Financial and consolidated statements 2023

SACE SPA

SACE

Financial Statements

Meeting of the Board of Directors of **March 26, 2024**

SACE S.p.A.
Registered Office and General Management in Rome, Piazza Poli 37/42
Cap.Soc. Euro 3.730.323.610 i.v.
Tax Code and Business Register Rome 05804521002 – R.E.A. 923591
Sole Shareholder Ministry of Economy and Finance

COMPANY OFFICERS AND BOARDS
BOARD OF DIRECTORS

Chairman	Filippo GIANSANTE
Deputy chairman	Ettore Francesco SEQUI*
Chief Executive Officer and General Manager	Alessandra RICCI**
Directors	Vincenzo DE FALCO
	Paola FANDELLA
	Federico LOVADINA
	Marco SIMONI
	Cristina SGUBIN
	Francesca UTILI

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Chairman	Silvio SALINI
Standing Auditors	Giovanni Battista LO PREJATO
	Angela SALVINI
Substitute Auditors	Marco CANZANELLA
	Giuliana TULINO
Statutory Delegate of the Court of Auditors	Natale Maria Alfonso D'AMICO (fino al 31 dicembre 2023) Antonio ATTANASIO (dal 1 gennaio 2024)
Independent Auditors	Deloitte & Touche S.p.A.***

Company Boards appointed by the Shareholders' Meeting on May 18, 2022 and in office for three years.

* Appointed Deputy Chairman by resolution of the Board of Directors on May 24, 2022
** Appointed CEO and General Manager by resolution of the Board of Directors on May 24, 2022
*** Appointed for the period 2020-2028 by resolution of the Shareholders' Meeting on October 17, 2019

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1 THE ECONOMIC SCENARIO

1.1 The global macroeconomic environment

Over the course of 2023, the global macroeconomic environment has been characterised by multiple contrasting factors that have contributed, on the one hand, to the slowdown in economic activity compared to the previous year and, on the other hand, to the resilience of certain countries and sectors. According to recent estimates by Oxford Economics[1], global economic activity advanced by 2.7%, down from +3.1% recorded in 2022, but up compared to the +1.3% initially expected.

Downside factors include the restrictive stance of many central banks, primarily those of the United States and the Eurozone, adopted to counter inflationary pressures. The rapid increases in monetary policy interest rates and the scaling back of extraordinary asset purchase programs were reflected in a tightening of credit conditions, which weighed more heavily on the more capital-intensive industrial sectors and on the demand for durable consumer goods, in a fiscal framework characterised by the end of emergency expansionary fiscal policies. This is in addition to the high level of uncertainty, fuelled mainly by trade and geopolitical tensions between major economies (in particular between the US and China), which affects global markets and the confidence of businesses and households, with repercussions on their investment and consumption decisions. Last year saw a record number of extreme weather events, which had a significant impact on several regions. On the other hand, the normalization of commodity prices – compared to the surge recorded in 2022 – and the easing of critical issues along international supply chains – measured by the Global Supply Chain Pressure Index – have partly mitigated the effects of adverse factors.

Improved supply conditions together with weak demand have contributed to the decline in prices, with global consumer inflation estimated to fall to 6% (although it remains relatively high compared to the historical average of the decade 2010-2019). "Core" inflation (which excludes the most volatile components, such as fresh food and energy products) has also declined broadly, albeit at a slower pace consistent with a more gradual pass-through of lower intermediate input costs to final prices of consumer goods and services.

1 Source: Oxford Economics, *World Economic Prospects Monthly* (January 2024).

At the regional level, global GDP growth was driven by stronger resilience in the United States (+2.5%), which more than offset the weakness of the euro area (+0.5%), and solid momentum in emerging economies (+4.2%, aggregate average). At the sector level, the performance of services was positive globally, as reflected in the related Purchasing Managers' Index (PMI), which systematically remained above the neutral threshold of 50 points, thus indicating positive growth for the sector. On the other hand, the dynamics of world industrial production were almost stationary, with a mere increase of 0.8% year-on-year in volume achieved between January and November; At the same time, the manufacturing PMI values, just below the threshold for the whole year, also confirmed the moderation in production rates, mainly attributable to the component of new foreign orders.

In fact, the deterioration of international trade in goods continued, estimated at -1.3%, reflecting the reduction in intra-EU trade and the modest Chinese demand that weakened flows between Asian countries. In addition, the decline in world trade in goods is also partly explained by the statistical comparison with a period of strong expansion that characterized the previous two years. Without neglecting the role of shifting – or rather, returning – consumer preferences towards services, with an estimated growth in related international trade of around 10% in volume.

In 2023, global foreign direct investment (FDI) flows reached an estimated dollar 1.37 trillion, a marginal increase of 3% compared to 2022 that surprised expectations, considering the forecasts at the beginning of the year[2]. The increase is mainly due to flows to European economies (mainly Luxembourg and the Netherlands), excluding which the change would have been negative and equal to -18%. In particular, FDI flows to developing countries decreased by 9% to a total of dollar 841 billion, with declining or stable flows in most regions (in detail: -12% in emerging Asian economies, -1% in Africa, stationary in Latin America). In terms of type of investment, the number of international project announcements fell across the board, from greenfield (-6%), to project finance (-21%) and cross-border mergers and acquisitions (-16%), affected by economic uncertainty and higher interest rates.

1.2 The Italian economy and industrial sectors

In line with the international and European context, Italy's GDP growth stood at +0.7% in 2023, down from +3.9% recorded in 2022, held back by the modest dynamics of foreign investment and demand[3].

In particular, tighter financing conditions, growing uncertainty and the reshaping of tax incentives have limited investment demand. The signs of collapse mainly concerned investments in construction, especially in the residential sec-

2 Source: Unctad, *Global Investment Trends Monitor* (January 2024).

3 Source: Istat (Italy's National Statistical Institute).

tor, against a still positive profile for non-residential and civil engineering, thanks also to the support of PNRR funds. Investments in machinery and means of transport are increasing.
The index of the volume of Italian industrial production recorded a contraction of -2.5%, more marked than that of its European peers which, however, are still suffering from a post-pandemic rebound effect in the face of a full recovery for Italy that has already taken place. In terms of the main groupings of industries, this trend was mainly influenced by intermediate goods (-5.4%) and consumer goods (-3.5%, especially durable goods), while capital goods recorded a positive trend (+2.8%). In particular, among the best performing sectors are means of transport (thanks to the recovery of the automotive sector) and pharmaceuticals; Growth was slightly positive for electronics, while stagnant for instrumental mechanics. On the other hand, the decline in production in the wood, paper and chemicals sectors was strongly negative; Rubber-plastic, electrical equipment and metals are also in the contraction zone. On average for the first eleven months of 2023, the construction production volume index in Italy declined by -1.2% year-on-year, worse than that of the Euro Area, partly reflecting a statistical effect due to the comparison with the same period last year, which was characterized by an excellent performance. Starting from August, however, construction production activity began to show signs of improvement, returning to growth in the final part of the year.

The average interest rate on new loans to Italian non-financial corporations continued to rise in December, reaching 5.46% (more than 400 basis points higher than in July 2022). In the same month, bank loans to businesses decreased by 3.7% year-on-year, continuing the downward phase, albeit at a relatively slower pace than that observed in previous months[4]. At the same time, the bankruptcies of Italian companies embarked on a slow upward path in the first nine months of the year compared to the same period of 2022, mainly attributable to the year-on-year increase recorded in the third quarter of the year. According to our estimates, on average growth in 2023 is expected to be +10.7%, against a still low level of insolvencies at around 8,000 units, remaining well below the pre-pandemic figure for the fourth consecutive year [5].

1.3 Italian exports

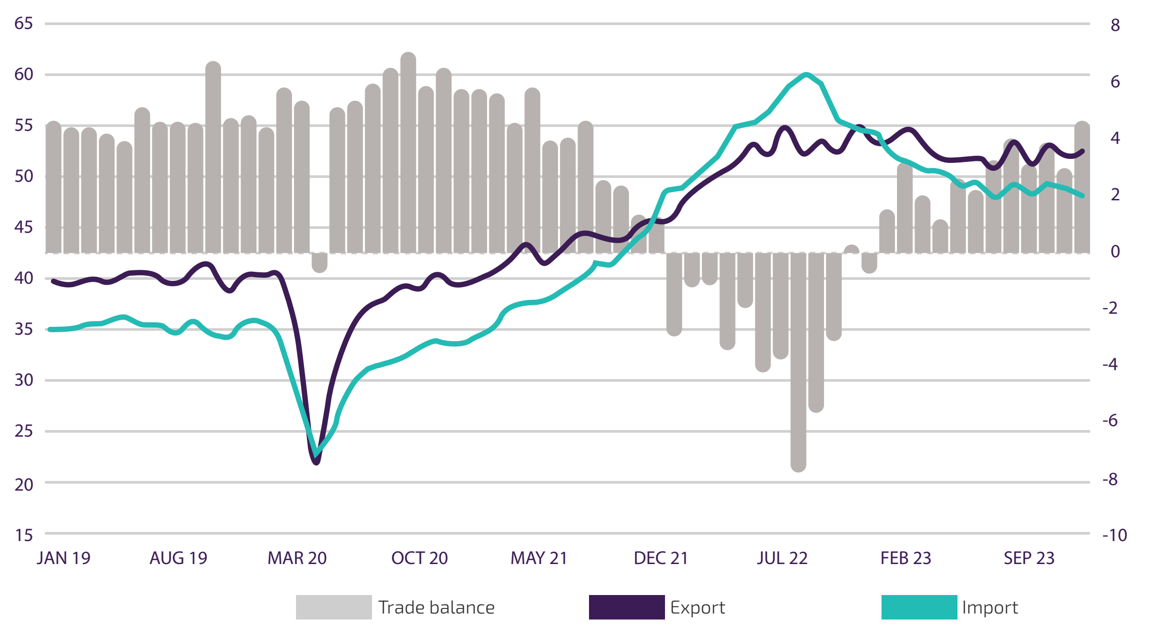
The decline in international trade in goods in volume last year also negatively affected the dynamics of Italian exports. The expected physiological slowdown, after two years of double-digit growth, turned out to be more intense than expected: in 2023, the value of Italian exports of goods in value remained stationary compared to the previous year, with the increase in average unit values (+5.3%) fully offset by a reduction, well above expectations, in the volume figure (-5.1%)[6].

For the year as a whole, sales of capital goods grew (+8.4%), which by nature are the ones that most generate demand for export-credit insurance coverage, and consumer goods (+2.7%), while those of intermediate goods (-6.7%) and energy (-25.7%) decreased, net of the latter, exports in 2023 would have grown by 1.3%. The largest positive contributions came from the increase in sales of mechanical engineering, motor vehicles, food and beverages; the broader negative ones, from declines in sales of metals and metal products, refined and chemicals.

Opposite trends were also recorded in terms of destination geographies: EU (-2.3%) and non-EU (+2.5%). Significant growth rates recorded by major trading partners such as the United States and Spain contrasted with the negative dynamics of Germany, the United Kingdom and Switzerland. OPEC countries, India and ASEAN countries performed well.

2023 closed with a sharply reduced energy deficit compared to 2022, which allowed the trade balance to return to positive, amounting to euro 34.5 billion, supported by non-EU countries.

FIGURE 1.
ITALIAN EXPORTS AND IMPORTS OF GOODS BY VALUE
(€ billion; monthly data seasonally adjusted)
Source: Istat.



4 Source: Bank of Italy, Banks and Money (February 2024) and Financial Stability Report (Novembrer 2023).
5 SACE elaborations on Istat data.
6 Source: Istat (Italy's National Statistical Institute).

2
KEY EVENTS OF 2023

2.1 The strategy

The INSIEME 2025 Business Plan, which sees 2023 as the first year of launch and implementation, has laid the foundations for an evolution path to support companies in Italy and around the world. Italian companies, whether large companies or SMEs, are facing and will have to face new challenges in the near future that mainly concern the issues of technological transformation, climate change, energy transition and sustainability. In this regard, training and business matching events continued, both in person and digitally, thanks to the services offered through the SACE Education & SACE CONNECTS program, which aims to support companies in their growth paths in Italy and abroad. The training offer was aimed not only at companies and professionals but also at the new generations and future managers who have led the green and digital transformation of our country.With reference to the strategic thrust on the sustainable transition, SACE supported euro 2.4 billion for guarantees and bonds issued under the Green New Deal (pursuant to Article 64 of the "Simplifications" Decree). Most of the operations supported by SACE's contribution contributed to the pursuit of the climate change mitigation objective. Through this operation, SACE has supported infrastructure works in the high-speed rail sector included in the PNRR and, therefore, recipients of EU funds. Other supported projects include: a) plants for the production of energy from renewable sources (in particular wind and photovoltaic plants); b) industrial investments with a view to the circular economy (e.g. plants for the recycling of wood for the production of chipboard); c) investments in the real estate sector and other energy upgrading of existing buildings and public lighting systems and finally d) investments in innovative sectors (e.g. hydroponic and aeroponic agriculture). In addition, in order to encourage greater use of the Green Guarantee by SMEs and MidCaps, 4 Green Light Agreements were signed in 2023, 3 of which were not yet operational as of 31 December 2023. In addition, the activity in agreement with financial intermediaries continues through the use of the online portal thanks to which it is possible to enter requests for an amount of less than euro 15 million. As of 31 December 2023, nine Agreements with Banks operating throughout the country were active.

In 2023, the "Expensive Energy Reinsurance" measure (pursuant to Legislative Decree 21/2022, Art.8 c. 3) was operational. Five companies have adhered to the guarantee made available by SACE, against guaranteed by the Italian State, which has allowed the issuance of insurance coverage, in the form of deposits, in favor of companies consuming electricity and natural gas, favoring the extension of the terms of payment of energy bills up to 36 months.

Currently, the management of indemnities and recoveries is still underway in relation to the "Trade Receivables Insurance" measure (pursuant to Article 35 of the "Relaunch" Decree), through which short-term credit insurance companies, adhering to the Convention, including SACE BT, have been able to continue to guarantee trade receivables insurance services for companies affected by Covid-19.

Overall, during the year, SACE supported the challenges and projects of companies with a total of euro 41.8 billion in Guarantees and Liquidity, of which euro 22.7 billion related to export operations and strategic importance.

During the year, support continued for Italian companies affected by the negative economic effects of the Russian-Ukrainian crisis, through the "Supportitalia Guarantee" measure (Art. 1 of Legislative Decree 50/2022 "Aid Decree") with a total amount of support of approximately euro 17 billion. The measure ended on 31 December 2023 and, in order to maintain, also for market guarantees after the emergency phase, a simplified and digital way to support companies for development and to facilitate access to credit, in particular for SMEs, SACE has created a new agreement for market transactions called "Digit Garanzia Futuro". This tool represents the new SACE milestone in the digitalization process designed with the #RoadTo2025 plan. The new "Digit futuro" guarantee will allow greater support to Italian companies, in particular SMEs, for their growth initiatives, in Italy and on global markets while bringing simplification, efficiency and automation to the hiring and management process.

The 2024 Budget Law introduced the new "Archimede" guarantee scheme, which enables SACE S.p.A. to issue hedges in order to support infrastructure and production investments made in Italy, including in areas characterised by suboptimal levels of investment, linked to high risk also associated with medium-long term exposures, the use of innovative technologies or the limited supply of financial products. This guarantee scheme responds to the need for a national stimulus plan for infrastructure and production investments, highlighted by the rapid process of technological, environmental and social transformation. The same law also established the obligation for companies with registered offices in Italy to take out, by 31 December 2024, insurance against damage caused by natural catastrophic events. In this regard, in order to contribute to the effective risk management of insurance companies to cover the damage in question, SACE is authorised to grant, by means of a special agreement approved by ministerial decree, at market conditions, coverage of up to 50 per cent of the indemnities.

As part of a reorganisation of the group's activities with the aim of creating a single hub at the Parent Company SACE S.p.A. to oversee the analysis and monitoring of receivables, indemnities, restructuring and recoveries, also with a view to making operations more efficient, in particular towards SME customers, as well as centralising the Group's strategy and commercial objectives for all customer segments, with the simultaneous monitoring of the tools enabling the monitoring of commercial activities and first-level customer care, on 1 May 2023 the transfer from SACE SRV to the Parent Company SACE of the business unit consisting of activities relating to restructuring and recovery of distressed exposures, as well as those relating to customer care, was completed.

In 2023, the Group Companies mobilised net resources of euro 12.9 billion, of which SACE FCT euro 4.7 billion and SACE BT euro 8.2 billion. The total number of customers served in the SACE perimeter amounts to over 15,100, of which 81% refers to the SME segment. All Group companies recorded positive economic results.

SME SUPPORT

In 2023, the SACE Group launched the Mysace.it open platform in order to guarantee companies a single virtual space for accessing products and services, in line with the provisions of the business plan and with a particular focus on the SME segment. The platform contains all the content and tools related to the SACE Education and SACE Connects programs.

As far as training activities are concerned, in 2023 the number of students enrolled in the SACE Education program, mainly SMEs, reached nineteen thousand. During the year, 40 training events were organized and 130 new on-demand content were made available on the platform, for a total of over 300.

The match-making activity was relaunched and rebranded in 2023 and the new name "SACE Connects" reflects the full enhancement of the use of the online channel for the proposal of the contents of the program, which to date has over 5,000 subscribers since its launch. During 2023, SACE organised 66 Business Matching initiatives with buyers from focus countries (+25% compared to 2022), which involved over 2,500 companies with trade fairs in Italy and abroad, webinars, in-person initiatives and content that can be accessed digitally from the SACE platform.

MySace.it also allows SMEs to contact a Temporary Export Manager through an online service, able to support their growth and development path in international markets; Currently, about 100 Temporary Export Managers have joined the platform.

As part of the strategy to support the SME business segment, activities to support businesses continued in the first half of the year, in particular thanks to 66 operational Business Matching meetings between Italian supplier companies and large foreign companies, in various sectors, which saw the participation of over 1,200 companies in over 650 B2B meetings.

With a view to strategically accompanying companies in new markets, SACE has also undertaken the opening of offices in various areas, expanding the current perimeter to previously unexplored regions in Europe, Africa, the Middle East and the Americas.

TECHNOLOGICAL INNOVATION

During 2023, as a first step towards the use and introduction of advanced technologies as an enabling key for a different, more sustainable and efficient way of growth, applicable both to internal processes and to support businesses, the Innovation Lab was launched. It is an innovation hub that, through discussions inside and outside the Group (with universities, companies and startups), intercepts innovative, technological and business trends to create prototypes and ideas and assess their impact on the company and on the user experience of companies.

Among the project initiatives that have been carried out by the Innovation Lab is "AI Bilanci", an important milestone that marks the introduction of artificial intelligence within the SACE world. The platform offers important support in the operational process related to the Export Up product and aimed at simplifying operating methods and speeding up the process itself for the benefit of client companies.

To support SMEs, a major event was also organized in collaboration with Startup Italia and Luiss Business School, SIOS23 SUMMER INSIEME, in which SACE met with many protagonists of the world of innovation on a vertical stage, workshops, in-depth round tables and business matching meetings. SACE has taken on a role as a proactive player in the innovation ecosystem by creating connections that allow SMEs simplified access to Open Innovation to develop their growth path.

SACE PEOPLE

The business plan envisages a path of evolution of the organisational model, with the aim of adopting an agile and skill-driven model and a new sustainable leadership style, based on a set of shared corporate values designed together with all the Group's people. During 2023, SACE continued to implement an organizational model that goes beyond the traditional concept of "workplace", investing in up-skilling, re-skilling and cross-skilling, developing a widespread and sustainable leadership model, based on values and attitudes such as courage, passion, empathy and the ability to inspire.

SUSTAINABILITY

On the occasion of COP28, SACE presented its sustainability strategy. The ultimate goal of its strategy is to be an accelerator of the energy transition process of companies with the aim of mobilizing resources dedicated to this purpose, improving the carbon footprint of its portfolio with the aim of activating greater decarbonization processes and finally involving all stakeholders as a further lever for the actions introduced directly. The strategy provides support for companies active in the so-called "sectors of the future", such as bioeconomy, bioplastics and biofuels, circular economy, agritech, industry 4.0, hydrogen, batteries, offshore wind, aerospace, blue economy, silver economy, characterized by a strong focus on the issues of innovation, digitalization and sustainability. The strategy will have two main lines of development: i) driving change and accelerating the transition of companies; ii) transform the organization from an ESG perspective.

In recent months, SACE has begun to redesign its business and organizational model with the aim of putting the community in which it operates at the center. SACE's mission is to evolve the way we work, integrating ESG criteria into the business and operating model, dedicating more effort to measuring the impact on the system and implementing an approach based on science and data. SACE's strategy is focused on maximizing the impact on the 17 UN Sustainable Development Goals (SDGs) and to measure our impact on the SDGs, 8 key areas have been identified to be monitored through strategic and operational KPIs. The goal is to become a company of ESG excellence and a leader for system change and to accelerate the transition of our clients.

SACE is ready to support the ESG evolution of companies operating both in traditional sectors and in new sectors that will become increasingly important in the future.

2.2 Summary of 2023 regulatory actions

Below is a summary of the main regulatory interventions that affected SACE in 2023.

- State Budget Law for the year 2023.
  i) Article 1, paragraph 421, concerning the allocation for 2023 of Euro 565 million to the Fund established to cover the so-called green guarantees and the setting of the maximum commitment limit that can be assumed by SACE in relation to green operations equal to Euro 3 billion;
  ii) Article 3, paragraphs 3, 4 and 5, which: a) establishes the maximum commitments that can be assumed by SACE pursuant to Article 6, paragraph 9, of Legislative Decree no. 269/2003 - equal to Euro 4 billion for guarantees with a duration of up to twenty-four months and Euro 40 billion for guarantees with a duration of more than twenty-four months (paragraph 3), as well as the amount of the Statutory Cover Limit for 2023 of Euro 150 billion (paragraph 5); b) also authorises SACE to issue, for the financial year 2023, guarantees and insurance coverage in relation to the activities referred to in Article 11-quinquies of Legislative Decree no. 35/2005, up to a maximum of 30% of the aforementioned limits (paragraph 4).
- Law no. 6 of 13 January 2023, which converts Decree-Law no. 176 of 18 November 2022 (the so-called Aiuti quarter Decree) The conversion law introduced a new paragraph 4-ter to art. 9 of the decree with which it clarified that companies in the construction sector, falling within the categories distinguished by ATECO codes 41 and 43 and carrying out the interventions referred to in Article 119 of Decree-Law No. 34 of 19 May 2020, converted, with amendments, by Law No. 77 of 17 July 2020 (so-called "Act"). "Superbonus 110%"), can access the so-called measure. "SupportItalia Guarantee" under the conditions, in accordance with the procedures and within the terms set out in Article 15 of Decree-Law No. 50 of 17 May 2022, converted, with amendments, by Law No. 91 of 15 July 2022 (so-called "SupportItalia Guarantee"). "Aid Decree").
- Law No. 41 of 21 April 2023, which converts Decree Law No. 13 of 24 February 2023 (the so-called PNRR-ter Decree) The conversion law introduced certain amendments to Decree-Law No. 144 of 23 September 2022 (so-called "Decree-Law"). Aiuti-ter Decree), which allows energy-intensive companies to obtain an increase in the amount that can ordinarily be financed under the "SupportItalia Guarantee", in particular the repeal of the limit of 25 million euros provided for as the maximum increase of the additional amount (Article 49, paragraph 5, PNRR-ter Decree).
- Decree Law No. 61 of 1 June 2023, converted with amendments by Law No. 100 of 31 July 2023 (the so-called Flood Decree), Ordinances of the Head of the Civil Protection Department nos. 992/23, 1000/23, 1002/23 and 1037/23 As a result of the state of emergency declared by the Council of Ministers for the flooding events that occurred in May and November 2023, the Flood Decree and the Ordinances of the Head of the Civil Protection Department nos. 992/23, 1000/23, 1002/23 and 1037/23 provided, inter alia, for the suspension "ope legis" of the instalments of loans - including those guaranteed by SACE - granted, as the case may be, to companies having their registered or operational headquarters or local units or carrying out their commercial and economic activities in one or more of the damaged territories.
- Decree Law No. 124 of 19 September 2023, converted with amendments by Law No. 162 of 13 November 2023 (so-called DL Sud) The South Decree-Law provided that SACE may make use of private market reinsurers and counter-guarantors in relation to guarantees granted at market conditions by SACE in favour of the banks issuing the bonds required from companies in the context of the PNRR and the PNC, pursuant to Article 64 of Decree-Law No. 76 of 16 July 2020 (so-called "green" operations) and pursuant to Article 6 of Decree-Law 30 September 2003, no. 269 (so-called "strategic survey" operations), by 31 December 2023.

Finally, it is worth noting the publication on 30 December 2023 of Law no. 213 "State budget for the financial year 2024 and multi-year budget for the three-year period 2024-2026", which came into force on 1 January 2024 and amended Legislative Decree no. 23/2020 (converted into Law no. 40/2020) specifying that "the assets in which the technical provisions are invested are transferred from SACE S.p.A. to the Ministry of Economy and Finance net of costs incurred by the said company in respect of the commitments reinsured by the State, pursuant to this subparagraph, as shown in the accounts of the same company".

3 REPORT ON OPERATIONS

3.1 Share structure and share capital

As of December 31, 2023, the shares of SACE S.p.A. are wholly owned by the Ministry of Economy and Finance. At the end of the year, the share capital amounted to euro 3,730,323,610 and was divided into 1,053,428 shares with a nominal value of euro 3,541.1. SACE does not own treasury shares or shareholder shares.

3.2 Formation of the operating result

The main income statement and balance sheet data that contributed to the result for the year (summary data) and the table of the income statement are shown below.

