the detailed information provided in the report on operations and in the notes to the financial statements and the consistency with the information provided in the consolidated financial statements.



On April 11th 2022, the independent auditors Deloitte & Touche S.p.A. issued their report on the consolidated financial statements at 31st December 2021 in accordance with the rules on statutory audits implemented in Italy with Legislative Decree No. 135/2016. Specifically, the independent auditors: i) issued their report stating that the consolidated financial statements give a true and fair view of the Group's financial position, performance and cash flows as at and for the year ended 31st December 2021, in accordance with the IFRS endorsed by the European Union and with the Regulation issued in implementation of the art. 90 of Legislative Decree No. 209/2005; ii) expressed their opinion on the consistency of the Report on operations and of specific information included in the Report on Corporate Governance and ownership structure set out in the art. 126-bis., paragraph 4, of Legislative Decree No. 58/1998 with the consolidated financial statements of the SACE Group at 31st December 2021 and that those Reports have been drawn up in accordance with applicable law; iii) with reference to the statement pursuant to art. 14.2(e) of Legislative Decree No. 39/2010, issued on the basis of their knowledge and understanding of the company and the context in which it operates, obtained in the course of their audit, they had nothing to report.

For any other findings and comments on the consolidated financial statements at 31st December 2021, reference should be made to the Report to the financial statements of SACE S.p.A., which underlines the main aspects, whose operations continued to have significant repercussions on the consolidated financial statements throughout 2021.

In our opinion and based on that stated above, the consolidated financial statements of the SACE Group for the year ended at 31st December 2021 – recording a net income of 116,927 thousands of Euro, including a Group net income of 115,992 thousands of Euro, total assets for 47,644,632 thousands of Euro, total liabilities for 42,001,361 thousands of Euro and consolidated shareholders' equity for 5,643,271 thousands of Euro, including Group interest in shareholders' equity for 5,569,121 thousands of Euro – which are the result of financial statements that generated no exceptions, recommendations, criticisms or reservations, give a true and fair view of the assets and financial position of the SACE Group as at 31st December 2021, of its operating result and cash flows for the year ended as at that date, in accordance with the aforesaid applicable laws concerning consolidated financial statements.

Rome, April 12<sup>th</sup> 2022

#### THE BOARD OF STATUTORY AUDITORS

Silvio Salini (Chairman)

Moirá Paragone (Standing Auditor)

Gino Gandolfi (Standing Auditor)



A circular graphic composed of several concentric rings. The innermost ring is white and contains the website URL and social media icons. The next ring out is light blue. The third ring is a darker blue and features two segments: a red one at the top and a green one at the bottom. The outermost ring is a very light blue. The background of the entire image is a photograph of a snowy landscape under a clear blue sky.

[www.sace.it](http://www.sace.it)

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