As part of the operating context introduced by the 2020 regulatory interventions, it should be noted that SACE's financial position and income statement as at 31 December 2023 includes the effects deriving from the application of Article 2, paragraph 9 of the Liquidity Decree and in particular the transfer of up to a reinsurance percentage of 90% of the performing portfolio as at 8 April 2020, through the reinsurance sale of the portfolio to the MEF with the simultaneous recognition, in 2020, of a debt to the MEF for approximately euro 1.5 billion (debt partially liquidated in 2021). This amount was quantified in the "Report on Sace's capital and capital endowment" prepared in 2020 pursuant to the aforementioned rule. It should also be noted that, as a result of the amendment introduced by the 2024 Finance Law, referred to above, a receivable from the MEF for a total amount of euro 228 million was recorded in the Financial Statements as at 31 December 2023, representing the quantification of the costs incurred in relation to the reinsured portfolio transferred to the MEF pursuant to Legislative Decree 23/2020 determined using the criteria applied in the pre-existing reinsurance treaty with the MEF. In the financial statements as of December 31, 2023, the portion of these costs relating to the reinsured portfolio amortised in the years 2020-2023 was included in the income statement and amounted to euro 122.9 million.

The balance sheet also includes the cash and cash equivalents held in the current account in the name of SACE and relating to the Fund established by Article 1, paragraph 14 of the Liquidity Decree, to cover the State's commitments related to the granting of guarantees relating to SACE's new operations made available in 2020 by the MEF to 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 recognized separately as required by applicable legislation. At December 31, 2023, 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)	2023	2022	Change
Gross premiums	403.9	373.2	8%
Claims	91.8	75	22%
Technical provisions	5,400.2	5,805.6	(7%)
Net investments (including other assets)	40,374.6	39,803.1	1%
Shareholders' equity	5,220.5	4,879.5	5%
Gross profit	529.3	128.7	>100%
Net profit	398.2	83.8	>100%
Commitments approved	34,148.5	22,962.7	49%

INCOME STATEMENT (in € millions)	2023	2022
Gross premiums	403.9	373.2
Outward reinsurance premiums	(221.8)	(252)
Change in the provision for unearned premiums	53.2	(84.4)
Net premium income	**235.3**	**36.9**
Claims incurred	(91.8)	(75)
Change in recoveries	50	25.7
Change in the provision for claims outstanding	30.6	8.9
Claims incurred, net of recoveries	**(11.2)**	**(40.4)**
Change in other technical provisions, net of reinsurance		
Change in the equalization provision		(14.5)
Investment return transferred from the non-technical account	60.9	48.9
Premium refunds and profit sharing	(11.4)	(5.8)
Operating expenses	(109.4)	(97.8)
Other technical income and charges	145.5	141.7
Balance on the technical account	**309.8**	**68.9**
Financial and other income	589.8	516.2
Investment management and financial charges	(321.1)	(401.5)
Investment return transferred to the technical account	(60.9)	(48.9)
Balance on the non-technical account	**207.8**	**65.7**
Income from ordinary operations	**517.6**	**134.7**
Extraordinary income	12.3	2.7
Extraordinary charges	(0.6)	(8.7)
Profit before taxes	**529.3**	**128.7**
Taxes	(131.1)	(44.9)
Net profit	**398.2**	**83.8**

SACE posted a net profit of euro 398.2 million in 2023 (euro 83.8 million at December 31, 2022). The main components that contributed to this result are as follows:

- gross premiums, totalling euro 403.9 million, up (8%) compared to the previous year (euro 373.2 million);
- premiums sold in reinsurance amounted to euro 221.8 million, down (-12%) compared to 2022 (euro 252 million);
- the change in the Premium Reserve is positive and equal to euro 53.2 million and reflects the dynamics of the portfolio as well as its riskiness; this item also includes euro 122.9 million relating to the quantification of the costs incurred and relating to the portfolio reinsured by the MEF on the basis of Legislative Decree 23/2020 as amended by the 2024 Finance Law and amortised in the years 2020 to 2023.
- Net claims expenses amounted to euro 91.8 million (euro 75 million at December 31, 2022) and include euro 290.3 million related to compensation paid including settlement costs (euro 214.7 million at December 31, 2022) and euro 198.5 million for the shares payable by reinsurers (euro 139.7 million at December 31, 2022);
- the change in the Claims Reserve was positive and amounted to euro 30.6 million;
- The change in recoveries related to the management of subrogation receivables, which was positive and amounted to euro 50 million, includes revaluations, write-downs and losses recorded on receivables for their alignment with the estimated realizable value (euro 15.6 million), revenues from amounts recovered (euro 87.4 million), revenues from receivables to be recovered (euro 62.9 million), the sums to be recovered from the reinsurers and the sums recovered (respectively equal to euro 54.1 million and euro 30.7 million);
- Other technical income and expenses amounted to euro 145.5 million, and includes commissions received from reinsurers on premiums sold during the year for euro 22.3 million, reimbursement of operating costs on commissions on transactions completed in connection with the operation of "Garanzia Italia" for euro 8.2 million, reinsurance of short-term trade receivables for euro 0.5 million and commissions on co-insurance premiums for euro 111.8 million.
- operating expenses amounted to euro 109.4 million, an increase compared to the previous year (euro 97.8 million), mainly due to the increase in personnel expenses, advertising expenses and compensation to third parties.
- the positive balance of the non-technical account amounting to Euro 207.8 million. It includes the positive balance of financial items for Euro 279.3 million, the breakdown of which is shown in the table below. Net exchange gains amount to Euro 20.9 million and include the effect of the measurement of foreign currency receivables and payables (gains of Euro 37.7 million), currency forwards (losses of Euro 18.9 million), the effect on foreign exchange receivable (losses of Euro 9.4 million) and unrealized exchange gains and losses on technical provisions (gains of Euro 11.5 million) included in the technical account. The effect of equity investments, positive by Euro 11.9 million, refers to the measurement of investees.

(in € millions)	2023	2022
Effect of the non-current investment portfolio	**106.6**	64.9
Effect of the current investment portfolio	**139.9**	13.2
Effect of exchange gains and losses	**20.9**	13.9
Effect of equity investments	**11.9**	4.3
Total effect of financial management activities	**279.3**	96.3

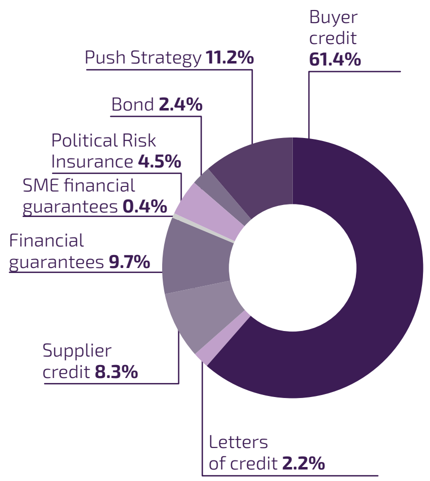
3.3 Enhanced volumes

SACE's resources mobilised in the Export & Internationalisation area in 2023, measured in terms of volumes completed, principal and interest, amounted to euro 22,746.24 million. The resources mainly relate to Buyer Credit policies (61.4%), Push Strategies (11.2%) and Financial Guarantees (9.7%). It should be noted that 90% of the completed volumes of new business in 2023 under the co-insurance regime with the MEF amounted to euro 9,950.12 million.

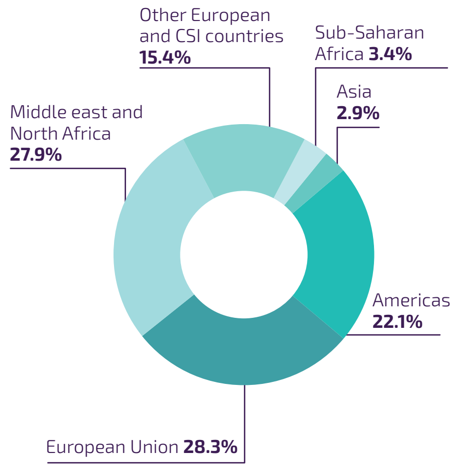
In terms of geographical area, these volumes mainly refer to Europe (28.3%), the Middle East and North Africa (27.9%) and America (22.1%).

The industrial sectors with the highest completed volumes were the Cruise sector (29.6%), the Chemical/Petrochemical sector (20.4%) and the Infrastructure and Construction sector (11.9%).

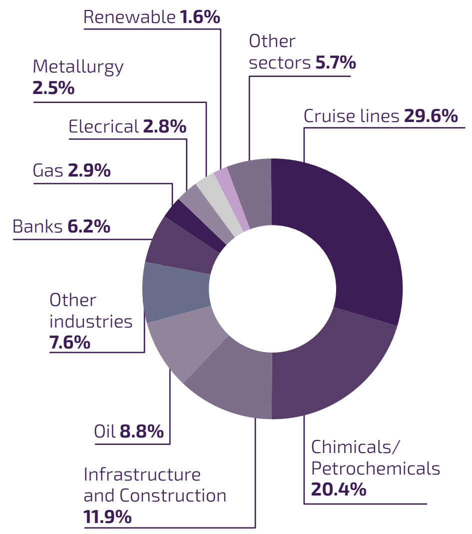
VOLUMES IN 2023
BY PRODUCT



VOLUMES IN 2023
BY GEO-ECONOMIC REGION



VOLUMES IN 2023
BY INDUSTRIAL SECTOR



3.4 Approved volumes Export & Strategic Importance

In 2023, the insurance commitments approved on Export & Strategic Relief, measured in terms of principal and interest, including changes recorded during the period, totalled euro 34,148.5 million, of which euro 30,640 million and euro 3,509 million on the revolving credit line, respectively. Approved commitments recorded an increase of 49% compared to 2022 values, mainly due to the infrastructure and construction and cruise sectors. It should be noted that 90% of the approved new business commitments for 2023 under the co-insurance regime with the MEF amount to euro 30,376.5 million.

3.5 Premiums

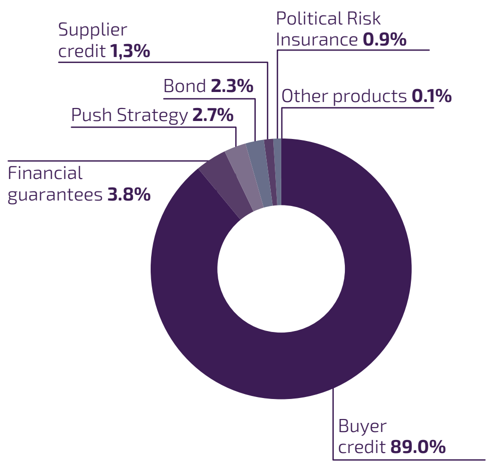
In 2023, gross premiums amounted to euro 403.9 million, of which euro 392.0 million was generated by direct business and euro 11.9 million by indirect business (active reinsurance). Compared to 2022, there was an increase of about 8%. The product that contributed the most to the generation of premiums was the Buyer Credit policy (89.0%).

The geographical areas in which premiums were most concentrated are: America (43.2%), Sub-Saharan Africa (17.8%) and the Middle East and North Africa (18.9%).

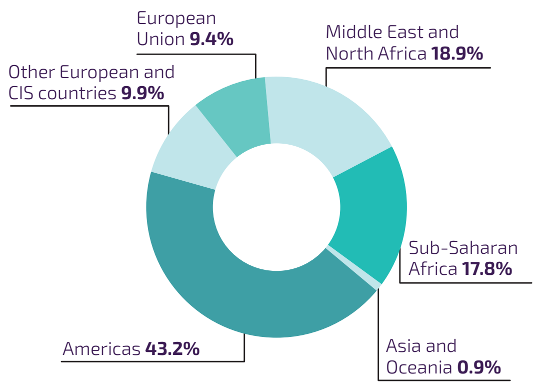
The industrial sectors that contributed most to the generation of awards were the Cruise sector (48.6%), the Gas sector (16.6%) and the Defence sector (12.2%).

With regard to the breakdown of gross premiums by operations, also for 2023 a higher incidence (90.3%) of Export Credit operations is confirmed compared to other operations.

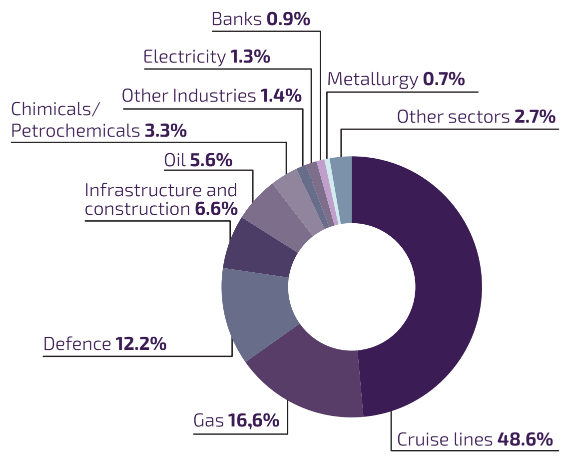
GROSS PREMIUMS BY PRODUCT



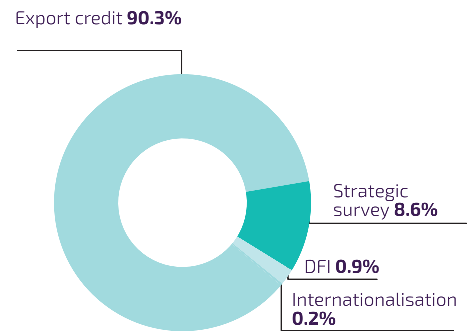
GROSS PREMIUMS
BY GEOGRAPHICAL REGION



GROSS PREMIUMS BY INDUSTRIAL SECTOR



GROSS PREMIUMS BY OPERATION



3.6 Claims

In 2023, compensation of euro 284.7 million was paid (an increase of approximately 36% compared to the 2022 figure of euro 210 million). Approximately 97% of the claims settled concerned foreign risk, with the predominant sectors being (i) Infrastructure and construction and (ii) Aeronautics. Compensation of euro 177.7 million was also paid for the "Garanzia Italia" product, mainly in the Water, Environment and Urban Services sector.

3.7 Recoveries

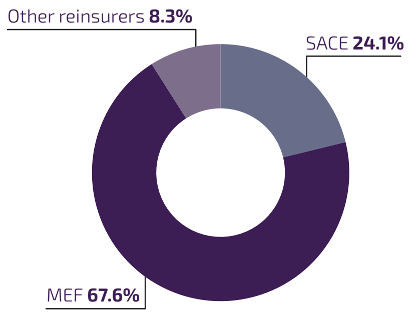
Political recoveries due to SACE in 2023 amounted to euro 73.5 million, an increase compared to those recorded in the same period of 2022 (euro 66 million). The amounts recovered mainly refer to proceeds from bilateral agreements signed with Iraq (euro 47.2 million), Argentina (euro 9.6 million), Serbia (euro 7.2 million), Pakistan (euro 3.4 million) and Bosnia (euro 2.05 million). Commercial recoveries due to SACE in 2023 amounted to euro 102.5 million, a significant increase compared to the figure for 2022 (euro 43.5 million). The amounts recovered mainly refer to proceeds deriving from (i) restructuring agreements entered into with Emirati (Dubai – euro 26.4 million) and Egyptian (euro 4.2 million) counterparties; (ii) remarketing of aircraft with Panamanian counterparties for euro 24.05 million; (iii) sale of receivables from Russian counterparties for euro 19.4 million and (iv) recoveries from Italian counterparties for euro 9.6 million.

3.8 Risk portfolio

Total exposure, calculated as the sum of receivables and outstanding guarantees (principal and interest) amounted to Euro 56.7 billion. During 2023, export credit accounted for 91% of total outstanding guarantees. The share in reinsurance is going down (75.9% compared to 78.8% in 2022). The loans and receivables portfolio decreased by 6.9% on 2022, mainly as a consequence of sovereign receivables which fell by 7.8% and accounted for 54.9% of the total portfolio.The weight of the trade component, which accounts for 45.1% of the portfolio, increased by 5.8%, from Euro 162.9 million to Euro 153.4 million.

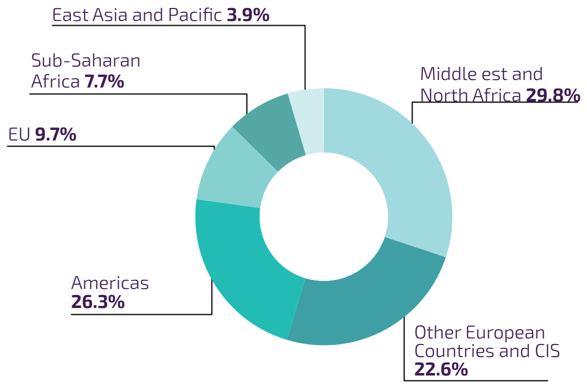
Portfolio	31 December 2023	31 December 2022	Change
Outstanding guarantees	56,319.2	61,537.0	(8.5%)
principal	50,232.2	54,978.3	(8.6%)
interest	6,086.9	6,558.7	(7.2%)
Receivables	340.1	365.2	(6.9%)
Total exposure	**56,659.2**	**61,902.1**	**(8.5%)**

TOTAL EXPOSURE
BY REINSURERS (%)



The analysis by geo-economic area sees exposure to Middle East and North Africa countries in first place (29.8% compared to 30.1% in 2022) and the Americas in second place (26.3%, compared to 22.5% in 2022). The top exposure by country corresponds to the USA with a concentration of 22.4%. Following, in terms of area, European countries not belonging to the EU and CIS (Commonwealth of Independent States) show an incidence of 22.6%, compared to 2022 where the weight was 24.6%. Other geo-economic areas account for a total of 21.3% of the portfolio.

TOTAL EXPOSURE
BY GEO-ECONOMIC REGION (%)



The analysis by type of risk reflects a 48.5% reduction in exposure to Political Risk compared to 2022. The most significant portion remains that of private risk equal to 72.1 % (70.5% in 2022) of the total portfolio.

Type of risk	31 December 2023	31 December 2022	Change
Sovereign	14,611.9	15,983.8	(8.6%)
Political	1,115.1	2,163.7	(48.5%)
Private sector risk	40,592.2	43,389.4	(6.4%)
Total	**56,319.2**	**61,537.0**	**(8.5%)**

Within the private sector risk, structured finance and banking decreased by 32.7% and 26.5%, respectively.

Type of risk	31 December 2023	31 December 2022	Change .
Backed corporate	17,225.4	15,795.3	9.1%
Corporate - credit business	11,119.5	12,980.0	(14.3%)
Project Finance	9,975.8	11,453.3	(12.9%)
Corporate - surety business	1,083.1	1,440.8	(24.8%)
Structured finance	854.3	1,268.8	(32.7%)
Banking	228.6	310.8	(26.5%)
Aviation (Asset Based)	105.6	140.4	(24.8%)
Total	**40,592.2**	**43,389.4**	**(6.4%)**

The top five sectors account for 83.5% of the total portfolio. The prevailing sector is the Cruise sector with an incidence of 42.4%, followed by the Gas and Chemical/Petrochemical sectors with a weight of 9.1% and 5.0% respectively.

3.9 Technical provisions

Technical Provisions are calculated in order to cover the Best Estimate determined, for the Premium Reserve component, using an analytical methodology (calculating the expected lifetime loss of the entire portfolio). The Claims Reserve, in compliance with the principle of prudence, is estimated on the basis of the objective analysis of each claim.

The total value is determined as the sum of:

- Reserve for Premium Fractions, equal to euro 2,602.1 million, calculated for the portion of risk not accrued on the basis of gross written premiums. The provision is determined using the pro rata temporis method;
- Ongoing Risks Reserve, amounting to euro 1,268.9 million;
- Claims reserve, equal to euro 760.8 million;
- Credit Equalization Reserve, amounting to euro 768.4 million.

3.10 Investments

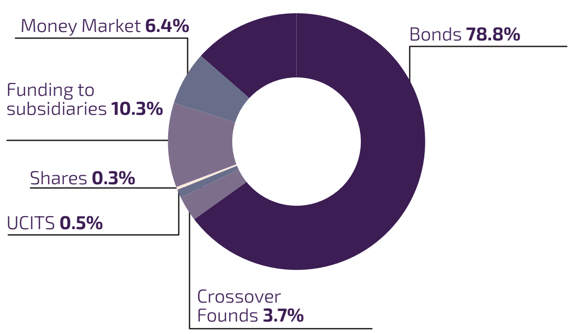
SACE S.p.A.'s financial management activities are carried out according to the guidelines laid down by the Board of Directors and aim to achieve two macro-objectives:

- preservation of the value of the company's assets: in line with the evolution of the regulations and the financial context of reference, SACE S.p.A., through an integrated Asset & Liability Management process , operates management hedges aimed at partially offsetting negative changes in the guarantee and credit portfolio in the event of adverse changes in risk factors;
- contribution to the achievement of the company's economic objectives through targeted and effective investments.

This strategy, implemented through the use of instruments with a limited risk profile and high liquidity, confirmed values in line with the limits defined mainly according to VaR and sensitivities logics for the individual types of investments and in line with the Investment Guidelines.

Total assets at the end of 2023 amounted to euro 8,192.6 million and are composed as follows: 78.8% were invested in bonds, 3.7% in bond funds, 0.3% in shares, 0.5% in units of UCITS, 10.3% in funding to Group companies and 6.4% in money market instruments.

BREAKDOWN OF THE PORTFOLIO
BY ASSET CLASS



The fixed asset portfolio, amounting to euro 3,879.8 million, represents 47.4% of total assets and consists of bonds, 78% of which are government and supranational entities, and bond funds. The modified duration of the bonds is 3.83 while the average portfolio rating is BBB.

The investment portfolio, amounting to euro 4,312.8 million, consists of 66.7% bonds, 0.5% shares, 1% units of UCIs with bond content, 19.6% funding to Group companies and 12.1% money market instruments. It should also be noted that in 2021 a loan agreement was signed by Sace SpA in favour of the Sace FCT Group Company. 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 paid in a single instalment or in several tranches and will have a maximum duration of 36 months from the date of signing of the contract (30 July 2021).

3.11 Climate Risk

Climate change risks are becoming increasingly important for financial institutions, especially because of the important interconnections they have with traditional risks and the systemic relevance that potential impacts could have.

International standards require a process of identifying potential risks and impacts, including those associated with climate change and adaptation; The level of analysis depends on the vulnerability of the operation to climate change depending on the type of infrastructure and the geographical location of the project.

In line with the provisions of the ECB and EIOPA, which have defined expectations for financial institutions in order to integrate climate and environmental risks into the strategy, governance processes and risk management framework, SACE is implementing, with a progressive approach, methodologies for the assessment of these risks in relation to all the Group's operations. In relation to the significant interconnections with traditional risks and the systemic importance that the potential impacts of the occurrence of such events could have, regulatory interventions by the Supervisory Authorities on the direction of the Group's activities are increasing.

The climate and environmental risks identified by SACE can be divided into two categories, physical risks and transition risks. The former identify impacts from extreme and frequent weather events, gradual climate change, as well as environmental degradation, i.e. air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risks are further classified into:

- Acute physical risks: dependent on the occurrence of extreme environmental phenomena (such as floods, heat waves and droughts) linked to climate change, which increase their intensity and frequency;
- Chronic physical risks: caused by progressively occurring climate events (e.g. gradual rise in temperatures and sea levels, deterioration of ecosystem services and loss of biodiversity).

Transition risks, on the other hand, identify the impacts, direct and indirect, determined by the process of adaptation to a low-carbon and more environmentally sustainable economy. This could be caused, for example, by the relatively sudden adoption of climate and environmental policies, technological progress or changing market confidence and preferences.

SACE assesses the potential impact of climate and environmental risks on its portfolio by performing a materiality analysis based on the dynamic interactions of three components:

- Exposure: Identifies the exposed value, i.e. the assets present in the area or in any case affected by the danger of being involved in a calamitous event (e.g. economic activities, infrastructure, a business model, people). It can take on both a static (existing exposures) and a dynamic (planning) dimension.
- Hazard: Identifies the potential occurrence of a natural event that can result in death, injury, or other health impacts, as well as damage and loss to property, infrastructure, services, ecosystems, and resources.
- Vulnerability: It represents the vulnerability of an asset to suffer damage as a result of the stresses induced by an event of a certain intensity and the lack of safeguards to adapt or mitigate the damage itself. It depends on the characteristics of the reference business and the mitigation strategies implemented to increase resilience with respect to the risk drivers identified in the hazard analysis.

It should be noted that the current methodologies adopted by SACE for the purpose of assessing climate and environmental risks are being further developed and refined also in relation to: i) the constantly evolving regulatory environment; ii) absence of methodological benchmarks and consolidated market practices; (iii) difficulties in obtaining information and/or data relevant to the assessment of exposure to climate risks.

Exposure to risk

The quantification of the impact of climate and environmental risks is carried out on all potential exposures within the Group's perimeter. Depending on the nature of the exposure and the peculiarities of SACE's specific portfolios, the following clusters are identified:

- **Corporate.** This segment identifies exposures where the counterparty at risk is a private counterparty.
- **Project Finance.** The cluster identifies the guarantees provided to support long-term financing of project activities.
- **Asset on the move.** This cluster includes SACE's exposures collateralised by mobile assets (e.g. ships and aircraft).
- **Works.** This includes exposures relating to works under construction for which the Group provides a guarantee.
- **Sovereign Counterparts.** This cluster includes exposures where the counterparty at risk is a sovereign counterparty.

Hazard Analysis

With reference to physical risk, the methodology defined by SACE assesses the potential impacts of such events on counterparties depending on the nature of the exposure. In general, the hazard assessment factors the following information:

- **Geographical location:** geographical coordinates of all the relevant locations and assets of the counterparties under analysis.
- **Intended use:** information relating to the intended use of the premises and assets.
- **Strategic relevance:** Relevance refers to the importance within the value chain of a given location, asset or supplier.

Exposure to climate risks depends on territorial characteristics and the resilience of public budgets to the occurrence of

Cluster	Evaluation Approach
Corporate	The manifestation of climate events becomes potentially impactful if it concerns the counterparty at risk, therefore the mapping activity has the objective, in the medium-long term, of location and avaluating the entire value chain of each counterparty. Ad hoc approach for financial holdings
Project Finance	Risk identification mainly concerns the geography on which the financed/guaranteed project is located; however, in the evaluation it is also necessary to factor in the risks potentially impacting the supply chain of raw materials and energy sources.
Assets in motion	The assessment depends not only on the factors identified for corporate exposures, but also on the potential impacts of physical risks on moving assets that characterize this business. These assets are comparable to operational headquarters, but in this case the risk does not focus on a single geography but on all the areas crossed.
Works	The assessment depends on the geolocation of the works under construction covered by the insurance coverage and the assets used in their construction.
Sovereign	Exposure to climate risks depends on territorial characteristics and the resilience of public budgets to the occurrence of climate events. The assessment was conducted using the sovereign scores developed by Moody's.

Hazard assessments related to physical risks are currently obtained through external providers. In this context, it is useful to underline that the defined approach is being implemented according to a criterion of increasing granularity. The objective is to include the entire value chain in the assessment of counterparties in order to identify the geographical location and intended use of all strategic assets that could generate, in the event of the occurrence of physical risk events, losses and therefore delays in payments or insolvencies. An element of complexity is represented by the information necessary to correctly feed these evaluation approaches; Not all information is readily available internally or through external providers. Therefore, the minimum sets of information to be progressively integrated have been identified while developing an internal data acquisition process. As part of the assessment of exposure to transition risk, a counterparty approach was mainly used, with the exception of some operations where this risk depends on the characteristics of the projects financed or insured. The hazard analysis defined by SACE envisaged two alternative approaches: i) Energy Transition Indicator developed by an external supplier; ii) Climate Policy Relevant Sectors (CPRS) developed by the University of Zurich (approach most used by practitioners and policy makers to assess exposure to climate transition risk). In particular, the Energy Transition Indicator assesses companies' decarbonisation efforts through a qualitative analysis of their commitments, policies, measures and sectoral KPIs. The score is composed of six transition criteria: i) development of Green products and services; (ii) energy consumption; (iii) emissions; (iv) transport; v) use and disposal of the products; (vi) social impacts of products and services. Criteria relevant to the energy transition are tailored at the industry level to reflect what is material in terms of targets, actions and KPIs for assessing companies' decarbonisation efforts. The CPRS analysis, on the other hand, makes it possible to identify the sectors most affected by economic and financial risk deriving from the misalignment with climate objectives. The classification is carried out on the basis of four drivers: the role in the energy value chain (technology), the role in the greenhouse gas emission chain, specific policy processes, business model (substitutability of fossil fuel inputs). In relation to physical risk, the analyses carried out by SACE on the Export and Strategic Survey portfolio as at 31.12.2023 show a medium-low risk profile on the Export and Strategic Survey portfolio in consideration of the fact that approximately 78% of exposures are geolocated in geographies with this risk profile. In relation to acute physical risks, the riskiness remains medium-low (76% of the exposures in the collateral portfolio), while with regard to chronic physical risks, the risk profile is in the medium-high area (89% of the exposures in the collateral portfolio) driven mainly by the geographies on which the exposures to sovereign counterparties are located. In relation to earthquake risk, the portfolio is residually exposed to this type of risk (only 3% of total exposures are in the high risk area); however, this risk event is material if we look only at the portfolio of exposures to counterparties resident in Italy (83% of exposures classified as medium risk and 11% as high risk), which represent 4% of the total portfolio. The exposure to transition risk is significant in view of the exposure to energy-intensive sectors and, in particular, the cruise sector (43%), oil (13%) and gas (7%). In this context, it should be noted that, following commitments made by the Italian government in the international arena, the Climate Change Policy was published in March 2023. This policy provides for a gradual phase-out of support for the fossil fuel sector, with some exceptions limited to specific cases. At the end of 2023, SACE also launched its ESG strategy, which includes the introduction of decarbonisation targets. In addition, for several years now, SACE has been providing Italian companies with support tools aimed at encouraging their transition (e.g. Green New Deal).

Vulnerability Analysis

Vulnerability measures the impacts related to risk factors and depends on the counterparties' mitigation strategies (e.g. insurance coverage), the ability of the event to generate impacts on business continuity, the link between sector peculiarities and exposure to risk factors, and the structural characteristics of counterparties' assets. The development of vulnerability assessment methodologies is therefore highly dependent on individual behaviour and business peculiarities. The vulnerability assessment was conducted during 2023 in order to identify the information sets useful for feeding these assessment models. Specifically, the exercise carried out made it possible to assess the vulnerability of counterparties to physical risk factors on a qualitative-quantitative scale, identifying the sector to which they belong as the main behavioural driver.

Credit risk transmission and propagation mechanisms

Physical and transition risk factors have an impact on economic activities, which in turn affect the financial system. Such an impact may occur directly, for example as a result of lower profitability of companies or the depreciation of assets, or indirectly, through macroeconomic changes. These risks also affect the resilience of the business model in the medium and longer term, especially in cases where there is a high concentration on sectors and markets that are particularly vulnerable to climate and environmental risks. In addition, physical and transition risks may cause additional losses arising directly or indirectly from legal actions (so-called 'legal liability risk') as well as reputational damage that arises if the public, the institution's counterparties and/or investors associate the institution with adverse environmental effects ('reputational risk'). As a result, physical and transition risks represent risk factors for existing categories, with particular reference to credit, operational, market and liquidity risks. Climate-related and environmental risks can simultaneously be determinants of several existing risk categories and subcategories. During 2023, SACE began the development of methodologies that make it possible to assess the propagation of the effects of climate and environmental risk events on credit risk. The assessment and quantification of climate-related risks in relation to their potential impact on credit risk, in its expected and unexpected loss components, requires new approaches and tools. With reference to the methodological aspects, SACE, in line with what has been identified as best practices by the ECB, is developing an incremental complexity approach that envisages as a first step to include the climate-adjusted component in its estimates of the probability of default and subsequently to assess the impacts that climate-related risks may have on the company's ability to recover.

In particular, the transmission channels identified for the transmission of physical risk factors (in its acute and chronic components) and transition factors on credit risk are:

- **Macroeconomic transmission channel** that identifies the mechanisms by which climate-related risk factors may influence the main macroeconomic variables (e.g. economic growth, productivity) and how these may have an impact on SACE's portfolio in terms of increasing the riskiness of positions.
- **A microeconomic transmission channel** that identifies the mechanisms by which climate risk factors can influence individual counterparties in terms of increased costs, reduced margins, and negative effects from business interruption.

Considering the available information sources, and the current state of evolution of the credit risk propagation methodology, there are currently no significant impacts on the quantification of the expected loss.

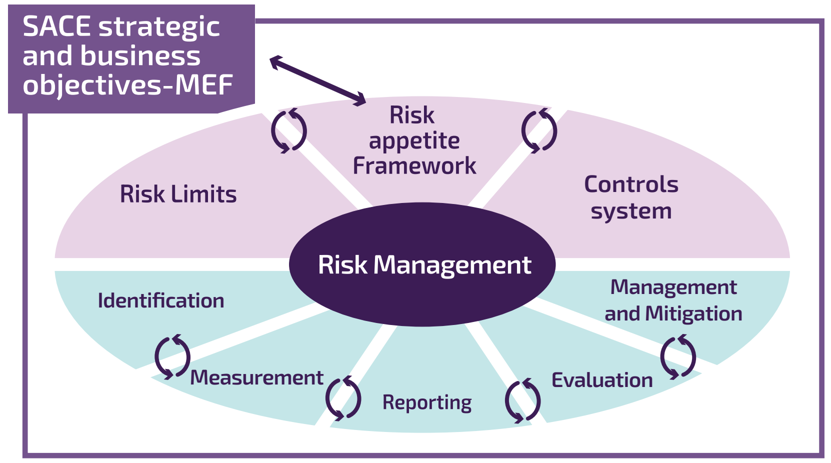
3.12 Relations with other Export Credit Agencies (ECAs) and international relations

With regard to relations with foreign institutions, it should be noted that SACE has signed a total of 26 reinsurance agreements with other export credit agencies.

In 2023, SACE carried out the modernization project of the Greek ECA ECG and offered consulting services to the Saudi ECA Saudi Export-Import Bank and the Qatar Development Bank. In addition, with a view to support and cooperation, training was provided for the benefit of the Ukrainian ECA.

3.13 Risk Management

Risk management is based on the continuous evolution of processes, human resources and technologies used, and is integrated into decision-making flows (risk-adjusted performance). The phases of identification, measurement and control of risks are fundamental elements of a joint assessment of the company's assets and liabilities according to the best asset liability management techniques.



The company implements the risk management process in line with the guiding principles of the supervisory regulations[7].

The most significant risks can be traced back to two types:

- **Technical risk:** understood as **underwriting risk.**
  On SACE S.p.A.'s guarantee portfolio, there is a risk of incurring economic losses deriving from the unfavorable trend of the actual loss ratio compared to the estimated one (pricing risk) or from deviations between the cost of claims and the amount reserved (reserve risk). Both risks are governed through the adoption of prudent pricing and reserving policies, defined according to best market practices, underwriting policies, monitoring techniques and active portfolio management.
- **Market risk:** risk generated by transactions on markets relating to financial instruments. This includes interest rate risk, currency risk, credit risk and equity risk. SACE S.p.A. monitors and manages market risk from an asset-liability management perspective and keeps it within predetermined levels through the adoption of guidelines in terms of asset allocation and maximum exposure to individual risk components, using quantitative risk measurement models (Market VaR).

The following risks are also identified and, where necessary, measured and mitigated through appropriate management processes:

- **Liquidity risk:** risk of incurring losses related to the reduction in the ability to liquidate the obligations generated by its core assets and financial liabilities. As a result of the entry into force of Legislative Decree 23/2020 which, among other things, changed SACE's governance as well as its operations by introducing the co-insurance system with the State from 2021, there is a growing relevance of monitoring this risk. In particular, while technical for-

7 IVASS Regulation no. 38 of July 2018, European Solvency II Directive no. 2009/138.

ms of underwriting remain in place that allow a distribution over time of the settlement of any claim, the timely management and continuous monitoring of this risk component assume increasing importance in the current and future context. In this sense, the investment policy is strictly consistent with the specific liquidity needs of insurance portfolios. All the instruments contained in the trading books, covering technical provisions, are attributable to securities traded on regulated markets, most of which can be refinanced with central banks. The average life of all investments, consistent with the time profile of guarantees and debts, constitutes an element of mitigation with respect to this area of risk.

- **Operational risk:** Operational risk is defined as the risk of losses resulting from the inadequacy or dysfunction of internal processes, human resources and systems, or from external events. This includes, but is not limited to, losses resulting from fraud, human error, operational interruptions, system unavailability, breach of contract and natural disasters. This risk component also relates to the exposures that SACE assesses on behalf of the State, with reference to both export credit operations and those relating to other public guarantees for which, in accordance with the specific regulatory provisions governing their operation, SACE carries out risk assessment and management activities. By virtue of this, the assessment and measurement of operational risks are carried out on the different types of operations.
- **Money laundering risk**: risk deriving from the violation of legal, regulatory and self-regulatory provisions functional to the prevention of the use of the financial system for the purposes of money laundering, terrorist financing or financing of weapons of mass destruction development programs, as well as the risk of involvement in episodes of money laundering and terrorist financing or financing of weapons development programs of mass distribution.
- **Export Control Risk:** risk arising from the violation of laws or regulations on international economic sanctions and export control adopted by the European Union, the United States of America and the United Kingdom, as well as the risk of involvement in episodes of: i) terrorist financing or ii) financing of weapons of mass destruction development programs or iii) illegal activities carried out by third parties in violation of the regulations in violation of the regulations in international economic sanctions and export control.
- **Risk linked to group membership:** risk of "contagion", understood as the risk that, as a result of the company's relations with the other entities of the group, situations of difficulty that arise in an entity of the same group may spread with negative effects on the solvency of the company itself; risk of conflict of interest.
- **Risk of non-compliance:** the risk of incurring judicial or administrative sanctions, suffering reputational loss or damage as a result of violations of mandatory rules (laws, regulations) or self-regulation (e.g. statutes, codes of conduct). SACE S.p.A. has structured a non-compliance risk management process aimed at ensuring that internal processes and procedures are consistent with the objective of preventing the violation of self-regulatory and hetero-regulatory rules.
- **Climate risk:** articulated into physical and transition risk. Physical risk refers to the economic impact resulting from the expected increase in natural events whose manifestation can be defined as "extreme" or "chronic". Transition risk refers to the economic impact of legislation to reduce carbon emissions and encourage the development of renewable energy, technological developments, and changing consumer preferences and market confidence. Starting from 2022, SACE is working on the development of an internal methodology for identifying, measuring and managing exposures to this type of risk, in consideration of the evolution of the regulatory framework and inspired by best market practices.

The Risk Management, Risk Operational Management function:

- defines and coordinates the risk management activities for SACE, contributing to the defined strategic guidelines, proposing capital optimisation actions and assessing the impact and effectiveness of risk transfer policies;
- defines the guidelines on risk management and transfer, submitting them to the Board of Directors, and oversees, in collaboration with the other departments in charge, the definition and review of the company's risk appetite (Risk Appetite Framework), monitoring the correct allocation of economic capital;
- defines, in line with regulatory developments, the market and the relevant corporate guidelines, the methodologies and tools for the identification, measurement and integrated control of risks, at the level of SACE and the other Group companies, continuously verifying the adequacy of the related procedures;
- defines pricing policies from a risk-adjusted perspective, ensuring the adequacy of the risk/return profile;
- defines the strategies and policies of the operational risk management and control system;
- ensures methodological alignment and coordination of the Group's companies in terms of risk management ;
- measures exposure to credit and market risk, developing scenario analyses and stress tests;
- defines the operational limits for core and financial management and monitors compliance with them;
- develops and implements methodologies, models and systems for measuring and controlling integrated risks, monitoring the correct allocation of economic capital, in line with applicable regulations.

The Function also ensures the monitoring of operational risks at Group level, implemented through the implementation and validation of specific methodologies for identifying and quantifying risks, with a view to orienting the respective risk management systems towards convergent policies, as well as contributing to the creation of a unitary approach. The operational risk management and monitoring process is governed by the "Operational Risk Management" Policy, which describes the methodological framework and operational tools used in the implementation of the activities. The adoption of this framework makes it possible to strengthen risk controls and improve the overall effectiveness and efficiency of processes, with the result of reducing the variability of earnings for the period related to the specific risk category and thus protecting assets from unexpected losses.

The activities and processes carried out in this area are:
- Risk Self Assessment (RSA), carried out in order to assess the level of corporate exposure to operational risks by organizational unit and business process and to qualitatively and quantitatively detect exposure to operational risks both in terms of frequency and impact. The main risk factors are located on the business processes and organizational units, on which the survey is carried out;
- Loss Data Collection (LDC): a process aimed at continuously collecting and managing – in a structured manner and according to strict criteria – internal loss data attributable to operational risk events occurring in the Company; definition of mitigation actions with a view to minimising the risk encountered in business processes in order to ensure the strengthening of security levels and control controls and mitigate exposure to risk;
- assessment of the operational risk associated with the introduction of new products, promoting the implementation of control frameworks suitable for minimizing residual operational risk.

In the Cyber Risk area, the risk monitoring and management process is implemented through a specific framework that ensures that the relative peculiarities are captured compared to other types of operational risk, through performance and risk indicators developed within an Information Security Dashboard adopted for the annual assessment of the level of exposure and effectiveness of the control and monitoring controls implemented for this type of risk. In addition, this activity also aims to identify, where necessary, any adaptation and efficiency measures in order to ensure the strengthening of safety levels and mitigate risk exposure.
In addition to the bodies provided for by the Articles of Association, the risk governance process is entrusted to the following bodies:
- **Board of Directors:** has ultimate responsibility for the corporate governance system, defines its strategic guidelines, ensures its constant completeness, functionality and effectiveness;
- **Control and Risk Committee:** supports the Board of Directors on risks and the internal control system and has advisory and proposal-making functions;
- **Management Committee:** examines and evaluates the strategies, objectives and operational planning guidelines of SACE and the other Group companies and oversees their implementation; evaluates the operating performance in its various aspects and identifies the appropriate initiatives to continue the best results in terms of profitability; examines key issues and problems concerning management and operational aspects of SACE and the other Group companies;
- **Operations Committee:** evaluates proposals for transactions within the competence of the Board of Directors (Recruitment, Variations, Restructuring or Settlement Agreements with policyholders, Indemnities, Commercial Recoveries, Political Recovery Agreements) and other relevant transactions, expressing a favourable or negative opinion on the transaction, possibly with recommendations and/or requests for further information;
- **Risk Committee:** supports the Control and Risk Committee in achieving an effective risk management and control system; evaluates proposals for the determination of the Risk Appetite Framework, corporate guidelines for risk management and transfer; expresses its opinion, in line with the guidelines defined for overall risk management, on the appropriate guidelines to improve the overall quality of exposures; proposing actions on technical and financial portfolios for the rebalancing of risk positions, interventions to optimize capital, reserves and liquidity; analyzes, evaluates and issues opinions on risk methodologies and models (i.e. rating models, risk-adjusted pricing models, etc.); evaluates specific issues according to the relevant legislation;
- **Investment Committee:** periodically defines the company's investment strategies for the portfolios, in order to optimize the risk/return profile of financial management and compliance with the Guidelines defined by the Board of Directors. It monitors the management and prospective performance of investments, reporting any critical issues to the competent Departments. Evaluate proposals for financial management guidelines.

3.14 Reinsurance

Reinsurance is an effective tool for active management, for optimising the risk profile of the portfolio, managed in support of the underwriting policy, and for mitigating risks.
Through reinsurance, the risks in the portfolio are shared with reinsurers operating in the private market and, specifically for SACE, also with the Ministry of Economy and Finance and with ECA, with the aim of:
- improve portfolio balance;
- strengthen financial strength;
- stabilize economic performance;
- Increase underwriting capacity by managing concentration levels.

In choosing possible reinsurance solutions, the aim is to optimize the trade-off between the financial impact of the cost of coverage and the benefit in terms of risk mitigation, selecting specialized reinsurers of high standing and reinsurance structures with less complexity.
In this regard, the form of reinsurance prevalent in SACE's insurance portfolios refers to proportional share coverage, which provides for the transfer to the reinsurer of a share of the risk in exchange for the recognition of a proportional share of the premium net of commissions to cover the costs incurred for the assumption and management of the contract (ceding commission) paid by the reinsurer. In the event of a claim, compensation, expenses and recoveries are divided according to the predetermined amount. Another reinsurance solution is the non-proportional coverage in excess of loss (Excess of Loss), useful for containing the cost of compensation within a predetermined limit by transferring the excess to the reinsurer against a premium initially paid. The reinsurance policy also provides for the possibility of using other forms such as non-proportional coverage for excess of loss (Stop Loss) for the transfer to the reinsurer of losses for indemnities beyond a predetermined limit.
Reinsurance coverage can be activated either on a mandatory basis, through the automatic transfer of predefined risks, or on an optional basis, to cover individual risks or homogeneous subsets of risks chosen from time to time and, if the coverage already in place is not sufficient, on a contingency basis.

The Reinsurance Function researches, proposes and finalises the most effective reinsurance solutions according to the objectives set and manages the operational processes related to their use.

With reference to SACE, considering the portfolio as at 31 December 2023 and the outstanding reinsurances, the most significant form of sale is represented by reinsurance with the Ministry of Economy and Finance, referred to in the Agreement signed in 2014 with the Ministry of Economy and Finance, approved by Prime Ministerial Decree of 20 November 2014 and registered with the Court of Auditors on 23 December 2014, subsequently expanded as part of the measures to support exports, internationalisation and business investments by Decree-Law 23 of 8 April 2020 (Liquidity Decree), art. 2, paragraph 6, converted with amendments by Law no. 40 of 5 June 2020, which increased the percentage of reinsurance of outstanding commitments on the date of entry into force of the Decree itself to the extent of 90%, excluding any portion reinsured by third parties and with certain specific limitations related to positions that are particularly impaired from the point of view of the risk profile. In addition to state reinsurance, a portion of the portfolio is reinsured through divestment agreements with other ECAs and with highly specialized and high-standing private market reinsurers, in line with the requirements of the Reinsurance Strategy. The hedges in place with the private market refer both to treaties for the mandatory proportional transfer, signed with reference to the years 2019 and 2020, and to contracts for the optional sale of individual transactions, signed by SACE from 2014 to 2020. As of 1 January 2021, SACE continues to operate in reinsurance with the other ECAs.

In particular, as at 31 December 2023, the existing portfolio, relating to export and strategically important transactions, consists of completed transactions for a total of euro 86.6 billion, of which euro 56.3 billion assumed by SACE on its balance sheet and euro 30.2 billion assumed on behalf of the MEF in co-insurance, pursuant to art. 1, letter b) of the Liquidity Decree. With reference to the euro 86.6 billion of transactions completed, euro 42.76 billion (49.4%) was sold in reinsurance. Compared to the euro 56.3 billion of completed transactions entered into by SACE on its balance sheet, euro 42.75 billion (75.9%) was sold in reinsurance. Approximately 89.1% of these disposals refer to reinsurance with the MEF (including the sale carried out pursuant to the Liquidity Decree up to the 90% quota referred to above); a 9.7% stake was sold to the private reinsurance market, represented by the main counterparties active globally; the remaining 1.2% is represented by reinsurance sales made with other ECAs under existing bilateral agreements. Compared to the euro 30.2 billion assumed on behalf of the MEF, approximately euro 2.1 million were reinsured by other ECAs. With specific reference to the disposals carried out during 2023, against transactions completed during the year for a total of euro 22.7 billion, approximately euro 2.2 billion were reinsured referring to transactions approved before 1 January 2021 and completed in the current year or to changes due to an increase in commitment on transactions already in the portfolio taken under the previous pre-2021 reinsurance regime, of which (i) euro 1.96 billion transferred to the MEF; (ii) euro 211.3 million transferred to the Private Market Reinsurance Treaty.

3.15 Financial Guarantees for Internationalization

With respect to financial guarantees for internationalisation (Law no.80/2005, article 11-quinquies), the number of approved transactions on the previous year (+30%), of commitments rose (+11%) and premiums approved (+24%). In 2023, SACE supported approved commitments with Euro 91.1 million (2022: Euro 82 million) against loans granted for Euro 182.4 million (2022: Euro 155.3 million). 53% of guarantees were issued to SMEs (in terms of number of transactions), which accounted for around 32% of total commitments approved, and the remainder to businesses with a turnover of between Euro 50 and Euro 250 million.

Internationalisation guarantees: FY 2023 (in € milioni)	Total portfolio	of which SME
Loans guaranteed	Euro 182.4 million	Euro 57.9 million
Exposure approved (K + I)	Euro 91.1 million	Euro 28.9 million

The accumulated portfolio does not show any particular concentrations in terms of geographical area, with the North-West regions accounting for 32.6% of the total commitments undertaken, the Centre-North at 27.2%, the North-East at 20.4% and the Centre-South regions at 19.8% [8].

3.16 New business of 2020 (Liquidity, Relaunch, Simplification)

The new business included the following schemes "Garanzia Supportitalia", "Assicurazione del Credito a breve termine " and "Green New Deal".

3.16.1 Supportitalia scheme (article 15 of the "Aid" decree)

In the period from 1 January 2023 to 31 December 2023, 4,237 guarantees were issued for a total amount of euro 17,397 million and a maximum guaranteed amount of[9] euro 16,555 million. Of these, 99.6% followed a simplified process with the granting of the guarantee on average in less than 2 working days (4,222 in the simplified process).

The guarantees may be analysed by technical form as follows:

Technical form	Guarantees	Amount financed Euro millions	Maximum guaranteed amount Euro millions
Loan	4,168	17,246	16,411
Factoring	47	141	134
Leasing	22	10	10
Total	**4,237**	**17,397**	**16,555**

The breakdown by geographical area is as follows: North 26% (655 guarantees for euro 4,638 million), Centre 72% (226 guarantees for euro 12,914 million), South and Islands 3% (149 guarantees for euro 464 million).

8 The territorial subdivision adopted reflects the organization of the Company by Territorial Offices.
Below is the detail for the 4 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;
- Central South: Tuscany, Lazio, Abruzzo, Campania, Puglia, Basilicata, Calabria, Molise, Sicily and Sardinia.

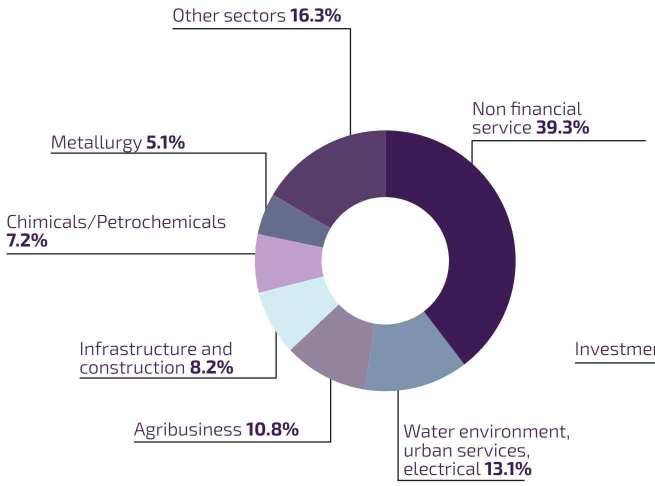
9 The guaranteed amount corresponds to the principal plus ancillary charges and interest, net of the coverage percentage, at the time the guarantee is issued.

The main industrial sectors in which guarantees were issued were: the Non-Financial Services sector (39.3%), the Water, Environment, Urban Services and Electricity sectors (13.1%) and the Agri-food sector (10.8%) and the Infrastructure and Construction sector (8.2%).

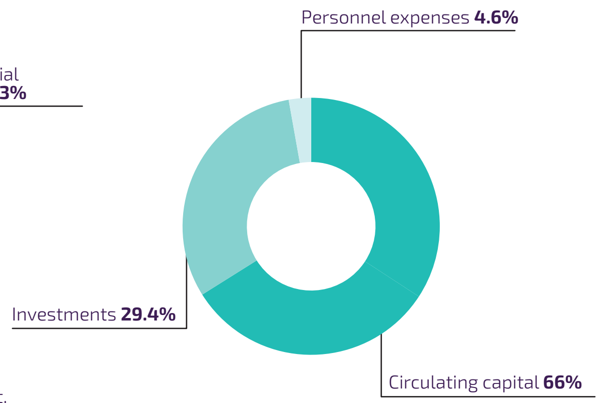
In terms of purpose, the guarantees issued are divided by Working Capital (66.0%), Investments (29.4%) and Personnel (4.6%).

The management costs for "Garanzia Supportitalia" amount to euro 8 million, as expenses incurred by SACE S.p.A. for the issuance of the contracts received, the checks carried out and the information flows. As of December 31, 2023, the available ceiling was euro 130,961 million.

GUARANTEES ISSUED BY AMOUNT FINANCED IN 2023 BY INDUSTRIAL SECTOR



GUARANTEES ISSUED BY AMOUNT FINANCED IN 2023 BY GOAL



3.16.2 Short-term credit insurance (article 35 of the Relaunch decree)

The SACE-Reinsured Agreement pursuant to Article 35 of Legislative Decree 34 of 19 May 2020 entered into force on 5 November 2020. Since the beginning of operations, the premiums paid by the reinsured companies, net of commissions, amounted to euro 286 million. Indemnities paid totalled euro 77.2 million (gross of recoveries of euro 7.5 million). The operating costs incurred by SACE in 2023 for the control of the management and accounting information flows received and for the verification and recovery of receivables amounted to euro 0.5 million.

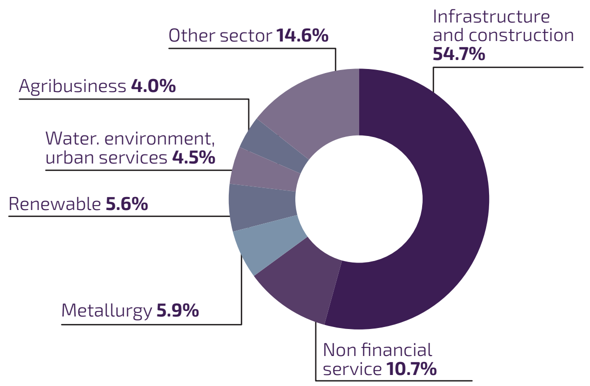
3.16.3 Green New Deal (article 76 of the Simplification decree)

In the period from 1 January 2023 to 31 December 2023, SACE approved the issuance of 260 guarantees relating to transactions for a total loan amount of euro 4,335.8 million and a guaranteed commitment (principal and interest) of euro 2,272.37 million. In terms of resources mobilized, 298 guarantees were issued in 2023 for a total loan amount of euro 4,335.3 million and guaranteed commitment (principal and interest) of euro 2,446.4 million.
The main industrial sectors in which the guarantees were approved were: the Infrastructure and Construction sector (54.7%), the Non-Financial Services sector (10.7%) and the metallurgical industry sector (5.9%).

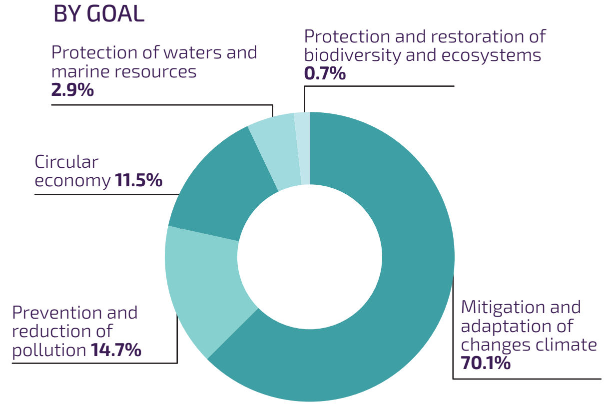
At the level of the environmental objective pursued, most of the operations approved (195 operations) refer to projects that contribute to the pursuit of the objective of mitigation and adaptation of climate change. Other environmental objectives pursued through the operations approved during 2023 are: (i) circular economy (32), (ii) pollution prevention and control (41) (iii) protection of water and marine resources (8). In this regard, it should be noted that some projects contribute to the pursuit of various environmental objectives at the same time.

As of December 31, 2023, the available ceiling was euro 728 million. In 2023, accrual premiums amounted to euro 31 million.

GUARANTEES ISSUED BY AMOUNT FINANCED IN 2023 BY INDUSTRIAL SECTOR



GUARANTEES ISSUED IN 2023 BY GOAL



3.17 Human Resources

At December 31, 2023 there were 667 employees on the payroll, an increase of 21 units compared to the previous year end. 52% of the staff are men and 48% women. During the year, 89 resources were hired and 68 left the company.

Distribution of staff by grade	No.	%
Executives	46	6.9%
Officials	348	52.2%
Office workers	273	40.9%
Total	**667**	**100%**

Distribution of staff by age group	Breakdown	Change
Under 30	16.5%	(3.5%)
Between 31 and 40	31.4%	1.3%
Between 41 and 50	29.8%	(1.2%)
Over 50	22.3%	3.3%

Distribution of staff by qualification	Breakdown	Change
Degree	88.8%	0.2%
Secondary school certificate/other	11.2%	(0.2%)

During 2023, a series of initiatives were launched as follows:

- With a view to further concretizing the principles of the Business Plan and promoting the model of values and leadership, negotiations have begun between the Company and Trade Union Representatives in order to define the Company Supplementary Agreement ("CIA") signed on 20 December 2023.
- A package of work flexibility measures has been introduced through a series of interventions that make it possible to achieve a work organization based on individual and collective objectives, promoting trust and accountability of resources. The main initiatives include the elimination of clocking control, the implementation of smart working from an activity-based perspective, i.e. choosing the workplace based on the type of activity to be carried out and in any case guaranteeing a share of work in presence (approximately 40% of the time) to ensure the preservation of social assets and team synergies and, Finally, the experimentation of the 4-day working week for a year, with the reduction of the weekly working hours from 37 to 36 hours, on a voluntary basis and with shared planning at team level. The experimentation will take place in collaboration with the Polytechnic University of Milan and the University La Sapienza of Rome to observe with scientific evidence the effectiveness of the same in terms of effects on productivity and well-being of people.
- The other measures introduced in the CIA renewal provide for personalized welfare with an increase in usable credit, the reparation of the contribution for transport and the possibility of a contribution for electric vehicles; the reshaping of the health policy to ensure greater economic sustainability; the strengthening of regulatory contributions/treatments to support parenthood and the introduction of supports for parents with disabled children; the increase in the company contribution supplementary pensions; the increase in the mutual contribution; the revision of the Diversity & Inclusion measures to ensure full inclusiveness and extension of rights also to the parties to the civil union between persons of the same sex and to de facto cohabitations and to the children of the spouse, civil partner or cohabitant more uxorio; the payment of an average one-off bonus of euro 300 per employee.
- The EPIC Values Manifesto and Leadership Model for all organizational levels has been defined (co-designed), identifying the expected behaviors in the ongoing cultural transformation, which tends towards a skill-based and purpose-driven organizational model. In addition to traditional training, ad hoc training based on the new values and leadership model was added, both in terms of soft skills and more technical-specialist skills, delivered in webinar, e-learning and seminar mode. The company's training catalogue has also been renewed, to strengthen and acquire technical, business and transversal knowledge and skills, in line with the challenges of the Together 2025 Business Plan.
- Several strategic processes have been reviewed: (i) Performance Management, designed in a transversal way in terms of objectives and evaluation (all people will be evaluated on the expression of the 6 Leadership Skills); (ii) Development and Progression, which includes cross-cutting area meetings (so-called "People Forums") in which to discuss the merit and potential of people; (iii) the new management appointment process; (iv) Development Feedback (with the launch of the new TELLME app) to train people in the construction of their own Individual Development Plan and on the importance of exchange and comparison.
- The commitment to Diversity, Equity & Inclusion has been strengthened, with the main objective of raising awareness, informing and involving SACE people on D&I issues, with a calendar of seminars and workshops open to all staff, in partnership with external professionals or non-profit associations in the sector, with a view to social sustainability. Among the topics addressed this year, particular emphasis was given to neurodiversity and neurodivergences in the company, dyslexia and other learning disabilities, transgender identity, and HIV stigma. In the area of gender equality, all the preparatory actions for achieving the Gender Equality Certification in accordance with UNI PdR 125/2022 have been implemented, including the complete revision of the Diversity, Equity, Inclusion & Gender Equality Policy, integrated by specific gender policies with an impact on all HR processes. The activity also included the preparation and provision of mandatory training on the subject of the UNI standard, harassment and reporting methods. From the point of view of LGBTQ+ inclusion, it is worth mentioning the implementation of a Gender Transition Protocol, aimed at managing an alias identity during the transition process. From the point of view of interculturality, a partnership has been launched with the Adecco Foundation for the professional integration of refugees. An integrated D&I and Wellbeing strategy has been defined for the two-year period 2024-2025, with a plan of actions and measurable KPIs.

Also in 2023, the Total Reward Statement was drafted, a personalized document aimed at giving each employee a clear and comprehensive view of their compensation package, including all fixed and variable elements, benefits and services offered by the company.

As in previous years, the flexible benefit plan was activated, a tax-exempt initiative launched in 2019 with the aim of improving people's well-being. Through this plan, each employee can increase their purchasing power by choosing from a wide range of benefits and services, which can be fully customized according to individual needs and preferences, including: health, education, supplementary pensions, support for caregivers and assistance to elderly and non-self-sufficient family members, transport and leisure. In 2023, the percentages of adherence to the plan through the conversion of the Performance Bonus were further up compared to the previous three years, where values had already been recorded above the sector and market average. In fact, the participation rate has reached an all-time high of 47% at Group level, confirming a widespread degree of use and appreciation of the initiative.

In 2023, the new Performance Management & Bonus Policy was published, which introduced some innovations compared to the past in line with the new corporate values identified and the new EPIC Leadership model. Among the main innovations are transparency and transversality, such as the new "Cross-Evaluation" step that has allowed the collection of 360 feedback on Leadership Skills and the harmonization of the bonus target among all Group companies.

In confirming the centrality of health as a primary and essential value for each colleague, the check-up plan was confirmed for all permanent employees. The provision of multiple analyses, examinations and specialist examinations is aimed at the prevention, primary and secondary, of all the factors that can give rise to the appearance or progression of specific pathologies. During 2023, seasonal flu prevention campaigns were carried out through the administration of vaccines and an internal protocol is also in place for the constant communication of regulatory and health updates to all group employees.

3.18 Litigation

As of December 31, 2023, SACE's litigation liabilities consisted of 17 positions, with a total petitum of approximately euro 44.67 million, while active litigation includes 6 positions with a total petitum of approximately euro 180 million and 2 international recoveries (with a total petitum of approximately euro 38 million).

3.19 Corporate Governance

Organization, management and control model pursuant to Legislative Decree no. 231/01

SACE's management is based on the principles of legality and transparency, also pursued through the adoption of a prevention and control system described below. Most recently, on 22 September 2022, SACE's Board of Directors approved the Organisational, Management and Control Model ("Model") pursuant to and for the purposes of Legislative Decree no. 231/01 ("Decree"). The periodic updating of the Model is carried out on the basis of a verification activity that includes the mapping of the activities at risk and the analysis of the internal control system. The Model consists of:

- a General Part, which illustrates the principles of the Decree, the analysis of the Internal Control System, the Supervisory Body, the disciplinary system, the training of personnel and the dissemination of the Model in the corporate and non-corporate context;
- a Special Section, which identifies the areas of specific interest in the performance of the activities, for which a potential risk of committing crimes is abstractly configurable and references to the Internal Control System aimed at preventing the commission of crimes are indicated.

The function of supervising the adequacy and application of the Model is entrusted to a Supervisory Body, appointed by the Board of Directors and with a collegial structure. It consists of three members who must possess the following characteristics: proven experience, knowledge of the Company and competence in their respective professional fields. At the time of the appointment of the Body, the Board of Directors also appoints a Chairman from among its members.

The Body provides annual information to the Board of Directors and the Board of Statutory Auditors. The Supervisory Body also meets at least once a year with the Supervisory Bodies of the other companies in the SACE perimeter, for a joint examination of the issues relating to the activities of the Bodies themselves, for a comparison of the activities carried out in the previous year and the activity plans for the following year and to coordinate any joint actions within the scope of its activities.

Code of Ethics

The 2023 SACE Group New Code of Ethics represents the values, purpose, vision, mission, commitments and strategic pillars of the SACE Business Plan. The Code also defines the criteria of conduct, which represent the guiding criteria for preventing unethical behaviour, formulated using SACE values as a reference. The criteria of conduct are in turn divided into three macro groups: transparency, sustainability and attention to people.

The Code of Ethics is a document distinct from the Model, even if it is related to it, as it is an integral part of the prevention system adopted.

The recipients of the Code of Ethics are:

- the Corporate Bodies
- the SACE people
- Customers
- the Community

Finally, the Code sets out the mechanisms for reporting any violations of the Code and the mechanisms for implementing it (approval, communication, promotion and dissemination)

Internal control and risk management system

The internal control and risk management system consists of the set of rules, processes, procedures, functions, organizational structures and resources, which aim to ensure the correct functioning and good performance of the company and the achievement of the following purposes: verification of the implementation of company strategies and policies; verification of the adequate control of current and prospective risks and the containment of risk within the limits indicated in the reference framework for determining the Company's risk appetite; verification of the effectiveness and efficiency of business processes; verification of the timeliness of the company's information reporting system; verification of the reliability and integrity of company, accounting and management information and security of information and IT procedures; safeguarding assets, asset values and protection from losses, also in the medium to long term; verifying the compliance of the Company's activities with current legislation, as well as with internal directives, policies, regulations and procedures.

As part of the internal control and risk management system, all levels of the Company have specific responsibilities. In detail:

- The Board of Directors, which has ultimate responsibility for this system, ensures its continued completeness, functionality and effectiveness. The Board of Directors approves the Company's organizational structure as well as the assignment of tasks and responsibilities to the operating units, ensuring their adequacy over time. In addition, it ensures that, in the implementation of corporate strategies and policies and in the face of changes in internal and external factors, the risk management system allows for the identification, assessment, including prospective assessment, and control of risks, also guaranteeing the objective of safeguarding assets, also in a medium-long term perspective. Finally, it promotes a high level of integrity, ethics and a culture of internal control that makes all staff aware of the importance and usefulness of internal controls.
- Top Management is responsible for the implementation, maintenance and monitoring of the internal control and risk management system and defines its organisational structure, tasks and responsibilities.
- The Board of Statutory Auditors must assess the efficiency and effectiveness of the internal control system with particular regard to the work of the Internal Auditing function , of which it verifies the existence of the necessary autonomy, independence and functionality. In addition, it must report to the Board of Directors any anomalies or weaknesses in the internal control system, indicating and urging appropriate corrective measures.

The internal control and risk management system is divided into three levels:

- top-level controls. The operating structures and their Managers identify, assess, monitor, mitigate and report risks arising from ordinary business activities, in accordance with the risk management process. To this end, they ensure the proper conduct of operations and compliance with the operating limits assigned to them in line with the risk objectives and the procedures in which the risk management process is articulated;
- Second-level controls. The Risk Management function ensures (i) the correct implementation of the risk management process and (ii) compliance with the operational limits assigned to the various functions. The Compliance & Anti-Money Laundering function ensures, according to a risk-based approach, the management of the risk of non-compliance with regulations, the risk of money laundering and terrorist financing related to business operations;
- Third-level controls. The Internal Auditing function ensures the periodic monitoring and assessment of the effectiveness and efficiency of the risk management, control and governance system, in relation to the nature and intensity of the risks.

In addition to the Supervisory Body, SACE also has a Manager in charge of preparing the company's financial reports who verifies the adequacy and application of the administrative and accounting procedures for the preparation of the separate and consolidated financial statements. The Company has defined and implemented the coordination procedures between the parties listed above in order to maximize the efficiency of the internal control and risk management system, avoiding duplication of activities.

The paragraph in question also includes information relating to the "Report on corporate governance and ownership structure" required pursuant to Article 123 bis of Legislative Decree 58/1998 (Consolidated Law on Finance). The Company has availed itself of the option provided for in this article, for companies not having shares admitted to trading on regulated markets, to omit the publication of the information referred to in paragraphs 1 and 2 of Article 123 bis, providing only the information referred to in paragraph 2, letter b).

Internal Auditing

For SACE and the Group companies, Internal Audit carries out an independent and objective internal consultancy and assurance activity in order to improve organisational effectiveness and efficiency. He assists the Company in the pursuit of its objectives with a systematic approach, which generates added value by evaluating and improving governance, risk management and control processes and identifying sources of inefficiency to improve corporate performance. The Policy for Internal Auditing activities approved by the Board of Directors, formalizes the purposes, powers, responsibilities and lines of communication to top management of both the results of the activities carried out and the annual plan. The plan, approved by the Board of Directors, formalizes the priority checks identified on the basis of the Company's strategic objectives and the assessment of current and future risks with respect to the evolution of the company's operations. The annual plan may be revised and adjusted in response to significant changes in the organization's operations, programs, systems, activities, risks, or control; in addition, the Internal Audit carries out checks not provided for in the plan where supervening needs emerge. It also monitors all levels of the internal control system and promotes the dissemination of a culture of control, promoted by the Board of Directors. The activity is carried out in accordance with the relevant external regulations, the 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 preparing financial reports and financial reporting process

The following are the professional requirements and the procedures for appointing and revoking the Manager responsible for preparing the company's financial reports contained in art. 13 of the Articles of Association of SACE S.p.A.

- Article 13 of the Articles of Association of SACE S.p.A. (p.10.1 – 10.8)
  - 10.1. The Board of Directors appoints, subject to the mandatory opinion of the Board of Statutory Auditors, for a period not less than the term of office of the Board itself and not exceeding six financial years, the manager responsible for preparing the company's financial reports pursuant to art. 154-bis of the Consolidated Law on Financial Matters (Legislative Decree No. 58 of 1998 and subsequent amendments).
  - 10.2.The manager responsible for preparing the company's financial reports must meet the integrity requirements for directors.
  - 10.3. The manager in charge of preparing the company's financial reports must be chosen according to criteria of professionalism and competence from among managers who have gained a total of at least three years' experience in the administrative area in companies or consulting firms or professional firms.
  - 10.4. The manager responsible for preparing the company's financial reports may be dismissed by the Board of Directors, after consulting the Board of Statutory Auditors, only for just cause.
  - 10.5. The manager responsible for preparing the company's financial reports shall cease to hold office if he or she does not meet the necessary requirements for the office. The forfeiture is declared by the Board of Directors within thirty days of becoming aware of the defect.
  - 10.6. The manager responsible for preparing the company's financial reports shall prepare adequate administrative and accounting procedures for the preparation of the financial statements and, where applicable, the consolidated financial statements.
  - 10.7. The Board of Directors shall ensure that the manager responsible for preparing the company's financial reports has adequate powers and means to carry out the duties assigned to him/her, as well as that administrative and accounting procedures are effectively complied with.
  - 10.8. The Chief Executive Officer and the manager responsible for preparing the company's financial reports shall certify by means of a specific report, attached to the financial statements and, where applicable, to the consolidated financial statements, the adequacy and effective application of the procedures referred to in paragraph 6 during the financial year to which the documents refer, as well as the correspondence of these with the results of the books and accounting records and their suitability to provide a true and fair representation of the company's balance sheet, income statement and financial position and, where provided for in the consolidated financial statements, of all the companies included in the consolidation.

3.20 Environmental, social and cultural interventions

Thanks to concrete and measurable actions, SACE continues to demonstrate its commitment to environmental sustainability. In 2023, the ISO 14001:2015 certification was again confirmed, with its environmental improvement programs, and the analysis of the Carbon Footprint (scope 1, 2 and 3) was updated in accordance with the ISO 14064-1:2018 standard with the aim of refining the calculation methodology and achieving the Net Zero target by 2025 for scopes 1 and 2. During the year, various initiatives were also launched aimed at raising internal awareness of environmental issues and guiding SACE towards increasingly sustainable horizons.

As far as energy containment is concerned, we continue to implement management and behavioural measures aimed at reducing energy demand to benefit the environment. We continue to promote the sorting of waste and the reuse of company assets through the Zero Waste initiative. In addition to raising awareness of the importance of water resources, to contribute to the protection of the seas and biodiversity, SACE contributes to the marine reforestation project by supporting the repopulation of Posidonia oceanica in collaboration with zeroCO2 and Worldrise.

In the field of corporate mobility, with the update of the Home-Work Travel Plan presented in 2022, SACE continues its path of encouraging sustainable travel by employees through the provision of a contribution for the purchase of LPT subscriptions, the finalization of agreements with leading sharing mobility operators and the promotion of "Bike to Work Days". In the social sphere, in 2023, SACE supported several associations that promote the culture of inclusion, including "Associazione Nazionale D.i. Re - Donne in Rete contro la violenza (National Association of D.i. Re - Women in Network Against Violence)", "AGeDO", "Maschile Plurale" and "Lenford Network" - Advocacy for LGBT+ Rights. In addition, the company confirmed its collaboration with "Young Women Network", "Valore D" and "Parks" to share best practices and build supportive and inclusive work paradigms.

SACE has also supported the Italian Dyslexia Association, which is active in supporting people with SLD from childhood to adulthood, and the Plus Roma association, which works on the empowerment of people living with HIV. In terms of gender equality, a management system for gender equality in the company and the measurement of the related KPIs has been implemented, with the aim of achieving certification in 2024. In October and November 2023, a 30-hour self-entrepreneurship course was also provided, aimed at people close to the end of their sentences, in collaboration with the "Seeds of Freedom" association, active in the social reintegration processes of prisoners and former prisoners, and with the scientific coordination of the Department of Management of Sapienza University of Rome. In the field of recruiting, SACE has joined UNHCR's "Welcome" project, which promotes the work integration processes of beneficiaries of international protection, also supporting the activities of the Adecco Foundation, implementing partner of the project.

On the occasion of the earthquake emergency in Turkey, SACE supported AFAD, the Turkish authority for the management of disasters and emergencies and immediately after the flood in Emilia Romagna supported the Civil Protection, thanks to the holidays donated by its people.

As part of the "SACE for the community" project to support people who need it most, SACE has collaborated with a number of Third Sector organisations: "Binario 95" which helps people living on the street, offering them shelter and offering rehabilitation paths to social life; "Liberi Nantes", an amateur sports association that practices sport as a tool for human growth and social inclusion; "L'Oasi di Brenda", a non-profit organization that gives shelter to dogs waiting for adoption; "Croce Rossa Italiana", a voluntary organization that aims at health and social assistance, the "Community of Sant'Egidio" which guarantees support to people in difficulty and the "Nuova Arca" social cooperative that provides assistance to young mothers with their children, political refugees, people with disabilities to promote their integration into the world of work.
In the field of medical research, SACE has supported Komen Italia, organizations at the forefront of the fight against breast cancer, and in support of Italy's historical, artistic and natural heritage, it has supported the FAI (Fondo per l'Ambiente Italiano).

3.21 Group companies

As part of its operations, SACE S.p.A. has carried out transactions with its investee companies that have never been unrelated to the conduct of typical business. All intra-group transactions are carried out at market value and have concerned in particular:

- provision of services rendered on the basis of specific contracts for activities that do not constitute the company's core business;
- office rental costs;
- reinsurance relationships and irregular deposits with SACE BT S.p.A.;
- irregular deposits in favour of SACE Fct S.p.A.;
- secondment of personnel (the consideration is equal to the reimbursement of expenses incurred by the posting company by way of emoluments and related charges) with the group companies (SACE Fct, SACE BT, SACE SRV).

The net results recorded by the subsidiaries are summarised below:

- SACE Fct (100% subsidiary) closed the year with a net profit of euro 4.2 million;
- SACE BT (100% subsidiary) closed the year with a net profit of euro 7.1 million.

It should be noted that in 2023 the transfer from SACE SRV to the Parent Company SACE of the business unit consisting of the activities relating to restructuring and recovery of distressed exposures, as well as those relating to customer care, was completed.

3.22 Other information

Here's more information about management:

- In 2023, the tax provision was determined by applying the tax consolidation system with the subsidiaries Sace Fct, Sace BT and Sace SRV, by virtue of the option exercised for the three-year period 2022-2024. Balances arising from consolidated taxation have been shown in credit and debit accounts, in accordance with OIC 25.
- With regard to the information regarding the "Consolidated Non-Financial Statement" pursuant to Legislative Decree no. 254 of 30 December 2016, reference should be made to the separate document subject to approval by the Board of Directors and published together with these Financial Statements.

3.23 Outlook for 2024 and significant events occurring after the end of the financial year

The global economy continues to face a relatively modest growth outlook for the third year in a row, reflecting the unfolding of some lagged effects of restrictive monetary policies in the most advanced countries and, more generally, the worsening risk environment. According to Oxford Economics' base scenario, global GDP growth is expected to be +2.3% in 2024, accompanied by the continued decline in prices with global inflation expected at 4.1%, returning to central bank targets in major economies, in the absence of further price shocks, by 2025.
On the basis of these expectations, both the US Federal Reserve and the European Central Bank are expected to gradually reduce the key monetary policy interest rates from spring this year. Moreover, financial markets are already pricing in a more accommodative stance that will favour a gradual easing of credit conditions, with positive impacts on business and household confidence. This paradigm shift could therefore create a more favourable environment for companies: on the one hand, by mitigating the effects of less expansionary fiscal policies, with the disappearance of the huge tax incentives that supported liquidity needs during the twin pandemic and energy crises; on the other, by facilitating private investment in the green and digital transitions, supported in part by governments' infrastructure plans.
A marked divergence between economies will persist in the near term, with emerging markets (+3.6%) generally performing better than advanced countries (+1.3%). In particular, the U.S. economy is expected to slow to +2%, while Eurozone GDP is expected to settle at a modest +0.6% again this year, with Germany still expected to contract slightly (-0.1%) and France and Italy to grow, respectively, at +0.6% and +0.5%; expectations for Spain are more positive (+1.4%). In these countries, the implementation of the national investment plans established under the Next Generation EU can still contribute to a stronger recovery trajectory from 2024 onwards.
Among the emerging economies – where there is greater heterogeneity – the positive trend in China's GDP (+4.4%) may also act as a driving force for other countries in the region (especially Singapore, the Philippines, Thailand and Vietnam), although high risks remain in Beijing linked to the continued weakness of the real estate markets and the increase in non-performing loans. Even better performance was recorded by India, one of the fastest-growing countries (+5.7%), which will take it from fifth to third position among world economies in 2027. Growth is expected to continue to be moderate for Eastern European countries, which are more immediately exposed to the conflict between Russia and Ukraine, while Turkey (+1%) positively shows a return to orthodox economic policies, with a direct and immediate positive effect on market sentiment. Some countries in the Gulf (such as the United Arab Emirates, Saudi Arabia and Qatar) and Latin America (including Mexico and Brazil) show encouraging macroe-

conomic indicators and are confirmed as markets of opportunity for our companies. After an exceptionally difficult three-year period, even in Sub-Saharan Africa it is possible to record an acceleration of growth in the main economies, opening up new spaces of opportunity for example in South Africa, the most developed economy and the main market for Italian exports in the region, Senegal and Ivory Coast, among the most promising and fast-growing destinations in West Africa, up to Nigeria and Angola, with spaces to be overseen as part of national production diversification strategies.
With regard to international trade, forecasts point to a recovery in world trade in goods, with growth expected at around 1.7% in volume. The trend will be favoured by the expected gradual normalisation of international economic and financial conditions, with positive effects on business investment and household consumption. However, downside risks related to new headwinds along global supply conditions cannot be ruled out, after having eased strongly as a result of recent tensions on the Red Sea. More positive news from the point of view of trade in services: in the wake of a progressive and solid recovery of the international tourism sector and also thanks to the role of a relative shift in consumer preferences, the growth of international trade in services is expected this year at +4.4% in volume.
The slowdown in Italian economic activity will continue in 2024, with growth expected at +0.5%, slightly lower than other forecasters such as the Bank of Italy (+0.6%) and the IMF (+0.7%). Positive signs, however, come from foreign demand, with the recovery of global trade that will support our exports (+4% in value for goods), and from inflation, the fall of which will encourage household consumption. In particular, the decline in inflation in Italy is expected to be more marked than in the international context and in line with that of European peer countries, mainly explained by the normalization of the prices of energy raw materials (primarily gas) and intermediate products that had contributed strongly to inflationary pressures in the Eurozone. In 2024, Italian consumer inflation is expected to fall to 1.6%, down sharply from 5.6% in 2023 and 8.2% in 2022; Core inflation (i.e. excluding the most volatile components, such as energy and unprocessed food) is projected to decline more slowly (+2.2%). Investments are expected to advance by 1.6% in volume (+1 percentage point compared to 2023), thanks also to the impetus from the public sector as part of the strategic investments outlined in the PNRR that affect several critical sectors for our economy, from transport infrastructure to the dual digital and ecological transitions.
In the background, rising geopolitical tensions are fuelling uncertainty about the near-term global macroeconomic outlook. The outbreak of the conflict between Israel and Hamas is currently geographically limited, but its possible extension, both direct and indirect, to other areas of the Middle East could have wider repercussions; The recent tensions in the Red Sea, triggered by attacks by Yemeni Houthi militiamen and the consequent Anglo-US-led military response, highlight the risks of potential negative effects on global trade and new pressures on commodity prices, especially energy prices. In this context, the rifts in geopolitical relations between the main players on the world chessboard, already exacerbated by the conflict between Russia and Ukraine, would also be further deepened.
With reference to SACE's outlook for 2024, the main provisions introduced by Law No. 213 of 30 December 2023 (the so-called "2024 Budget Law") containing the State budget for the financial year 2024 and the multi-year budget for the three-year period 2024-2026 are reported below.

Measures on catastrophe risks (paragraphs 108-110)
Article 1, paragraphs 101-111, establishes the obligation, for companies with registered office or permanent establishment in Italy, required to register in the relevant Register, to stipulate, by 31 December 2024, insurance contracts to cover damage to land and buildings, plant and machinery, as well as industrial and commercial equipment directly caused by events such as earthquakes, floods, landslides, floods and floods. Specifically, paragraphs 108 to 110 contain rules aimed at making risk management effective by insurance companies to cover the damage in question, authorizing SACE S.p.A. to grant coverage of up to 50% of the compensation that they should pay upon the occurrence of the damage events deducted in the contract and in any case not exceeding euro 5 billion for the year 2024. SACE S.p.A.'s obligations deriving from these hedges are automatically guaranteed by the State. For the purposes referred to in paragraphs 108 and 109, paragraph 110 establishes, within the Fund to cover the guarantees granted to support the liquidity of companies, a special section, with independent accounting evidence, with an initial endowment of euro 5 billion, also fed by the financial resources paid periodically by insurance companies to SACE S.p.A. net of management costs related to insurance coverage.

Guarantees granted by SACE spa at market conditions and Green guarantee (Archimede) (paragraphs 259-271)
Article 1, paragraph 259, authorises SACE S.p.A. to issue, until 31 December 2029, guarantees related to investments in the infrastructure sectors and transition processes towards a clean and circular economy. Paragraph 260 indicates the beneficiaries of the guarantees (e.g. implementing partners under the InvestEU program, banks, insurance companies, etc.). The guarantees, concerning the loans granted, can be granted by SACE and have a maximum duration of 25 years. Pursuant to paragraph 261, the commitments deriving from the guarantee activity are assumed by SACE S.p.A. for 20% and by the State for 80% of the principal and interest of each commitment, without any obligation of solidarity. SACE also issues guarantees and insurance coverage in its own name and on behalf of the State, determines the premiums for the remuneration of the guarantees in line with the characteristics and risk profile of the underlying transactions and establishes the operating procedures for the assumption and management of the guarantees, their enforcement and the recovery of receivables. The maximum limit of commitments that SACE S.p.A. can make for the issuance of guarantees in 2024 is set at euro 10 billion.
No significant events occurred after the end of the year.

Rome, March 26, 2024

On behalf of the Board of Directors
Chief Executive Officer
Alessandra Ricci

Balanche sheet and income statement

Balance sheet and income statement

Annex 1

Company	SACE S.p.A.
Subscribed capital	€ 3,730,323,610
Paid	€ 3,730,323,610
Registered offices	Rome

FINANCIAL STATEMENTS

Balance sheet 2023

(Amounts in euros)

Balance sheet
Non life

	Current year				Previous year			
A. SUBSCRIBED CAPITAL UNPAID				1				181
of which called-up capital		2				182		
B. INTANGIBLE ASSETS								
1. Deferred acquisition commissions								
a) Life business	3				183			
b) Non-life business	4	5			184	185		
2. Other acquisition costs		6				186		
3. Start-up and expansion costs		7 166,810				187 8,968		
4. Goodwill		8 6,663,163				188		
5. Other multi-year costs		9 2,061,472		10 8,891,445		189 2,660,046		190 2,669,014
C. INVESTMENTS								
I Land and buildings								
1. Property used in company operations		11 58,064,427				191 58,354,032		
2. Property rented to third parties		12 128,347				192 502,145		
3. Other properties		13				193		
4. Other properties rights		14				194		
5. Construction in progress and advance		15	16 58,192,774			195	196 58,856,177	
II Investments in Group companies and other shareholdings								
1. Shares and interests in:								
a) controlling companies	17				197			
b) subsidiary companies	18 180,298,327				198 168,932,366			
c) affiliated companies	19				199			
d) associated companies	20 11,873,268				200 11,193,248			
e) other companies	21	22 192,171,595			201	202 180,125,614		
2. Bond issued by:								
a) controlling companies	23				203			
b) subsidiary companies	24				204			
c) affiliated companies	25				205			
d) associated companies	26				206			
e) other companies	27	28			207	208		
3. Loans to:								
a)controlling companies	29				209			
b) subsidiary companies	30				210			
c) affiliated companies	31				211			
d) associated companies	32				212			
e) other companies	33	34	35 192,171,595		213	214	215 180,125,614	
		to be carried forward		8,891,445		to be carried forward		2,669,014

Balance sheet
Non life

	Current year								Previous year							
carried forward								8,891,445								2,669,014
C. INVESTMENTS (continued)																
III Other financial investments																
1. Shares and interests																
a) Listed shares	36	8,156,411							216	7,952,389						
b) Unlisted shares	37								217							
c) Interests	38		39	8,156,411					218		219	7,952,389				
2. Shares in common investment funds			40	344,586,061							220	87,936,635				
3. Bonds and other fixed-income securities																
a) listed	41	6,457,788,696							221	5,297,016,453						
b) unlisted	42								222	1,993,229						
c) convertible debentures	43		44	6,457,788,696					223		224	5,299,009,682				
4. Loans																
a) loans secured by mortgage	45	672,229							225	1,041,212						
b) loans on policies	46								226							
c) other loans	47		48	672,229					227		228	1,041,212				
5. Participation in investment pools			49								229					
6. Deposits with credit institutions			50	1,201,491,738							230	1,994,791,487				
7. Other financial investments			51	12,508,047	52	8,025,209,182					231	21,243,370	232	7,411,974,775		
IV Deposits with ceding companies					53	23,053	54	8,275,596,604					233	35,305	234	7,650,991,872
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								235			
II Investments relating to the administration of pension funds					56		57						236		237	
D bis. REINSURERS' SHARE OF TECHNICAL PROVISIONS																
I NON-LIFE BUSINESS																
1. Provisions for unearned premiums			58	2,943,046,719							238	3,508,282,081				
2. Provisions for claims outstanding			59	576,127,501							239	560,508,496				
3. Provisions for profit-sharing and premium refunds			60								240					
4. Other technical provisions			61		62	3,519,174,220					241		242	4,068,790,576		
II LIFE BUSINESS																
1. Provisions for policy liabilities			63								243					
2. Unearned premium provision for supplementary coverage			64								244					
3. Provision for sums to be paid			65								245					
4. Provisions for profit-sharing and premium refunds			66								246					
5. Other technical provisions			67								247					
6. Technical provisions where the investments risk is borne by the policyholders and relating to the administration of pension funds			68		69		70	3,519,174,220			248		249		250	4,068,790,576
to be carried forward								11,803,662,269								11,722,451,462

Balance sheet
Non life

	Current year								Previous year							
carried forward								11,803,662,269								11,722,451,462
E. RECEIVABLES																
I Reseivables arising out of direct insurance business:																
1. Policyholders																
a) for premiums current year	71	177,330,908							251	139,310,218						
b) for premiums previous years	72	4,090,473	73	181,421,380					252	7,407,651	253	146,717,868				
2. Insurance intermediaries			74								254					
3. Current accounts with Insurance companies			75								255					
4. Policyholders and third parties for recoveries			76	276,267,942	77	457,689,323					256	277,006,313	257	423,724,182		
II Receivables arising out of reinsurance operations:																
1. Insurance and Reinsurance companies			78	453,495,041							258	147,898,526				
2. Reinsurance intermediaries			79		80	453,495,041					259		260	147,898,526		
III Other debtors					81	338,192,484	82	1,249,376,847					261	352,311,449	262	923,934,157
F. OTHER ASSETS																
I Tangible assets and stocks:																
1. Furniture, office machines and internal transport vehicles			83	1,489,925							263	1,796,055				
2. Vehicles listed in public registers			84								264					
3. Machinery and equipment			85	843							265	1,107				
4. Stocks and other goods			86	68,167	87	1,558,934					266	68,167	267	1,865,328		
II Cash at bank and in hand:																
1. Bank and Postal accounts			88	31,934,049,556							268	32,008,218,069				
2. Cheques and cash on hand			89	3,792	90	31,934,053,348					269	4,884	270	32,008,222,954		
III Own shares or equity interests					91								271			
IV Other																
1. Deferred reinsurance items			92	29,736							272	19,782				
2. Miscellaneous assets			93	163,322,156	94	163,351,893	95	32,098,964,175			273	161,983,559	274	162,003,341	275	32,172,091,623
G. PREPAYMENTS AND ACCUIRRED INCOME																
1. Accrued interest					96	67.793.567							276	35,522,640		
2. Rents					97								277			
3. Other prepayments and accrued income					98	3,295,428	99	71,088,995					278	1,479,951	279	37,002,591
TOTAL ASSETS							100	45,223,092,286							280	44,855,479,834

Balance sheet
Liabilities and shareholders' equity

	Current year						Previous year					
A. SHAREHOLDERS' EQUITY												
I Subscribed capital or equivalent fund			101	3,730,323,610					281	3,730,323,610		
II Share premium reserve			102	43,304,602					282	43,304,602		
III Revaluation reserve			103						283			
IV Legal reserve			104	294,559,405					284	290,368,075		
V Statutory reserves			105						285			
VI Reserves for own shares and shares of the controlling company			106						286			
VII Other reserves			107	448,801,210					287	431,589,656		
VIII Net profit (loss) brought forward			108	305,322,881					288	300,116,768		
IX Net profit (loss) for the year			109	398,212,066					289	83,826,584		
X			401		110	5,220,523,773			501		290	4,879,529,296
B. LINKED LIABILITIES					111	493,500,000					291	497,500,000
C. TECHNICAL PROVISIONS												
I NON-LIFE BUSINESS												
1. Provisions for unearned premiums	112	3,871,020,910					292	4,261,423,534				
2. Provisions for claims outstanding	113	760,779,549					293	775,784,459				
3. Provisions for profit-sharing and premium refunds	114						294					
4. Other technical provisions	115						295					
5. Equalization provision	116	768,426,337	117	5,400,226,796			296	768,426,337	297	5,805,634,330		
II LIFE BUSINESS												
1. Provisions for policy liabilities	118						298					
2. Unearned premium provision for supplementary coverage	119						299					
3. Provision for sums to be paid	120						300					
4. Provision for profit-sgaring and premium refunds	121						301					
5. Other technical provisions	122		123		124	5,400,226,796	302		303		304	5,805,634,330
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS												
I Provisions relating to contracts linked to investment funds and market indexes			125						305			
II Provisions relating to the administration of pension funds			126		127				306		307	
to be carried forward						11,114,250,570	to be carried forward					11,182,663,627

Balance sheet
Liabilities and shareholders' equity

	Current year			Previous year		
carried forward			11,114,250,570			11,182,663,627
E. PROVISIONS FOR OTHER RISKS AND CHARGES						
1. Provisions for pensions and similar obligations		128			308	
2. Provisions for taxation		129 56,178,401			309 41,465,928	
3. Other provisions		130 18,169,319	131 74,347,720		310 18,510,927	311 59,976,855
F. DEPOSITS RECEIVED FROM REINSURERS			132			312
G. CREDITORS AND OTHER LIABILITIES						
I Creditors arising out of direct insurance operations:						
1. Insurance intermediaries	133			313		
2. Current accounts with Insurance companies	134			314		
3. Premium deposits and premiums due to policyholders	135 27,845,447			315 31,200,194		
4. Guarantee funds in favour of policyholders	136	137 27,845,447		316	317 31,200,194	
II Creditors arising out of reinsurance operations:						
1. Insurance and Reinsurance companies	138 1,102,723,018			318 1,053,379,181		
2. Reinsurance intermediaries	139	140 1,102,723,018		319	320 1,053,379,181	
III Debenture loans		141			321	
IV Amounts owed to banks and credit institutions		142 200,352,558			322 201,704,105	
V Loans guaranteed by mortgages		143			323	
VI Miscellaneous loans and other financial liabilities		144			324 20,000,000	
VII Provisions for employee termination indemnities		145 5,378,684			325 4,995,348	
VIII Other creditors						
1. Premium taxes	146			326		
2. Other tax liabilities	147 126,099,863			327 48,077,830		
3. Social security	148 1,970,693			328 1,961,710		
4. Miscellaneous creditors	149 41,741,192	150 169,811,747		329 90,394,163	330 140,433,703	
IX Other liabilities						
1. Deferred reinsurance items	151 1,262			331 5,090		
2. Commissions for premiums in course of collection	152 3			332 3		
3. Miscellaneous liabilities	153 32,484,983,311	154 32,484,984,576	155 33,991,096,031	333 32,129,635,108	334 32,129,640,201	335 33,581,352,733
to be carried forward			45,179,694,321			44,823,993,215

Balance sheet
Liabilities and shareholders' equity

Current year

carried forward				45,179,694,321
H. ACCRUALS AND DEFERRED INCOME				
1. Accrued interest	156	16,975,048		
2. Rents	157	42,462		
3. Other prepayments and accrued income	158	26,380,456	159	43,397,966
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	45,223,092,286

Previous year

carried forward				44,823,993,215
	336	17,175,088		
	337			
	338	14,311,531	339	31,486,619
			340	44,855,479,834

Annex 2

Company	SACE S.p.A.
Subscribed capital	€ 3,730,323,610
Paid	€ 3,730,323,610
Registered offices	Rome

FINANCIAL STATEMENTS
Profit & Loss Account 2023

(Amounts in euros)

Profit & loss account

	Values of the year						Values of the previous year					
I TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS												
1. PREMIUMS EARNED, NET OF REINSURANCE												
a) Gross premiums written			1	403,940,681					111	373,203,151		
b) (-) Outward reinsurance premiums			2	221,826,142					112	251,967,795		
c) Change in the gross provision for unearned premiums			3	(390,402,624)					113	499,015,958		
d) Change in the provision for unearned premiums, reinsurers' share			4	337,184,543	5	235,332,619			114	(414,659,067)	115	36,878,465
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III, 6)					6	60,933,442					116	48,947,335
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE					7	125,996,600					117	124,233,082
4. CLAIMS INCURRED, NET OF RECOVERY AND REINSURANCE												
a) Claims paid												
aa) Gross amount	8	290,278,982					118	214,702,097				
bb) (-) reinsurers' share	9	198,511,482	10	91,767,500			119	139,690,829	120	75,011,268		
b) Change in recoveries, net of reinsurance												
aa) Gross amount	11	(134,692,444)					121	(84,370,403)				
bb) (-) reinsurers' share	12	(84,739,665)	13	(49,952,779)			122	(58,716,957)	123	(25,653,446)		
c) Change in the provisions for outstanding claims												
aa) Gross amount	14	(15,004,910)					124	57,640,650				
bb) (-) reinsurers' share	15	15,619,005	16	(30,623,915)	17	11,190,806	125	66,573,599	126	(8,932,949)	127	40,424,873
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					18						128	
6. PREMIUMS REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE					19	11,411,497					129	5,806,097
7. OPERATING EXPENSES:												
a) Acquisition commissions			20						130			
b) Other acquisition costs			21	36,953,782					131	26,734,548		
c) Change in commissions and other acquisition costs to be amortised			22						132			
d) Collecting commissions			23	925,049					133	643,942		
e) Other administrative expenses			24	72,440,220					134	71,041,839		
f) (-) Reinsurance commissions and profit-sharing			25	22,282,933	26	88,036,118			135	21,435,975	136	76,984,353
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE					27	1,846,609					137	3,373,583
9. CHANGE IN THE EQUALISATION PROVISION					28						138	14,548,243
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III, 1)					29	309,777,631					139	68,921,733

Profit & loss account

	Values of the year			Values of the previous year			
II TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS							
1. PREMIUMS EARNED, NET OF REINSURANCE							
a) Gross premiums written		30				140	
b) (-) Outward reinsurance premiums		31	32			141	142
2. INVESTMENT INCOME:							
a) From shares and interests		33				143	
(of which: from Group companies and other shareholdings)		34		(of which: from Group companies and other shareholdings)		144	
b) From other investments:							
aa) income from land and buildings	35				145		
bb) income from other investments	36	37			146	147	
(of which: from Group companies)		38		(of which: from Group companies)		148	
c) Value re-adjustments on investments		39				149	
d) Gains on the disposal of investments		40				150	
(of which: from Group companies)		41	42	(of which: from Group companies)		151	152
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				153
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			44				154
5. CLAIMS INCURRED, NET OF REINSURANCE							
a) Claims paid							
aa) Gross amount	45				155		
bb) (-) Reinsurers' share	46	47			156	157	
b) Change in the provisions for claims to be paid							
aa) Gross amount	48				158		
bb) (-) Reinsurers' share	49	50	51		159	160	161
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				162		
bb) (-) Reinsurers' share	53	54			163	164	
b) Unearned premium provision for supplementary coverage:							
aa) Gross amount	55				165		
bb) (-) Reinsurers' share	56	57			166	167	
c) Other technical provisions							
aa) Gross amount	58				168		
bb) (-) Reinsurers' share	59	60			169	170	
d) Provisions for policies where the investment risk is borne the policyholders and relating to the administration of pension funds							
aa) Gross amount	61				171		
bb) (-) Reinsurers' share	62	63	64		172	173	174

Profit & loss account

	Values of the year						Values of the previous year					
7. PREMIUMS REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE					65						175	
8. OPERATING EXPENSES												
a) Acquisition commissions			66						176			
b) Other acquisition costs			67						177			
c) Change in commissions and other acquisition costs to be amortised			68						178			
d) Collecting commissions			69						179			
e) Other administrative expenses			70						180			
f) (-) Reinsurance commissions and profit-sharing			71		72				181		182	
9. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES												
a) Investment management charges, including interest			73						183			
b) Value adjustments on investments			74						184			
c) Losses on the disposal of investments			75		76				185		186	
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						187	
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE					78						188	
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III, 4)					79						189	
13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item III, 2)					80						190	
III NON TECHNICAL ACCOUNT												
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item I,10)					81	309,777,631					191	68,921,733
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item II, 13)					82						192	
3. NON-LIFE INVESTMENT INCOME												
a) From shares and interests			83	180,392					193	174,019		
(of which: from Group companies)			84						194			
b) From other investments:												
aa) income from land and buildings	85	197,838					195	174,068				
bb) income from other investments	86	303,450,122	87	303,647,961			196	243,848,479	197	244,022,548		
(of which: from Group companies)			88	18,773,371					198	3,013,521		
c) Value re-adjustments on investments			89	12,861,815					199	4,464,410		
d)) Gains on the disposal of investments			90	123,620,299					200	192,868,865		
(of which: from Group companies)			91		92	440,310,467			201		202	441,529,842

Profit & loss account

		Values of the year				Values of the previous year			
4.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (voce II, 12)			93				203	
5.	INVESTMENT MANAGEMENT AND FINANCIAL CHARGES NON-LIFE BUSINESS								
	a) Investment management charges, including interest	94	65,992,109			204	145,579,493		
	b) Value adjustments on investments	95	18,779,829			205	14,825,286		
	c) Losses on the disposal of investments	96	107,807,022	97	192,578,960	206	76,564,825	207	236,969,604
6.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE INSURANCE BUSINESS TECHNICAL ACCOUNT (Item I,2)			98	60,933,442			208	48,947,335
7.	OTHER INCOME			99	149,506,427			209	74,684,494
8.	OTHER CHARGES			100	128,518,727			210	164,553,034
9.	INCOME FROM ORDINARY OPERATIONS			101	517,563,395			211	134,666,096
10.	EXTRAORDINARY INCOME			102	12,332,500			212	2,700,322
11.	EXTRAORDINARY CHARGES			103	601,480			213	8,656,184
12.	EXTRAORDINARY PROFIT OR LOSS			104	11,731,020			214	(5,955,862)
13.	PROFIT BEFORE TAXES			105	529,294,415			215	128,710,234
14.	INCOME TAXES			106	131,082,350			216	44,883,650
15.	NET PROFIT (LOSS) FOR THE YEAR			107	398,212,066			217	83,826,584

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

The legal representatives of the company*	Alessandra Ricci**
The Statutory Auditors	Silvio Salini
	Giovanni Battista Lo Prejato
	Angela Salvini

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 and General Manager

Notes to the financial statements

Notes to the financial statements

Foreword

These Financial Statements, which consist of the Balance Sheet, the Income Statement, the Cash Flow Statement as well as the Notes to the Financial Statements and their annexes and are accompanied by the Directors' Report on the performance of operations as a whole, have been prepared in accordance with Article 6, paragraph 22, of Legislative Decree 269/2003 ("Transformation of SACE into a joint-stock company"), in accordance with the applicable provisions of Legislative Decree No. 209 of 7 September 2005 and Legislative Decree No. 173 of 26 May 1997, limited to the provisions on the annual and consolidated accounts of insurance companies. The provisions relating to ISVAP Regulation no. 22 issued on 4 April 2008 and IVASS Provision no. 53 of 6 December 2016, with regard to the financial statements, have been adopted only where they are deemed applicable to SACE. The financial statements are audited, pursuant to Articles 14 and 16 of Legislative Decree no. 39 of 27 January 2010, by the independent auditors Deloitte & Touche S.p.A.

The purpose of this Explanatory Notes is to provide an illustration, analysis and, in some cases, an integration of the Financial Statements data and contains the information required by art. 2427 of the Italian Civil Code, which are in line with the regulatory changes introduced by Legislative Decree 139/15 and with the accounting standards recommended by the Italian Accounting Body (OIC), and includes:

Part A – Valuation criteria and basis of presentation
Part B – Information on the Balance Sheet and Income Statement
Part C – Other information

The amounts shown in the financial statements are expressed in euros. The amounts reported in the Notes to the Financial Statements are expressed in thousands of euros.

The Consolidated Financial Statements are also presented, which, pursuant to Legislative Decree 38 of 28/2/2005, have been prepared in accordance with International Accounting Standards (IAS/IFRS) and Isvap Regulation no. 7/2007 where applicable to SACE.

It should be noted that these Financial Statements include the effects deriving from the application of Decree-Law no. 23 (the "Liquidity Decree" or "DL23") converted with amendments into Law no. 40 of 5 June 2020, and in particular the financial position and income statement as at 31 December 2023 of SACE includes the effects deriving from the application of Article 2, paragraph 9 of the Liquidity Decree and in particular the transfer up to a reinsurance percentage of 90% of the performing portfolio as of 8 April 2020, through the reinsurance sale of the portfolio to the MEF with the simultaneous recognition, in 2020, of a debt to the MEF for approximately euro 1.5 billion (partly liquidated in 2021). It should also be noted that, as a result of the amendment introduced by the 2024 Finance Law, referred to above, a receivable from the MEF for a total amount of euro 228 million was recorded in the Financial Statements as at 31 December 2023, representing the quantification of the costs incurred in relation to the reinsured portfolio transferred to the MEF pursuant to Legislative Decree 23/2020 determined using the criteria applied in the pre-existing reinsurance treaty with the MEF. The amount of income recognized against the above-mentioned receivable and recognized as a reduction in the premium reserve sold is treated in line with the treatment of the Technical Provisions subject to sale characterised by a multi-year dismantling.

In the financial statements as at December 31, 2023, the portion of the 2020-2023 financial years of such income and relating to the dismantling of the sold technical reserve was included in the income statement and is equal to euro 122.9 million.

With regard to the operations introduced in 2020 ("Garanzia Italia", art. 35 Trade Receivables, Green Guarantees) and in 2022 ("DL Energia" scheme, "Supportitalia" scheme), it should be noted that: they are recorded through separate management, as required by the relevant laws; the full mitigation of SACE's risks was achieved through the provision of the MEF's Coverage Funds; SACE's statement of financial position and income statement as at 31 December 2023 includes the reimbursement of operating costs incurred during the year and mainly referring to the cost of personnel involved in these operations recorded under other technical income; commissions relating to the products introduced by SACE's new operations ("Garanzia Italia", art. 35 Trade Receivables, Green Guarantees, "DL Energia" scheme, "DL Energia" Trade Receivables) are credited to the MEF through the recognition of a debt in SACE's financial statements, net of the reimbursement of operating costs incurred.

Finally, it should be noted that cash and cash equivalents include the amounts held in the current account in the name of SACE and relating to the Fund established by Article 1, paragraph 14 of the Liquidity Decree, to cover the State's commitments related to the granting of guarantees relating to SACE's new operations, recorded with a counterpart under miscellaneous liabilities.

Part A
Valuation criteria and basis of Ppresentation

The Financial Statements have been prepared in compliance with current civil law and specific regulations for the insurance sector, interpreted in the light of National Accounting Standards. The above-mentioned accounting principles and valuation criteria are also inspired by the general criteria of prudence and accrual, and with a view to continuing operations in order to give a true and fair representation of the financial position and results of operations of SACE S.p.A.

Section 1 – Measurement criteria

The criteria used in the preparation of the financial statements are set out below. The valuation criteria used comply with the regulatory provisions of Legislative Decree no. 139/2015 and the accounting standards issued by the Italian Accounting Body (OIC), also taking into account the provisions of IVASS.

Intangible assets

They are recorded at the purchase cost plus ancillary charges; Impairment losses are checked annually with regard to the conditions of use. Intangible assets are depreciated over their estimated useful life. Depreciation, determined from the moment the assets become available for use, is charged as a decrease in the original value of the assets.

Land and buildings

The properties are recorded at the purchase cost plus ancillary charges, incremental expenses and revaluations carried out in accordance with specific laws and reduced, where necessary, by impairment losses determined on the basis of independent appraisals. They are considered assets with a long-term use as they are intended to remain in the company's assets for a long time. The value of the buildings is separated from the value of the building areas on which they are located in application of the national accounting standard OIC 16. The land on which the building intended for the operation of the company stands is not depreciated, since it is an asset with unlimited use over time. The value of the building is depreciated at a rate of 3% deemed representative of the useful life of the asset.

Equity investments

Equity investments are initially recorded at historical cost, plus ancillary charges. Since these are forms of long-term investment, these investments are considered to be financial fixed assets. Investments in subsidiaries and associates are accounted for using the equity method, pursuant to art. 2426, paragraph 4 of the Italian Civil Code, determining the fraction of the shareholders' equity attributable on the basis of the last approved financial statements of the companies themselves.

Investments

SACE's investments are divided into "durable" and "non-durable" segments. Securities with durable investment characteristics are recorded at purchase cost, adjusted for the accrual portion, positive or negative, of the spread accrued at the end of the year, and possibly reduced in the event of impairment losses deemed to be durable. Interest and coupons accrued on the securities in the portfolio are accounted for on an accrual basis, with accrued income recognized in the financial statements.

Non-durable securities are valued at the lower of weighted average cost and realizable value, which can be inferred from market performance. Write-downs made shall be cancelled, in whole or in part, by means of reversals of value, if the reasons for which they arose cease to exist. Any transfer of securities from one sub-fund to another takes place exclusively in exceptional and extraordinary cases and on the basis of the value of the security at the date of the transaction, determined according to the criteria of the class of origin. After the transfer, the qualifications are evaluated according to the criteria of the destination class.

Receivables

Receivables are measured at their estimated realizable value, taking into account probable future losses due to non-collectible debt. Credit losses are recognized if there is documented objective evidence. Compensatory and default interest on receivables is recognized for the portion accrued in each financial year. Any exceptions to the evaluation criteria, determined by exceptional causes, are analytically justified in the Notes to the Financial Statements pursuant to art. 2423 bis, paragraph 2 of the Italian Civil Code.

Receivables for premiums for the year

Receivables for premiums for the year are recorded on the basis of the vesting dates provided for in the contract, corresponding to the time of completion of the contract itself, as well as, where applicable, to the dates on which the risk takes effect. If there are probable future losses due to non-collectible debt, the receivable is written down to its estimated realizable value.

Reinsurers' share of technical provisions

They shall be determined in accordance with the contractual reinsurance agreements on the basis of the gross amounts of technical provisions.

Tangible fixed assets and inventory

They are recorded at purchase cost, plus directly attributable ancillary charges; they are written down for impairment losses and amortized by applying rates representative of the estimated useful life of the assets. Depreciation begins when the assets become available for use.

Technical provisions

They are determined, pursuant to Article 31 of Legislative Decree no. 173/97, in compliance with the general principle according to which the amount of reserves must make it possible to meet, as far as reasonably foreseeable, the commitments undertaken with insurance contracts. Reserves for reinsurance risks are determined on the basis of the reports of the transferor undertakings. The amounts of technical provisions transferred to reinsurers are determined by applying the reinsurance percentages provided for in the relevant reinsurance contracts to the gross amounts of technical provisions for direct business.

a) Provision for unearned premiums

The reserve for fractions of premiums is determined using the pro-rata temporis method, applied analytically for each policy on the basis of gross premiums. The premium reserve has also been adjusted to the expected claims, which are not covered by the reserve for fractions of premiums, with reference to insurance contracts in the portfolio completed by the end of the year (reserve for risks in progress). The Premium Reserve, in its entirety, is considered adequate to cover the risks incumbent on the company after the end of the year.

b) Provision for outstanding claims

In accordance with the principle of prudent valuation, the reserve is determined on the basis of an objective analysis of the individual claim. The reservation is made for the amount corresponding to the "ultimate cost". In addition, all expenses, including settlement costs, that are estimated to be incurred to avoid or contain the damage caused by the claim are set aside in the calculation of the reserve. In particular, in the case of the credit sector, these are the costs envisaged for actions aimed at rescuing the credit. For the credit and surety business, the reserve is reduced by the amounts whose due and collectability are certain, on the basis of documented objective elements. In addition, again for the credit branch, the reserve is in any case established (regardless of any assessment) at the time of the notification of the claim by the insured and, in any case, upon the occurrence of facts/acts that reasonably suggest the possibility of the events themselves. With regard to litigation positions, the characteristics of the individual litigation and the status of the investigation are considered. In the assessment of disputes and in the estimation of provisions, account is also taken of interest and legal costs that SACE may be called upon to bear. The portion of the Claims Reserve payable by reinsurers was determined by applying a criterion similar to that used for direct insurance and in compliance with the treaties in force at the time. The Indirect Employment Claims Reserve is set up on the basis of exchanges of communications with the transferors and, at present, is considered appropriate.

c) Equalization provision

The Equalization Reserve includes the amounts set aside, in accordance with the statutory provisions, in order to equalize fluctuations in the claims rate in future years or to cover particular risks. The reserve is set aside in years in which the result of the technical account is positive and used in years in which the technical result of the credit business is negative.

Provision for pensions and similar liabilities
The Fund includes the provision of the internal supplementary staff pension fund.

Provisions for risks and charges
Provisions for risks and charges are allocated to cover losses or liabilities, de-emed to be of a certain or probable nature, for which, however, at the end of the financial year the amount and/or period of occurrence cannot be determi-ned with certainty. The appropriations reflect the best possible estimate on the basis of the available elements.

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

Provision for severance indemnities
The payable, net of advances, covers all the Company's commitments to per-sonnel at the end of the year and is calculated for each individual employee, based on employment contracts and the provisions of the law in force.
As a result of the reform of the Supplementary Pension, Law No. 296 of 27 December 2006:

- the portions of severance pay accrued up to December 31, 2006 remain with the company;
- the portions of severance pay accruing from 1 January 2007 must, at the em-ployee's choice, according to the methods of explicit or tacit adhesion:
- be allocated to forms of supplementary pensions;
- be kept in the company that will transfer the severance pay to the Treasury fund set up at INPS.

Accounts payable
Payables are recorded in amounts equal to their nominal value.

Accruals and deferred income
Accrued income and deferred income and deferred income are recorded ac-cording to the criteria of temporality, in compliance with the actual accrual of costs and revenues.

Off-balance-sheet transactions and derivative financial instruments
Derivative transactions, carried out for hedging management purposes and efficient portfolio management, are measured by allocating capital losses and gains from valuation to the income statement. The value of the contracts is determined by reference to the respective market prices and the values and commitments associated with them. Derivative transactions, carried out for the purpose of hedging interest rate risk (micro fair value hedge), are measu-red taking into account the changes in the fair value of the hedged instrument relating to the risk component hedged.

Gross written premiums
Gross written premiums are allocated to the year on a "vesting" basis. In addi-tion, they are accounted for net of technical cancellations.

Personnel costs and general administrative expenses
Given that the relevant legislation requires the dual attribution by "nature" and "destination":
1) personnel costs are distributed by applying an analytical criterion based on the percentage weight of the skills of each resource within the structure to which they belong;
2) the general administrative costs incurred for a specific reason can be di-rectly attributed;
3) other general costs not specifically attributable shall be allocated by ap-plying the percentages determined by the personnel cost distribution method.

Items in foreign currencies
Debit and receivable items are measured at the spot exchange rate at the end of the year, while costs and revenues in foreign currency are recognized at the exchange rate in force at the time the transaction is carried out. Exchange rate differences resulting from these adjustments are recognized under "Other in-come" and "Other charges". Valuation gains and losses are recognized in the income statement. At the time of approval of the financial statements and consequent allocation of the profit for the year, after having made the provi-sion to the legal reserve, any positive net balance (net profit) is allocated to a "Equity Reserve". This item may not be distributed until the asset or liability that generated it has been realized.

Criteria for determining the allocated investment return transferred from the non-technical account
The portion of the investment profit to be transferred from the non-technical account is determined in accordance with the provisions of Art. 55 of Legisla-tive Decree no. 173/97 and ISVAP regulation no. 22/2008, applying to the net profit from investments the ratio between the half-sum of technical provi-sions and the half-sum of technical provisions and net assets at the beginning and end of the year.

Extraordinary income and charges
The item only includes results deriving from events that have a significant impact on the corporate structure, disposals of durable investments and con-tingencies.

Income taxes
The income tax expense is recognized on the basis of the best estimate of the taxable income determined in compliance with the relevant regulations in for-ce. Account was also taken of the provisions of the accounting standards for deferred and deferred tax assets. Therefore, deferred tax assets, as well as the tax benefit related to losses carried forward, are recognized when there is reasonable certainty of their future recoverability, and deferred tax liabilities are not recognized when there is little chance that the related debt will arise.

Changes adopted

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

	31/12/2023	31/12/2022	31/12/2021
US dollar	**1.1050**	**1.0666**	1.1326
GB pound	**0.86905**	**0.88693**	0.84030
Swiss franc	**0.9260**	**0.9847**	1.0331

Use of estimates

In preparing the financial statements, directors are required to make estimates and evaluations that have an effect on the amounts accounted for relating to assets, liabilities, costs and revenues. For the financial statements for the year 2023, it is considered that the assumptions made are appropriate and, consequently, that the financial statements are prepared with the intention of clarity and that they represent truthfully and fairly the financial position and economic result of the year. In order to make reliable estimates and assumptions, the directors have referred to historical experience, as well as other factors considered reasonable for the case at hand, based on all available information. It cannot be excluded, however, that changes in these estimates and assumptions may have an effect on the financial position and income statement, as well as on the contingent liabilities reported in the financial statements for disclosure purposes, if different elements of opinion intervene with respect to those expressed at the time. In particular, the use of subjective assessments by management to a greater extent was necessary in the following cases: in the determination of technical provisions; in the determination of the fair value of financial assets and liabilities in cases where it was not directly observable on active markets; in the determination of the recoverable amount of the receivables recorded, in the estimation of the recoverability of deferred tax assets, in the quantification of provisions for risks and charges.

Functional currency

All the values shown in the financial statement templates are expressed in units of euro. 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)	31/12/2023	31/12/2022
Intangible assets	8,891	2,669
Investments	8,275,597	7,650,992
Reinsurers' share of technical provisions	3,519,174	4,068,791
Receivables	1,249,377	923,934
Other assets	32,098,964	32,172,092
Prepayments and accrued income	71,089	37,003
Balance Sheet - Assets	**45,223,092**	**44,855,480**
Shareholders' equity:		
- Share capital	3,730,324	3,730,324
- Share premium reserve	43,305	43,305
- Revaluation reserves		
- Legal reserve	294,559	290,368
- Other reserves	448,801	431,590
- Net profit (Loss) brought forward	305,323	300,117
- Net profit (Loss) for the year	398,212	83,827
Linked liabilities	493,500	497,500
Technical provisions	5,400,227	5,805,634
Provisions for risks and charges	74,348	59,977
Creditors and other liabilities	33,991,096	33,581,353
Accrued and deferred income	43,398	31,487
Balance sheet - Liabilities	**45,223,092**	**44,855,480**

INCOME STATEMENT (in € thousands)	31/12/2023	31/12/2022
NON-LIFE BUSINESS TECHNICAL ACCOUNT		
Gross premiums	*403,941*	*373,203*
Change in the provision for unearned premiums and outward reinsurance premiums	(168,608)	(336,325)
Net premium income	235,333	36,878
Change in other technical provisions		
Allocated investment return transferred from the non-technical account	60,933	48,947
Change in the equalization provision		(14,548)
Other technical income and charges	124,150	120,859
Claims incurred, net of recoveries	(11,191)	(40,425)
Premium refunds and profit sharing	(11,411)	(5,806)
Operating expenses	(88,036)	(76,984)
Balance on the non-life business technical account	**309,778**	**68,922**
NON-TECHNICAL ACCOUNT		
Non-life investment income	440,310	441,530
Investment management and financial charges for non-life business	(192,579)	(236,970)
Allocated investment return transferred to the non-life technical account	(60,933)	(48,947)
Other income	149,506	74,684
Other expense	(128,519)	(164,553)
Balance on the non-technical account	**207,786**	**65,744**
Income from extraordinary operations	**11,731**	**(5,956)**
Income tax	(131,082)	(44,884)
Profit for the year	**398,212**	**83,827**

Balance Sheet

Assets

Section 1 - Item B - Intangible assets

1.1 Changes in the year

Changes in intangible assets during the year are shown in Annex 4.

This item includes goodwill (euro 6,663 thousand) relating to the transfer from SACE SRV to SACE S.p.A. of a business unit consisting of activities relating to restructuring and recovery of distressed exposures, as well as those relating to Customer Care. The Sale Agreement was signed between the parties on 27 April with effect from 1 May 2023.

1.4 Breakdown of other multi-year costs (item B.5)

The breakdown is as follows:

TABLE 1

Description (in € thousands)	31-dec-23	31-dec-22
Property rights	374	600
Brands and licences	19	24
Software	1,668	2,036
Total other multi-year costs (Item B.5)	2,061	2,660

Software costs (euro 1,668 thousand) mainly refer to implementations on the digital service platform intended to offer products dedicated to SMEs.

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

2.1 Land and buildings – Item C.I

“Land and buildings” (Euro 58,193 thousand) is represented by:

a the value of the building owned by the Company (euro 8,393 thousand), located in Piazza Poli 37/42 in Rome, used in part for the operation of the business and in part leased to subsidiaries;

b the value of the land on which the building stands (Euro 49,800 thousand).

2.1.1 Changes in the use of land and buildings are reported in Annex 4.

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

As of December 31, 2023, the total investments recorded in the financial statements for the category in question amounted to Euro 192,172 thousand (Euro 180,126 thousand as of December 31, 2022).

2.2.1 Shares and interests (item C.II.1)

The item includes:

- the investment in the subsidiary SACE BT S.p.A., established on May 27, 2004, whose share capital, equal to euro 56,539 thousand, is fully subscribed by SACE S.p.A.;
- the investment in SACE FCT S.p.A., established on March 24, 2009, whose share capital, equal to euro 50,000 thousand, is fully subscribed by SACE S.p.A.;
- the investment in SACE Do Brasil, established on May 14, 2012 with a 100% stake for an amount of Euro 266 thousand;
- the shareholding of ATI (African Trade Insurance Agency) with a stake of 100 shares for an equivalent value of USD 14,600 thousand;

Investments were accounted for using the equity method. The application of this criterion resulted in an overall revaluation of Euro 12,209 thousand, recorded in “Income from Investments”, referring to SACE FCT for Euro 4,215 thousand, to SACE BT for Euro 7,110 thousand and to ATI for Euro 884 thousand, and an overall impairment loss of Euro 309 thousand, recognized under “Capital and financial expenses”. referred to the company SACE do Brasil.

For further information, please refer to Annex 6 and Annex 7.

2.2.1. a)
Changes in the exercise of shares and units are shown in Annex 5.
2.2.1. b)
Information on investee companies is set out in Annex 6.
2.2.1. c)
The Analytical Statement of Movements is reported in Annex 7.
2.2.2. Bonds issued by companies (item C.II.2).
Changes during the year are shown in Annex 5.
2.2.3. Loans to enterprises (item C.II.3)
Changes during the year 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.

TABLE 2

List of government bonds and securities with issuer (in € thousands)	31-dec-23	31-dec-22
Government securities issued by Austria	42,020	41,391
Government securities issued by Greece	16,034	16,244
Government securities issued by Italy	5,046,371	4,097,441
Other listed securities	1,353,364	1,141,941
Other not listed securities		1,993
Total	**6,457,789**	**5,299,010**

“Other listed securities” mainly refer to bonds issued by bank and supranational issuers. The securities are deposited with banks. For information on the market value of fixed securities, please refer to Annex 8.

With reference to “Debt securities and other fixed-income securities” recognized under item CIII, trading differences and amortized cost taken to the profit and loss account may be analyzed as follows:

TABLE 3

Description (in € thousands)	Positive	Negative
Differences	1,626	
Amortised cost	51,482	

2.3.2 Changes in the year of the durable assets included in the items referred to in point 2.3.1

See Annex 9

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

See Annex 10

2.3.4 Analytical indication of significant positions in collateralized loans – Item C.III.4.a

“Loans” includes mortgages to employees whose value at the beginning of the year was Euro 1,041 thousand. During the year, installments of Euro 369 thousand were collected. The balance of Euro 672 thousand relates to the residual receivable relating to the loans granted.

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

TABLE 4

Duration (in € thousands)	31-dec-23	31-dec-22
Within 6 months	1,201,498	1,994,791
Total	**1,201,498**	**1,994,791**

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

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

TABLE 5

Description (in € thousands)	31-dec-23	31-dec-22
Equity instruments	12,479	21,214
Other investments	29	29
Total	**12,508**	**21,243**

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

TABLE 6

Description (in € thousands)	31-dec-23	31-dec-22
France	100,000	3,515
Italy	34,586	84,422
Luxemburg	210,000	
Total	**344,586**	**87,937**

Italy refers to the shares of the Export Development Fund. The increase in other items refers to bond subscriptions during the year.

2.4 Deposits with ceding companies – Item C.IV

This item includes the amount of escrow deposits (euro 23 thousand) held with the transferor companies regulated by the treaties in force. No write-downs were made during the year on the deposits in question.

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

This item, amounting to Euro 3,519,174 thousand, mainly refers to technical provisions deriving from reinsurance with the Ministry of Economy and Finance. This item includes the amounts allocated to the MEF as a result of the Liquidity Decree, determined in accordance with the criteria set out in the introduction section of these notes.

TABLE 7

Description (in € thousands)	31-dec-23	31-dec-22
Provision for unearned premiums	2,943,047	3,508,282
Provision for outstanding claims	576,127	560,508
Total	**3,519,174**	**4,068,790**

Section 5 - Item E – Receivables

TABLE 8

Description (in € thousands)	31-dec-23	31-dec-22
Receivables arising out of direct insurance business from policyholders (Item E.I1)	181,421	146,718
Policyholders and third parties for recoveries (Item E.I4)	276,268	277,006
Receivables arising out of reinsurance business (Item E.II.1)	453,495	147,899
Other debtors (item E.III)	338,193	352,311
Total	**1,249,377**	**923,934**

The following paragraphs provide information on the composition of the item Receivables.

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

Item E.I.1 "Receivables deriving from direct insurance transactions with policyholders" (euro 181,421 thousand) includes the amounts of premiums to be collected on policies completed at the balance sheet date. The item also includes euro 29,349 thousand for fee receivables relating to "Garanzia Italia", euro 95,642 thousand for Green Guarantee and euro 9,335 thousand for receivables relating to co-insurance transactions which, pursuant to the provisions of the Liquidity Decree as of January 1, 2021, are assumed by SACE and the State. respectively ten and ninety per cent of the principal and interest of each commitment.

Item E.I.4 "Insured persons and third parties for amounts to be recovered" (euro 276,268 thousand) consists mainly of subrogation receivables valued and recorded at the estimated realizable value determined separately for each type of receivable and counterparty (referring to subrogation receivables for sovereign risk for euro 132,280 thousand and subrogation receivables for commercial risk for euro 143,037 thousand) and the change in comparison with the previous year is attributable to revaluations, write-downs and losses on receivables for alignment with the estimated realizable value (negative and equal to Euro 11,273 thousand), recoveries of Euro 61,499 thousand, receivables booked for indemnities paid recovered for Euro 15,005 and to be recovered Euro 59,321 thousand, as well as the adjustment at the end of the year of the receivable exposure expressed in currencies other than Euro which is negative and equal to Euro 3,139 thousand.

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

Item (E.II.1) "Receivables from reinsurance transactions" shows a balance of Euro 453,495 thousand, Euro 32,511 thousand of which refers to commission receivables deriving from passive reinsurance contracts, of which Euro 31,212 thousand refer to the MEF Reinsurance Agreement, Euro 1,299 thousand to the Treaty with private individuals and Euro 228,051 thousand to receivables referring to the quantification of costs incurred by SACE pursuant to Law No. 213 "State budget for the financial year 2024 and multi-year budget for the three-year period 2024-2026" (2024 Finance Law), which came into force on 1 January 2024 which amended Legislative Decree 23/2020 (converted into Law no. 40/2020) specifying that "the assets in which the technical provisions are invested is transferred by SACE S.p.A. to the Ministry of Economy and Finance net of the costs incurred by the aforementioned company for the commitments reinsured by the State, within the meaning of this subparagraph, resulting from the accounts of the same company". The item also includes Euro 185,203 thousand referring to receivables for indemnities and reimbursement of premiums, of which Euro 173,686 thousand refer to the MEF Reinsurance Agreement and Euro 2,947 thousand to the Treaty with private individuals and Euro 7,730 thousand for active reinsurance receivables.

5.3 Breakdown of "Other debtors" (Item E.III)

TABLE 9

Description (in € thousands)	31-dec-23	31-dec-22
Other debtors country	11,489	14,693
Compensatory interest on claims to be recovered	45,492	61,708
Receivables from tax authorities	52,169	41,338
Deferred tax assets	71,376	71,035
Other receivables	157,667	163,537
Other debtors (Item E.III)	**338,193**	**352,311**

" Other debtors country " (euro 11,489 thousand) includes the amount of receivables purchased by policyholders in relation to their overdraft portion. The above-mentioned receivables have similar characteristics, in terms of repayment times and conditions, to receivables from foreign countries claimed directly by SACE. "Compensatory interest receivables on indemnities to be recovered" (euro 45,492 thousand) represent the total amount due at the balance sheet date from foreign countries in respect of interest provided for in the restructuring agreements in place.

" Receivables from tax authorities " (euro 52,169 thousand) includes IRES and IRAP advances paid during the year for tax consolidation for euro 48,595 thousand and tax credits requested for reimbursement in previous years for euro 790 thousand, plus interest accrued as of December 31, 2023. This item also includes the receivable for withholding taxes incurred during the year, amounting to Euro 2,613 thousand.

"Deferred tax assets" (euro 71,376 thousand), for details of which please refer to Table 30, refer to income statement items that contribute to the determination of taxable income in years other than the year in which they are accounted for. The item is shown net of the reversal to the income statement of deferred tax assets allocated in previous tax periods in 2023 as a result of the achievement of IRES and IRAP taxable income. Details are set out in section 21.7 of these Notes.

Other receivables (euro 157,667 thousand) include net income for transactions with Cassa Depositi e Prestiti S.p.A. for euro 119,840 thousand.

Receivables for amounts payable (sovereign and commercial risk) – breakdown by foreign currency This item may be analysed as follows:

TABLE 10

Currency (in € thousands)	31-dec-23	31-dec-22
USD	125,243	154,720
EUR	212,810	208,100
CHF	1,944	2,513
Other currencies	3	5

Section 6 - Item F - Other Assets

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

TABLE 11

Description (in € thousands)	2022	Increase	Decrease	2023
Furniture and machinery	1,796	269	575	1,490
Works of art	53			53
Machinery and equipment	1			1
Inventory	15			15
Total	**1,865**	**269**	**575**	**1,559**

Cash and cash equivalents

Deposits with credit institutions amounted to Euro 31,934,050 thousand, of which Euro 613 thousand refer to current accounts in foreign currency. This item includes euro 31 billion paid by the MEF to the current account in the name of SACE and opened at the Central Treasury (Bank of Italy) and dedicated to the new operations pursuant to the Liquidity Decree, which is offset in the item miscellaneous liabilities. The amount of cash as at December 31, 2023 was euro 4 thousand.

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

TABLE 12

Description (in € thousands)	31-dec-23	31-dec-22
Capital gains on foreign exchange forward transactions	223	16
Receivables from "Garanzia Italia" and "Green"	5,480	0
Receivables from subsidiaries for tax consolidation	4,106	907
Receivables from co-insurers for commissions	143,587	92,008
Other assets	9,926	69,053
Total	**163,322**	**161,984**

Section 7 - Prepayments and accrued income-Item G

TABLE 13

Description (in € thousands)	31-dec-23	31-dec-22
Accrued income for interest on government securities and bonds	52,418	27,381
Accrued income for interest on other financial investments	15,376	8,142
Total accrued income for interest	**67,794**	**35,523**
Other prepayments	3,295	1,480
Total prepayments	**71,089**	**37,003**

Interest on other financial investments (Euro 15,376 thousand) includes interest on time deposits, interest on irregular deposits in favour of SACE FCT and interest on securities covered by Asset Swaps and IRS. " Other prepayments " amounted to Euro 3,295 thousand and refers to overhead costs 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 3,225 thousand relating to costs related to service contracts and rent payables. Prepayments with a duration of more than 5 years amounts to Euro 70 thousand and refers to rental expenses.

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

Description (in € thousands)	Share capital	Retained earnings	Legal reserve	Other reserves	Share premium	Profit for the year	Total
Balances at 1 January 2022	**3,730,324**	**293,323**	**285,088**	**422,811**	**43,305**	**105,596**	**4,880,446**
Allocation of 2021 net profit							
Distribution of dividends						(90,000)	(90,000)
Other allocations		6,794	5,280	3,522		(15,596)	
Increase in share capital							
Other changes				5,256			5,256
Profit for 2022						**83,827**	**83,827**
Balances at 31,12,2022	**3,730,324**	**300,117**	**290,368**	**431,589**	**43,305**	**83,827**	**4,879,529**
Allocation of 2022 net profit							
Distribution of dividends						(70,000)	(70,000)
Other allocations		5,206	4,191	4,430		(13,827)	
Increase in share capital							
Other changes				12,782			12,782
Profit for 2023						398,212	398,212
Balances at 31,12,2023	**3,730,324**	**305,323**	**294,559**	**448,801**	**43,305**	**298,212**	**5,220,524**

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

Description (in € thousands)	Amount	Possibility of utilisation	Available portion	Summary of utilisation in the previous 3 years
Capital at December 31, 2023	3,730,323,610			
Capital reserves:				
Equity-related reserves		A, B,C		
Share premium reserve	43,304,602	A,B,C upon reaching the legal reserve limit of 1/5 of the share capital		
Income-related reserves:				
Legal reserve	294,559,405	B		
Other reserves	128,034,520	A, B	128,034,520	
Other reserves	320,766,690	A, B,C	320,766,690	
Retained earnings	305,322,881	A, B, C	305,322,881	
Total			**754,124,091**	
not distributable (1)			128,034,520	
distributable			626,089,571	

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

(1) The non-distributable portion includes Euro 15,535 thousand for the residual portion of the foreign exchange gains reserve, Euro 882 thousand for the portion of the reserve for the revaluation of receivables, Euro 94,506 thousand for the revaluation of equity investments and Euro 17,112 thousand for the valuation of cash flow hedging instruments.

The share capital consists of 1,053,428 shares for a total nominal value of euro 3,730,323,610, held by the Ministry of Economy and Finance. The nominal value of each share is euro 3,541.13.

Section 9 – Linked liabilities

On January 30, 2015, SACE placed with institutional investors a perpetual subordinated bond issue for euro 500 million, with an annual coupon of 3.875% for the first 10 years and indexed to the 10-year swap rate increased by 318.6 basis points for the following years. The notes may be called by the issuer after 10 years and thereafter on each coupon payment date. The securities are listed on the Luxembourg Stock Exchange. SACE has repurchased its own bonds for a total of euro 6.5 million.

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

Description (in € thousands)	31-dec-23	31-dec-22
Provision for unearned premiums		
Provision for premium instalments	2,602,073	2,757,885
Provision for unexpired risks	1,268,948	1,503,539
Total	**3,871,021**	**4,261,424**
Provision for claims outstanding		
Provision for claims paid and direct expenses	739,943	755,128
Provision for settlement costs	13,606	13,775
Provision for late claims	7,231	6,881
Total	**760,780**	**775,784**

The premium reserve and the claims reserve refer to foreign currency exposures of Euro 1,137,460 thousand and Euro 195,159 thousand, respectively. The Claims Reserve is deemed adequate to cover the potential cost of unpaid claims, in whole or in part, at the end of the year. The balances for direct business and inward reinsurance are shown in the table below:

TABELLA 17

Description (in € thousands)	DB 31-dec-23	IB 31-dec-23	DB 31-dec-22	IB 31-dec-22
Provision for unearned premiums				
Provision for premium instalments	2,453,632	148,441	2,597,157	160,728
Provision for unexpired risks	1,268,948		1,503,539	
Total	**3,722,580**	**148,441**	**4,100,696**	**160,728**
Provision for claims outstanding				
Provision for claims paid and direct expenses	632,911	107,032	620,187	134,941
Provision for settlement costs	13,606		13,775	
Provision for late claims	7,231		6,881	
Total	**653,748**	**107,032**	**640,843**	**134,941**

The Provision for unexpired risks, calculated using the CreditMetrics methodology (which estimates the expected loss of the entire portfolio until it runs off), is linked to technical performance and intended to cover the portion of the risk falling in the periods following the end of the year. With regard to the calculation methodology, SACE – as required by ISVAP Regulation no. 16 – did not follow an analytical method but used the empirical procedure. In particular, starting from the estimated overall expected loss of the portfolio, the main factors taken into account for the purpose of determining the Risk Reserve in progress include:

- the observed and expected dynamics of the refined portfolio, with particular attention to the risk profile assumed, the level of concentration by counterparty and industrial sector;
- the size of foreign currency exposures and the observed and expected exchange rate dynamics;
- the length of the portfolio's run-off and its observed dynamics.

Balance sheet assets cover the technical provisions at the end of the year.

The claims reserve includes the total amount of the sums which, according to a prudent assessment carried out on the basis of objective elements, are necessary to meet the payment of claims (i) occurred in the same year or in previous years, regardless of the date of reporting, and not yet paid (ii) the related settlement costs, regardless of their origin, and (iii) the reserve for claims that occurred but have not yet been reported at the valuation date. As per the possibility offered by Regulation 16 for the Credit segment, the possibility of deducting the estimate of recoveries, based on internal historical series of the company's post-liquidation recoveries, was used to deduct the amounts set aside in reserves.

The reserve for claims that have occurred but have not yet been reported includes the total amount of sums which, according to a conservative estimate, are necessary to meet the payment of claims occurred in the current or previous years, but not yet reported at the date of the assessments, as well as the related settlement costs. In order to arrive at an estimate of the IBNR Reserve, the number of IBNR claims (based on the reporting delays historically observed in each reporting quarter) and the average cost of the same (based on the average costs of late reported claims and the average costs of claims reported during the year) were estimated separately. In line with the methodology for calculating the Reported Claims Reserve, an average portfolio RR and an average portfolio reserving rate were applied to the amount of the IBNR Reserve thus obtained as the product of the number of IBNR claims and the average cost. There are no late claims that are particularly onerous or have an exceptional character, taking into account the type of risks in the sector.

10.3 Equalization provision

The equalization provision, amounting to Euro 768,426 thousand, is unchanged compared to the previous year, having reached 150 per cent of the highest amount of premiums retained in the credit business in the five years prior to the year of valuation (Article 37 of Legislative Decree 209/2005 and Article 80 of Legislative Decree No. 173/1997).

Sezione 12 - Provisions for risks and charges Item E

Changes during the year are shown in Annex 15.

Provisions for risks and charges amounted to Euro 74,347 thousand; The amount includes Euro 56,178 thousand for deferred tax liabilities and Euro 18,169 thousand for "Other provisions", the main components of which are summarized below:

- Euro 1,253 thousand refer to litigation outstanding at the end of the year;
- Euro 5,563 thousand for agreements currently being finalized with policyholders;
- Euro 97 thousand set aside for sums to be allocated to policyholders as shares;
- Euro 880 thousand for potential estimated liabilities to policyholders, in respect of whom the right to obtain such sums has not yet accrued;
- Euro 2,826 thousand attributable to the "Intersectoral solidarity fund for the support of income, employment and professional retraining and retraining of personnel employed by insurance companies and assistance companies" established at 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

Description (in € thousands)	31-dec-23	31-dec-22
Advances for premiums	1,222	3
Accounts payable to policyholders for premium refunds	0	275
Front-end expenses	14	39
Accounts payable to co-insurers for interest and fees	74	64
Other payables arising out of direct insurance business	26,535	30,819
Premium deposits and premiums due to policyholders - item G,I,3,	**27,845**	**31,200**

"Other payables arising out of direct insurance business", for Euro 26,535 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

"Accounts payable arising out of inward reinsurance business" amounted to Euro 6,487 thousand and includes payables to co-insurers for active reinsurance premiums for Euro 6,458 thousand.

Description (in € thousands)	31-dec-23	31-dec-22
Accounts payable arising out of inward reinsurance business	6,487	11,348
Accounts payable arising out of outward reinsurance	1,096,236	1,042,031
Creditors arising out of reinsurance operations - Item G,II,1,	**1,102,723**	**1,053,379**

"Accounts payable arising out of outward reinsurance" amounted to Euro 1,096,236 thousand and refer to Euro 281,850 thousand to payables for premiums sold, Euro 172,512 thousand to payables for indemnities, Euro 1,045 thousand to payables for the repayment of commissions and Euro 640,829 thousand to payables to the MEF for technical provisions transferred as a result of the Liquidity Decree and determined in accordance with the criteria set out in the Introduction to these notes.

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

The item of Euro 200,353 thousand (Euro 201,704 thousand at December 31, 2022) refers to asset swap transactions with Cassa Depositi e Prestiti S.p.A. and other banking counterparties.

13.4 Miscellaneous loans and other financial liabilities (item G.VI)

The irregular deposit signed with SACE BT, the balance of which at 31 December 2022 was equal to euro 20 thousand, expired in the current year.

13.5 Provision for severance indemnities (Item G.VII)

The change in the year of the severance indemnity, reported in Annex 15, includes the provision for the period, net of payments made to the Pension Funds as provided for by the supplementary pension reform.

Other creditors – Item G.VIII

TABLE 20

Description (in € thousands)	31-dec-23	31-dec-22
Other tax liabilities	126,100	48,078
Social security	1,971	1,962
Miscellaneous creditors	41,741	90,394
Total	**169,812**	**140,434**

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

This item (totaling Euro 41,741 thousand) mainly consist of payables to suppliers for Euro 15,710 thousand for general administrative costs for the year, personnel costs for the year for Euro 12,163 thousand, payables to subsidiaries for tax filing purposes of Euro 3,010 thousand and margins on derivatives for Euro 8,300 thousand.

13.7 Deferred reinsurance items – Item G.IX.1

The data received from the transferees on provisional income values of a technical nature for the financial year 2023 have been carried forward to the technical account of the following year through the use of transitional reinsurance accounts.

13.8 Miscellaneous liabilities – Item G.IX.3

This item, which totals euro 32,484,983 thousand, include the counterpart of the deposit made by the MEF in SACE's current account at the central treasury for euro 31 billion (recorded in the balance sheet under "Other assets"), the debt, net of operating costs incurred, for commissions on "Garanzia Italia" transactions disbursed as of December 31, 2023 for euro 526,499 thousand, on the reinsurance of short-term trade receivables for Euro 213,483 thousand, on Green Guarantees for Euro 103,358 thousand, on co-insurance transactions for Euro 632,709 thousand and capital losses on valuation on contracts used to hedge assets in foreign currency for Euro 7,949 thousand.

Section 14 –Accrued expenses and deferred income - Item H

TABLE 21

Description (in € thousands)	31-dec-23	31-dec-22
Accrued interest expense	16,975	17,175
Other prepayments and accrued income	26,423	14,312
Accruals and deferred income	**43,398**	**31,487**

14.1 Breakdown of other accrued expenses and deferred income by type (Item H.3)

The balance of "Accrued interest expense" of Euro 16,975 thousand refers to the accrued expense on 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.

Deferred income, amounting to Euro 26,423 thousand, mainly refers to deferred income for commissions on co-insurance premiums. Deferred income with a multi-year maturity amounted to Euro 15,163 thousand and deferred income with a maturity of more than 5 years amounted to Euro 11,260 thousand.

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

Annex 16 provides details of the assets and liabilities relating to group companies.

Section 16 – Receivables and Payables

16.1 – Receivables and accounts payable are due as follows:

Of the receivables under items C and E of assets, Euro 2,230,310 thousand are due beyond the following year, while Euro 1,351,308 thousand are due over the following 5 years. Payables under liabilities items F and G that mature within five years amount to Euro 41,169 thousand.

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

Details of the order accounts are given in Annex 17.

17.1 Breakdown of commitments

Commitments amount to a total of Euro 3,112,235 thousand, of which Euro 1,188,235 thousand refer to forward contracts and Euro 1,924,000 thousand to asset swap and IRS transactions. The contracts negotiated were entered into with leading financial institutions.

The effect of foreign exchange transactions on foreign currency positions past due during the year was negative for Euro 19,833 thousand and the effect of year-end exchange valuations of foreign currency items and derivatives out-

standing was positive for Euro 35,224 thousand.
The analytical details of these components are set out in Section 22 of these Notes to the Financial Statements, to which reference is made.

17.1 Details of the Guarantees provided and received, as well as the Commitments, are set out 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.
The securities are deposited with banks for the amount of Euro 6,778,424 thousand and asset management companies for the amount of Euro 34,586 thousand.

17.6 The statement of commitments for derivative transactions is set out in Annex 18.

Income Statement

Section 18 - Information on the non-life technical account

18.1 Gross written premiums
Gross premiums for the year amounted to Euro 403,941 thousand (Euro 373,203 thousand at December 31, 2022), of which Euro 1,986 thousand refer to previous years.
As required by the relevant legislation (Law 80/2005, art.11, p.5), it should be noted that the Guarantees for Internationalization resulted in gross premiums of euro 189 thousand and claims of euro 3,080 thousand. Premiums sold as of December 31, 2023 amounted to Euro 221,826 thousand (Euro 251,968 thousand as of December 31, 2022), of which Euro 196,956 thousand referred to the Reinsurance Agreement with the MEF.

18.2 The distinction between premiums for Direct Employment, Indirect Employment, Italian Portfolio and Foreign Portfolio is summarized in Annex no. 19.

18.3 Specification of the reasons for the transfer of shares of investment profit from the non-technical account and indication of the basis applied for the calculation – Item I.2
Pursuant to Article 55 of Legislative Decree 173/97 and in consideration of the positive balance of the financial profit, the portion to be transferred to the technical account was determined for the amount of Euro 60,933 thousand.

18.4 Other technical income net of reinsurance sales – Item I.3
The item amounting to Euro 125,997 thousand mainly relates to technical income from the management of insurance contracts for Euro 4,487 thousand, file openings for the year for Euro 136 thousand, commissions on co-insurance premiums for Euro 111,773 thousand and the reimbursement of operating costs on transactions completed referring to "Garanzia Italia" for Euro 8,046 thousand, to the Energy Decree for Euro 145 thousand and on the reinsurance of short-term trade receivables for Euro 524 thousand

18.5 Claims incurred net of recoveries and reinsurance
TABLE 22

Description (in € thousands)	DB 31-dec-23	IB 31-dec-23	Total 31-dec-23	DB 31-dec-22	IB 31-dec-22	Total 31-dec-22
Claims paid for the current year	(144,433)	(26,771)	(171,204)	(107,228)	(316)	(107,544)
Claims paid relating to previous years	(99,495)	(14,038)	(113,533)	(93,912)	(8,530)	(102,442)
Costs of claims management	(5,541)		(5,541)	(4,716)		(4,716)
Reinsurers' share	198,511		198,511	139,691		139,691
Change in recoveries	112,937	21,756	134,693	76,148	8,222	84,370
Reinsurers' share	(84,740)		(84,740)	(58,717)		(58,717)
Change in the provision for claims outstanding	(12,905)	27,909	15,004	(53,873)	(3,768)	(57,641)
Reinsurers' share	15,619		15,619	66,574		66,574
Total net claims incurred	**(20,047)**	**8,856**	**(11,191)**	**(36,033)**	**(4,392)**	**(40,425)**

The positive change in recoveries amounted to Euro 49,953 thousand and includes cash payments from foreign countries of Euro 56,671 thousand, mainly attributable to Iraq for Euro 16,763 thousand, Panama for Euro 17,788 thousand, the UAE for Euro 14,087 thousand and Egypt for Euro 3,834 thousand.
Claims payable by reinsurers amounted to Euro 198,511 thousand, of which Euro 169,524 thousand refer to the reinsurance agreement with the Ministry of Economy and Finance.

18.7 Premium refunds and profit sharing, net of reinsurance – Item I.6
Premium refunds, reflecting premium refunds net of reinsurance, amounted to Euro 11,411 thousand (Euro 5,806 thousand at December 31, 2022).

Operating expenses - Item I.7
Details of this item are given in the table below:
TABLE 23

Description (in € thousands)	31-dec-23	31-dec-22
Collection commissions	925	644
Other acquisition costs	36,954	26,735
Other administrative expenses	72,440	71,041
Reinsurance commissions and profit sharing (I,7,f)	(22,283)	(21,436)
Operating expenses	**88,036**	**76,984**

"Other acquisition costs" include reinsurance fees and general costs divided into personnel costs (euro 23,730 thousand) and other general operating costs (euro 13,224 thousand). "Other administrative expenses" include general costs broken down into personnel costs (euro 42,825 thousand), other general administrative costs (euro 29,040 thousand) and depreciation and amortization of capital goods (euro 575 thousand). Annex 32 shows personnel expenses, a description of the items charged, the average number of staff during the year, and the number and remuneration due to Directors and Statutory Auditors.

The item "Reinsurance commissions and profit-sharing" received from reinsurers shows a balance of Euro 22,283 thousand, mainly referring to commissions relating to the Agreement entered into with the MEF (Euro 17,108 thousand).

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

This item, amounting to Euro 1,847 thousand, mainly relates to technical cancellations of premiums as a result of the termination of insurance contracts.

18.9 Change in the equalization provision - Item I.9

There was no change in the equalization provision.

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 - Non-Technical Account Information (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

Description (in € thousands)	31-dec-23	31-dec-22
Income from investments in land and buildings	180	174
Income from other investments	303,648	244,023
Value re-adjustements on investments	12,862	4,464
Gains on the disposal of investments	123,620	192,869
Total	**440,310**	**441,530**

"Income from other investments" (euro 303,648 thousand) mainly includes euro 186,535 thousand for interest on government bonds and bonds (of which euro 6,276 thousand refer to the negative effect of the adjustment to exchange rates at the end of the period of securities in foreign currency), euro 39,897 thousand for interest on time deposits and irregular deposits with SACE Fct and euro 70,731 thousand for interest income and income on securities covered by asset swaps and IRS. The item " Value re-adjustements on investments " (Euro 12,862 thousand) refers to reversals of impairment of investments in SACE Fct, SACE BT and ATI for Euro 12,209 thousand, capital gains on valuations of forward contracts for Euro 223 thousand and reversals of value calculated on securities in the working segment in accordance with Italian GAAP for Euro 430 thousand.

Gains on the disposal of investments (Euro 123,620 thousand) consist of Euro 89,998 thousand related to gains on forward contracts and Euro 33,622 thousand related to gains on sales of securities. The breakdown of the individual items is given 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

Description (in € thousands)	31-dec-23	31-dec-22
Investment management charges and other charges	65,992	145,579
Value adjustments on investments	18,780	14,825
Losses on the disposal of investments	107,807	76,565
Total	**192,579**	**236,969**

"Investment management charges and other charges " (euro 65,992 thousand) mainly include investment management fees (euro 429 thousand), interest expense on securities covered by asset swaps and IRS (euro 61,873 thousand) and property management charges (euro 1,099 thousand). "Value adjustments on investments " (euro 18,780 thousand) refer to the valuation of forward contracts (euro 7,949 thousand), the impairment of Sace do Brasil (euro 309 thousand), impairment losses calculated on current market securities in accordance with Italian GAAP (euro 9,858 thousand) and the depreciation and amortization of property (euro 663 thousand). "Losses on disposal of investments" (Euro 107,807 thousand) include Euro 101,198 thousand relating to losses on forward contracts and Euro 6,609 thousand on securities. The breakdown of the individual items is given in Annex No. 23.

21.3 Breakdown of other income – Item III.7

TABLE 26

Description (in € thousands)	31-dec-23	31-dec-22
Compensatory interest on premiums	1,486	811
Compensatory interest on receivables	17,867	10,715
Interest earned and other income	9,489	2,170
Interest earned on tax credits	10	10
Gains on other receivables	5,110	3,029
Profits on exchange rates	54,875	11,448
Utilisation of provisions and non-existent liabilities	354	16,886
Valuation gains on exchange rates	57,306	26,409
Revenues from services to subsidiaries	3,009	3,206
Total	**149,506**	**74,684**

"Compensatory interest on receivables" (euro 17,867 thousand) represents the interest accrued during the year on subrogation receivables. "Profits on exchange rates " (euro 54,875 thousand) refer to foreign exchange gains realized on foreign exchange transactions. "Gains on other receivables" (Euro 5,110 thousand) refer to capital gains on receivables for purchased portions of the insured and Euro 2,093 thousand to compensatory interest receipts. " Valuation gains on exchange rates " (euro 57,306 thousand) include the result of the measurement of foreign currency items at year-end exchange rates (for more details, see Section 22 of these Notes).

21.4 Breakdown of other charges - Item III.8

TABLE 27

Description (in € thousands)	31-dec-23	31-dec-22
Amortisation and depreciation	1,509	1,265
Accruals to risk provisions	8,129	7,307
Realized exchange losses	64,250	48,705
Valuation exchange losses	19,565	65,884
Write-downs of receivables - compensatory interest	4	1,018
Write-down of other receivables	19	2
Other financial liabilities		16,903
Other interest expense and financial liabilities	35,043	23,469
Total	**128,519**	**164,553**

The item "Valuation exchange losses" (euro 19,565 thousand) includes the result of the measurement of foreign currency items at year-end exchange rates (for more details, see Section 22 of these Notes). "Other interest expense and financial liabilities" (Euro 35,043 thousand) refers to interest accrued on bonds issued for Euro 19,262 thousand and interest on recoveries of indemnities in reinsurance payable for Euro 14,546 thousand. Personnel costs are shown in Annex 32.

21.5 Breakdown of extraordinary income – Item III.10

TABLE 28

Description (in € thousands)	31-dec-23	31-dec-22
Gains on disposal of movable assets	71	
Other non-operating income	12,261	2,700
Total	**12,332**	**2,700**

"Other non-operating income" include euro 5,856 thousand attributable to the recognition by the "Agenzia delle Entrate", through the ruling procedure, of a lower tax charge for IRAP prudentially determined when preparing the 2022 Model and related to the cancellation of a sovereign receivable, euro 901 thousand referring to general costs not attributable to the year at the end and euro 5,443 thousand to the non-existence of items of a technical nature.

21.6 Breakdown of extraordinary charges – Item III.11

TABLE 29

Description (in € thousands)	31-dec-23	31-dec-22
Losses on disposal of movable assets	1	3
Other non-operating expenses	600	8,653
Total	**601**	**8,656**

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

This item amounts to Euro 131,082 thousand, broken down as follows:

a euro 98,683 thousand corresponding to IRES for the year;
b euro 22,064 thousand corresponding to IRAP for the year;
c euro 10,334 thousand corresponding to the net change in deferred tax assets recorded in the financial statements and determined as follows:
  - Euro 344 thousand deferred tax assets, deriving from euro 8,230 thousand corresponding to the reversal to the income statement of IRES and IRAP deferred tax assets allocated in previous years, net of euro 8,574 thousand corresponding to the recognition of new deferred tax assets;
  - Euro 10,684 thousand deferred tax liabilities, deriving from Euro 2,855 thousand corresponding to the reversal to the income statement of IRES deferred taxes allocated in previous years, net of Euro 13,539 thousand corresponding to the recognition of new deferred taxes on temporary changes in the year determined as shown in the table below;
  - Euro 6 thousand deriving from the reversal of deferred tax liabilities from previous years.

The new deferred tax assets recognized during the year were recognized on the basis of the reasonable certainty that taxable income would be sufficient to allow them to be recovered in the future. For more details, please refer to the tables below.

Current taxes were determined on the basis of the current rate of 24% for IRES and 6.82% for IRAP

Details of deferred taxes are given in the following tables.

TABLE 30

IRAP (in € thousands)	Opening balance		Utilisation 2023		Change for the year		Closing balance	
Type of temporary differences	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**
Recognized in the income statement								
Differences giving rise to deferred tax assets								
Depreciation on revaluation of property	1,194	82					1,194	82
Write-down of receivables for premiums	164	10	(54)	(3)			110	7
Other write-downs								
Total	**1,358**	**92**	**(54)**	**(3)**			**1,304**	**89**

IRES (in € thousands)	Opening balance		Utilisation 2023		Change for the year		Closing balance	
Type of temporary differences	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**	**Temporary differences**	**Taxes**
Differences giving rise to deferred tax assets								
Reserve fund								
Provision for claims outstanding	94,755	22,742	(16,791)	(4,030)			77,964	18,712
Write-down of receivables for premiums	164	39	(54)	(13)			110	26
Potential liabilities fund	15,198	3,647	(8,367)	(2,008)	8,129	1,951	14,960	3,590
Exchange rate valuation losses	175,874	42,211	(8,759)	(2,102)	18,790	4,510	185,905	44,619
Depreciation on revaluation of property	1,326	318					1,326	318
Valuation losses on listed shares	8,233	1,975	(273)	(66)	8,804	2,113	16,764	4,022
Reserve fund	41	10	(41)	(10)				
Recognized in the Shareholders' equity								
Asset swap								
Total	**295,591**	**70,942**	**(34,285)**	**(8,229)**	**35,723**	**8,574**	**297,029**	**71,287**
Differences giving rise to deferred tax liabilities								
Exchange rate valuation gains	167,078	40,099	(11,930)	(2,863)	56,413	13,539	211,561	50,775
Total	**167,078**	**40,099**	**(11,930)**	**(2,863)**	**56,413**	**13,539**	**211,561**	**50,775**
Differences excluded from the determination of deferred tax assets								
Subrogation credit write-downs – pol. risk							11,288	
Subrogation credit write-downs – com. risk	30,273						10,042	
Write-downs of other receivables - technical business								
Total deferred tax assets arising from temporary differences		**71,034**		**(8,232)**		**8,574**		**71,376**
Total deferred tax liabilities arising from temporary differences		**40,099**		**(2,863)**		**13,539**		**50,775**

Section 22 - Other information on the income statement

Information on relations with group companies is provided in detail in Annex 30. Information on the distribution by geographical area (Italy, EU countries, non-EU countries) of the premiums booked for Direct Labour is provided in Annex 31.

The distribution of personnel costs between the Italian and foreign Portfolio is shown in Annex 32.

The effect of exchange operations on currency positions that expired during the year presents a negative balance of 19,833 thousand euros, the effect relating to the end-of-year exchange rate valuations of existing contracts and items in foreign currency presents a balance positive of 35,224 thousand euros, as demonstrated in the following table.

TABLE 31

Description (in € thousands)	**31-dec-23**	**31-dec-22**
REALIZED		
Losses on forward contracts and trading	(101,198)	(75,485)
Gains on forward contacts and trading	89,998	186,612
Net realized gains (losses) (A)	**(11,200)**	**111,127**
Exchange gains	56,449	11,526
Exchange losses	(65,082)	(48,706)
Net exchange gains (B)	**(8,633)**	**(37,180)**
Realized gains (losses) (A+B)	**(19,833)**	**73,947**
UNREALIZED		
Unrealized losses on forward contracts and derivatives	(7,949)	(3,956)
Unrealized gains on forward contracts and derivatives	223	16
Net unrealized gains (losses) (C)	**(7,726)**	**(3,940)**
Exchange gains – technical provisions	48,105	67,852
Exchange losses –technical provisions	(36,621)	(84,412)
Exchange gains – receivables and payables	56,413	26,266
Exchange losses - receivables and payables	(18,790)	(61,752)
Exchange gains – cash and cash equivalents	893	143
Exchange losses - cash and cash equivalents	(775)	(4,132)
Exchange gains on the non-current security portfolio	(6,276)	7,353
Unrealized net gains (losses) (D)	**42,950**	**(48,681)**
Net unrealized exchange gains (losses) (C +D)	**35,224**	**(52,621)**

Part C
Other information

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

At December 31, 2023 the shareholders' equity of SACE S.p.A. amounted to Euro 5,220,524 thousand (Euro 4,879,529 thousand at December 31, 2022). At December 31, 2023 shareholders' equity was as follows:

- share capital of Euro 3,730,324 thousand;
- share premium reserve of Euro 43,305 thousand;
- legal reserve of Euro 294,559 thousand;
- other reserves amounting to Euro 448,801 thousand;
- retained earnings of Euro 305,323 thousand;
- Profit for the year amounted to Euro 398,212 thousand.

4 Remuneration of directors with executive powers[10]:

Taking into account the functions/powers assigned under the Articles of Association and by the Board of Directors to the Chair of the Board of Directors and the Chief Executive Officer, the following fees were paid during the year:

Chairman of the Board of Directors (amounts in €)	Annual fee for the term of office 2022-2024
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 Chair of the Board of Directors includes 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).

Chief Executive Officer[11] (amounts in €)	Annual fee for the term of office 2022-2024
Fixed component: fee for position held – art. 2389.1	25,000
Fixed component: fee for powers assigned – 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 includes 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

Based on the powers assigned, an annual variable component (MBO - Management By Objectives) is also paid to the Chief Executive Officer upon the achievement of the qualitative and quantitative objectives assigned for each year of reference.

10 In particular, the provisions of the Directive of the Ministry of Economy and Finance of 24 June 2013 (which, among other things, recommend that directors "adopt remuneration policies that adhere to international best practices, but which take into account performance") were complied with and are in any case inspired by criteria of full transparency and moderation of remuneration, in light of the general economic conditions of the country, also providing for a correlation between the total remuneration of directors with proxies and the company's median remuneration")

11 The total annual fees payable to Dr Alessandra Ricci, as Chief Executive Officer and General Manager, are euro 625,000

3 Cash Flow Statement

(in € thousands)	2023	2022
Profit (loss) for the year before tax	**529,294**	**128,710**
Changes in non-cash items	**127,187**	**(125,827)**
Change in the provision for unearned premiums - non-life business	**151,762**	**123,044**
Change in the provision for claims outstanding and other technical provisions - non-life business	(30,624)	5,615
Change in the general provision	(7,775)	9,569
Non-cash income and expense from financial instruments, investment property and equity investments	(48,641)	(126,364)
Other changes	62,465	(137,691)
Change in receivables and payables generated by operations	**(55,378)**	**(2,077,642)**
Change in receivables and payables arising from direct insurance and reinsurance business	(283,030)	130,754
Change in other receivables and payables	227,652	(2,208,396)
Tax paid	**(131,082)**	**(44,884)**
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES	**470,021**	**(2,119,643)**
Net cash flows generated/used by investment property		
Net cash flows generated/used by financial investments	(575,975)	(3,343,613)
Net cash flows generated/used by plant, property and equipment and intangible assets	(3,831)	1,271
TOTAL NET CASH FLOWS FROM INVESTMENT ACTIVITIES	**(579,807)**	**(3,342,342)**
Increase +/- Repayment of share capital		
Equity-related reserves	12,782	5,256
Revaluation of property		
Distribution of dividends	(70,000)	(90,000)
Net cash flows generated/used by other financial liabilities	(12,321)	203,478
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES	**(69,538)**	**118,735**
Effect of exchange differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**444,488**	**5,787,736**
INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS	**(179,325)**	**(5,343,248)**
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**265,163**	**444,488**

The cash flow statement was prepared without taking into account the sums held in the Central Treasury current account in the name of SACE and relating to the Fund established by Article 1, paragraph 14 of the Liquidity Decree and the corresponding counterpart recorded under miscellaneous liabilities.

4 Independent auditors' fees

Pursuant to Legislative Decree No. 39 of January 27, 2010, the fees for the audit carried out in fiscal year 2023 due to Deloitte & Touche S.p.A. amounted to 204,000 euros, referring for 129,000 euros to audit activities of the statutory and consolidated financial statements, 53,000 euros to audit activities of the effects arising from the first application of the new accounting standard IFRS17, and 22,000 euros to the integration of fees for new operations introduced by the 2020 decrees.

5 Management and coordination of the Company (article 2497 bis of the Italian Civil Code)

The share capital of SACE S.p.A. is wholly owned by the Ministry of Economy and Finance.

6 Disclosure pursuant to Law no. 124 of 2017

With regard to interventions in the social field, SACE supported the D.i.Re association, which deals with preventing and combating gender-based violence, and the Turkish civil protection AFAD, through the disbursement of cash for a total of 20 thousand euros.

7 Significant events in the first months of 2024

Pursuant to art. 2427, no. 22-quarter, of the Italian Civil Code, with reference to the nature, description and equity, financial and economic effect of significant events subsequent to the end of the financial year", reference should be made to "Management information" paragraph 3.24 of the Directors' Report.

8 "Garanzia Italia" scheme, Energy decree, Trade Receivables pursuant to article 35, Trade receivables pursuant to the Energy decree and Green New Deal

Commissions relating to transactions completed on "Garanzia Italia" as of December 31, 2023 amounted to euro 8.2 million; the balance of the reinsurance pursuant to Article 35 of the Relaunch Decree on transactions completed as at 31 December 2023 amounts to euro 0.5 million.

"Garanzia Italia" scheme

(in € millions)	31 december 2023
Balance sheet non life insurance business assets	
F.II Cash at bank and in hand	23,919
E.I Receivables arising out of direct insurance business	29
E.III Other debtors	
Balance sheet Liabilities	
G.I Creditors arising out of direct insurance operations	
G VII Other liabilities	(23,940)
Profit and loss account	
I.3 Other technical income, net of reinsurance	8
I.7 b Operating expenses	

GI Energy Decree

(in € millions)	31 december 2023
Balance sheet non life insurance business assets	
F.II Cash at bank and in hand	900
E.I Receivables arising out of direct insurance business	
E.III Other debtors	
Balance sheet Liabilities	
G.I Creditors arising out of direct insurance operations	
G VII Other liabilities	(900)
Profit and loss account	
I.3 Other technical income, net of reinsurance	
I.7 b Operating expenses	

Trade receivables under article 35

(in € millions)	31 december 2023
Balance sheet non life insurance business assets	
F.II Cash at bank and in hand	1,916
E.I Receivables arising out of direct insurance business	
E.III Other debtors	
Balance sheet Liabilities	
G.I Creditors arising out of direct insurance operations	
G VII Other liabilities	(1,915)
Profit and loss account	
I.3 Other technical income, net of reinsurance	1
I.7 b Operating expenses	

Trade receivables Energy Decree

(in € millions)	31 december 2023
Balance sheet non life insurance business assets	
F.II Cash at bank and in hand	5,000
E.I Receivables arising out of direct insurance business	
E.III Other debtors	
Balance sheet Liabilities	
G.I Creditors arising out of direct insurance operations	
G VII Other liabilities	(5,000)
Profit and loss account	
I.3 Other technical income, net of reinsurance	0,1
I.7 b Operating expenses	

The balances of the individual operations are summarized below.

Green New Deal (in € millions)	31 december 2023
Balance sheet non life insurance business assets	
F.II Cash at bank and in hand	7
F.IV Other assets	
E.I Receivables arising out of direct insurance business	96
E.III Other debtors	
Balance sheet Liabilities	
G VII Other liabilities	(103)
H. Accrued expenses and deferred income	
Profit and loss account	
I.3 Other technical income, net of reinsurance	
I.7 b Operating expenses	

9 Proposed allocation of profit for the year

The shareholder is invited to approve the financial statements at December 31, 2023 and the allocation of the profit for the year of euro 398,212,066, as follows:

€ 398,212,066	Profit for the year
€ 19,910,603	to the "Legal Reserve" in accordance with the provisions of art. 2430 c.c.
€ 47,432,696	"Other Reserves" relating to euro 35,223,806 to net foreign exchange gains (pursuant to Article 2426, no. 8-bis of the Italian Civil Code) and euro 12,208,889 to the revaluation of the value of equity investments deriving from the application of the equity method (pursuant to Article 2426, paragraph 1, no. 4 of the Italian Civil Code).
€ 330,868,767	in accordance with the resolutions to be adopted by the Shareholders' Meeting.

Rome, March 26, 2024

on behalf of the Board of Directors
Chief Executive Officer
Alessandra Ricci

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

The legal representatives of the compan*	Alessandra Ricci**
The Statutory Auditors	Silvio Salini
	Giovanni Battista Lo Prejato
	Angela Salvini

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 and General Manager

Annex to the notes to the financial statements

Annex to the notes to the financial statements

Annexes to the notes pursuant to Legislative Decree 173/97

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

Company	**SACE SpA**

Subscribed capital Euro 3,730,323,610 Paid E 3,730,323,610

Registered offices Rome - Piazza Poli, 37/42

Business register Rome Reg. No. 142046/99

Annexes to the notes to the Financial Statements

FY 2023

(Amounts in thousands of euros)

Annex 1
Balance Sheet
Non-life business - Assets

	Current year				Previous year			
A. SUBSCRIBED CAPITAL UNPAID				1				181
of which called-up		2				182		
B. INTANGIBLE ASSETS								
1. Deferred acquisition commissions		4				184		
2. Other acquisition costs		6				186		
3. Start-up and capital costs		7 167				187		
4. Goodwill		8 6,663				188		
5. Other multi-year costs		9 2,061		10 8,891		189 2,660		190 2,669
C. INVESTMENTS								
I Land and buildings								
1. Property used in company operations		11 58,064				191 58,354		
2. Property used by third parties		12 128				192 502		
3. Other property		13				193		
4. Other property rights		14				194		
5. Assets under construction and advances		15	16 58,193			195	196 58,856	
II Investments in group companies and other shareholdings								
1. Shares and interests in:								
a) controlling companies	17				197			
b) subsidiary companies	18 180,298				198 168,932			
c) affiliated companies	19				199			
d) associated companies	20 11,873				200 11,193			
e) other companies	21	22 192,172			201	202 180,126		
2. Bonds issued by:								
a) controlling companies	23				203			
b) subsidiary companies	24				204			
c) affiliated companies	25				205			
d) associated companies	26				206			
e) other companies	27	28			207	208		
3. Loans to:								
a) controlling companies	29				209			
b) subsidiary companies	30				210			
c) affiliated companies	31				211			
d) associated companies	32				212			
e) other companies	33	34	35 192,172		213	214	215 180,126	
to be reported				8,891				2,669

Balance Sheet
Non-life business - Assets

	Current year				Previous year			
		carried forward		8,891		carried forward		2,669
C. INVESTMENTS (contd.)								
III - Other financial investments								
1. Shares and interests								
a) Listed shares	36 8,156				216 7,952			
b) Unlisted shares	37				217			
c) Interests	38	39 8,156			218	219 7,952		
2. Shares in common investment funds		40 344,586				220 87,937		
3. Bonds and other fixed-income securities								
a) listed	41 6,457,789				221 5,297,016			
b) unlisted	42				222 1,993			
c) convertible debentures	43	44 6,457,789			223	224 5,299,010		
4. Loans								
a) loans secured by mortgage	45 672				225 1,041			
b) loans on policies	46				226			
c) other loans	47	48 672			227	228 1,041		
5. Participation in investment pools		49				229		
6. Deposits with credit institutions		50 1,201,498				230 1,994,791		
7. Other financial investments		51 12,508	52 8,025,209			231 21,243	232 7,411,975	
IV - Deposits with ceding companies			53 23	54 8,275,597			233 35	234 7,650,992
D bis. REINSURERS' SHARE OF TECHNICAL PROVISIONS								
I - NON-LIFE BUSINESS								
1. Provision for unearned premiums	58 2,943,047					238 3,508,282		
2. Provision for claims outstanding	59 576,128					239 560,508		
3. Provision for profit-sharing and premium refunds	60					240		
4. Other technical provisions	61			62 3,519,174		241		242 4,068,791
	to be carried forward			11,803,662		to be carried forward		11,722,451

Balance Sheet
Non-life business - Assets

	Current year								Previous year							
carried forward								11,803,662								11,722,451
E. RECEIVABLES																
I - Receivables arising out of direct insurance business:																
1. Policyholders																
a) for premiums for the year	71	177,331							251	139,310						
b) for prior year premiums	72	4,090	73	181,421					252	7,408	253	146,718				
2. Insurance intermediaries			74								254					
3. Current accounts with insurance companies			75								255					
4. Policyholders and third parties for recoveries			76	276,268	77	457,689					256	277,006	257	423,724		
II - Receivables arising out of reinsurance operations:																
1. Insurance and reinsurance companies			78	453,495							258	147,899				
2. Reinsurance intermediaries			79		80	453,495					259		260	147,899		
III - Other debtors					81	338,192	82	1,249,377					261	352,311	262	923,934
F. OTHER ASSETS																
I - Tangible assets and stocks:																
1. Furniture, office machines and internal transport vehicle			83	1,490							263	1,796				
2. Vehicles listed in public registers			84								264					
3. Machinery and equipment			85	1							265	1				
4.Stocks and other goods			86	68	87	1,559					266	68	267	1,865		
II - Cash at bank and in hand																
1. Bank and postal accounts			88	31,934,050							268	32,008,218				
2. Cheques and cash on hand			89	4	90	31,934,053					269	5	270	32,008,223		
III - Own shares or equity interests					91								271			
IV - Other																
1. Deferred reinsurance items			92	30							272	20				
2. Miscellaneous assets			93	163,322	94	163,352	95	32,098,964			273	161,984	274	162,003	275	32,172,092
of which Liaison account with life business			901								903					
G. PREPAYMENTS AND ACCRUED INCOME																
1. Accrued interests					96	67,794							276	35,523		
2. Rents					97								277			
3. Other prepayments and accrued income					98	3,295	99	71,089					278	1,480	279	37,003
TOTAL ASSETS							100	45,223,092							280	44,855,480

Balance Sheet
Non-life business - liabilities and shareholders' equity

							Current year							Previous year
A. SHAREHOLDERS' EQUITY														
I - Subscribed capital or equivalent fund			101	3,730,324						281	3,730,324			
II - Share premium reserve			102	43,305						282	43,305			
III - Revaluation reserves			103							283				
IV - Legal reserve			104	294,559						284	290,368			
V - Statutory reserves			105							285				
VI - Reserves for shares of the parent			106							286				
VII - Other reserves			107	448,801						287	431,590			
VIII - Net Profit (loss) brought forward			108	305,323						288	300,117			
IX - Net Profit (loss) for the year			109	398,212						289	83,827			
X - Negative reserve for own shares			401		110	5,220,524				501		290	4,879,529	
B. LINKED LIABILITIES					111	493,500						291	497,500	
C. TECHNICAL PROVISIONS														
I - NON-LIFE BUSINESS														
1. Provision for unearned premiums	112	3,871,020						292	4,261,423					
2. Provision for claims outstanding	113	760,780						293	775,784					
3. Provision for profit-sharing and premium refunds	114							294						
4. Other technical provisions	115							295						
5. Equalisation provision	116	768,426			117	5,400,227		296	768,426			297	5,805,634	
		to be carried forward				11,114,251			to be carried forward				11,182,664	

Balance Sheet
Non-life business - liabilities and shareholders' equity

	Current year						Previous year					
			carried forward			11,114,251	carried forward					11,182,664
E. PROVISIONS FOR RISKS AND CHARGES												
1. Provision for pensions and similar obligations			128						308			
2. Provisions for taxation			129	56,178					309	41,466		
3. Other provisions			130	18,169	131	74,348			310	18,511	311	59,977
F. DEPOSITS RECEIVED FROM REINSURERS					132						312	
G. CREDITORS AND OTHER LIABILITIES												
I - Creditors, arising out of direct insurance operations:												
1. Insurance intermediaries	133						313					
2. Current accounts with insurance companies	134						314					
3. Premium deposits and premiums due to policyholders	135	27,845					315	31,200				
4. Guarantee funds in favour of policyholders	136		137	27,845			316		317	31,200		
II - Creditors, arising out of reinsurance operations:												
1. Insurance and reinsurance companies	138	1,102,723					318	1,053,379				
2. Reinsurance intermediaries	139		140	1,102,723			319		320	1,053,379		
III - Debenture loans			141						321			
IV - Amounts owed to banks and credit institutions			142	200,353					322	201,704		
V - Loans guaranteed by mortgages			143						323			
VI - Miscellaneous loans and other financial liabilities			144						324	20,000		
VII - Provision for employee indemnities			145	5,379					325	4,995		
VIII - Other Creditors												
1. Premium taxes	146						326					
2. Other tax liabilities	147	126,100					327	48,078				
3. Social security	148	1,970					328	1,961				
4. Miscellaneous creditors	149	41,741	150	169,812			329	90,394	330	140,434		
IX - Other liabilities												
1. Deferred reinsurance items	151	1					331	5				
2. Commissions for premiums being collected	152						332					
3. Miscellaneous liabilities	153	32,484,983	154	32,484,985	155	33,991,096	333	32,129,635	334	32,129,640	335	33,581,353
			to be carried forward			45,179,694			to be carried forward			44,823,993

Balance Sheet
Non-life business - liabilities and shareholders' equity

Current year

carried forward				45,179,694
H. ACCRUALS AND DEFERRED INCOME				
1. Accrued interest	156	16,975		
2. Rents	157	42		
3. Other prepayments and accrued income	158	26,380	159	43,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	45,223,092

Previous year

carried forward			44,823,993
336	17,175		
337			
338	14,312	339	31,487
		340	44,855,480

Annex 3

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

		Non-life business		Life business		Total	
Balance on the technical account		1	309,778	21		41	309,778
Investment income	+	2	440,310			42	440,310
Capital and financial charges	-	3	192,579			43	192,579
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	60,933			45	60,933
Interim operating profit (loss)		6	496,576	26		46	496,576
Other income	+	7	149,506	27		47	149,506
Other expense	-	8	128,519	28		48	128,519
Extraordinary income	+	9	12,332	29		49	12,332
Extraordinary charges	-	10	601	30		50	601
Profit (loss) before taxes		11	529,294	31		51	529,294
Income taxes for the year	-	12	131,082	32		52	131,082
Net profit (loss) for the year		13	398,212	33		53	398,212

Annex 4

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	20,152	31	71,913
Increases during the year	+	2	7,881	32	
for: purchases or additions		3	7,881	33	
reversals of impairment losses		4		34	
revaluations		5		35	
other changes		6		36	
Decreases during the year	-	7	150	37	
for: sales or decreases		8	150	38	
permanent write-downs		9		39	
other changes		10		40	
Gross closing balance (a)		11	**27,883**	41	**71,913**
Amortisation/depreciation:					
Opening balance	+	12	17,483	42	13,057
Increases during the year	+	13	1,509	43	663
for: amortisation/depreciation charge for the year		14	1,509	44	663
other changes		15		45	
Decreases during the year	-	16		46	
for: disposals		17		47	
other changes		18		48	
Amortisation/depreciation closing balance (b) (*)		19	**18,992**	49	**13,720**
Carrying amount (a - b)		20	**8,891**	50	**58,193**
Current value		21		51	119,000
Total revaluations		22		52	
Total write-downs		23		53	

Annex 5
Assets - Changes 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)

		Shares and interests C.II.1		Bonds C.II.2	Loans C.II.3
Opening balance	+	1	180,126	21	41
Increases during the year:	+	2	12,559	22	42
for: acquisitions, subscriptions or issues		3		23	43
reversals of impairment losses		4	12,209	24	44
revaluations		5			
other changes		6	350	26	46
Decreases during the year:	-	7	513	27	47
for: sales or repayments		8		28	48
write-downs		9	309	29	49
other changes		10	204	30	50
Carrying amount		11	192,172	31	51
Current value		12	192,172	32	52
Total revaluations		13			
Total write-downs		14	309	34	54

Item C,II,2 includes:

Listed bonds	61	
Unlisted bonds	62	
Carrying amount	63	
of which convertible bonds	64	

Annex 6
Assets - Information about investees (*)

Number	Type (1)	Listed unlisted (2)	Business activity (3)	Name and registered office	Currency	Share capital		Shareholders' equity (**) (4)	Profit or loss for the last year (**) (4)	Interest held (5)		
						Amount (4)	No. of shares/quotas			Direct %	Indirect %	Total %
1	b	NQ	1	Sace BT SpA	euro	56,539	56,539	67,356	7,110	100		100
2	b	NQ	2	Sace Fct SpA	euro	50,000	50,000	112,676	4,215	100		100
3	d	NQ	1	ATI (African Trade Insurance Agency)	usd	373,300	3,733	553,347	32,838	2.68		2.68
4	b	NQ	1	SACE Do Brasil	R$	6,147	6,147	1,429	(1,718)	100		100

(*) 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

Annex 7

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

Number (1)	Type (2)	(3)	Name	Increases during the year			Decreases during the year			Carrying amount (4)		Purchase cost	Current value
				For purchases		Other increases	For sales		Other increases	Amount	Value		
				Amount	Value		Amount	Value					
1	b	D	Sace BT SpA			7,110				56,539	67,356	154,300	67,356
2	b	D	Sace Fct SpA			4,215				50,000	112,676	50,000	112,676
3	d	D	ATI (African Trade Insurance Agency)			884			204	10,000	11,873	6,886	11,873
4	b	D	SACE Do Brasil			350			309	6,147	266	11	266
			Totals C.II.1								192,172	211,197	192,172
	a		Parents								180,298	204,311	180,298
	b		Subsidiares										
	c		Related companies								11,873	6,886	11,873
	d		Associated companies										
	e		Other										
			Total D.I										
			Total D.II										

(1) Must match the one shown in Annex 6

(2) Type
a = Parent companies
b = Subsidiary companies
c = Affiliated companies
d = Associated companies
e = Other

(3) Indicate:
D for investments assigned to non-life management (item CII1)
V for investments assigned to life management (item CII1)
V1 for investments assigned to life management (item DI)
V2 for investments assigned to life management (item D2)
The holding even if split up should still be assigned the same order number

(4) Highlight with (*) if valued using the equity method (only for Type b and d)

Annex 8

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:	1	21	41 8,156	61 9,314	81 8,156	101 9,314
a) listed shares ì	2	22	42 8,156	62 9,314	82 8,156	102 9,314
b) unlisted shares	3	23	43	63	83	103
c) quotas	4	24	44	64	84	104
2. Shares in common investment funds	5 300,000	25 313,656	45 44,586	65 50,621	85 344,586	105 364,277
3. Bonds and other fixed-income securities	6 3,579,758	26 3,517,870	46 2,878,030	66 2,879,511	86 6,457,789	106 6,397,381
a1) listed government bonds	7 2,861,649	27 2,789,155	47 2,242,776	67 2,243,366	87 5,104,425	107 5,032,521
a2) other listed securities ìì	8 718,109	28 728,715	48 635,255	68 636,146	88 1,353,364	108 1,364,860
b1) unlisted government bonds	9	29	49	69	89	109
b2) other unlisted securities	10	30	50	70	90	110
c) convertible bonds	11	31	51	71	91	111
5. Participation in investment pools	12	32	52	72	92	112
7. Other financial investments	13	33	53 12,508	73 12,508	93 12,508	113 12,508

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:	121	141	161	181	201	221
a) listed shares ì	122	142	162	182	202	222
b) unlisted shares	123	143	163	183	203	223
c) quotas	124	144	164	184	204	224
2. Shares in common investment funds	125	145	165	185	205	225
3. Bonds and other fixed-income securities	126	146	166	186	206	226
a1) listed government bonds	127	147	167	187	207	227
a2) other listed securities ìì	128	148	168	188	208	228
b1) unlisted government bonds	129	149	169	189	209	229
b2) other unlisted securities	130	150	170	190	210	230
c) convertible bonds	131	151	171	191	211	231
5. Participation in investment pools	132	152	172	192	212	232
7. Other financial investments	133	153	173	193	213	233

Annex 9
Assets - Changes in the year in other long-term financial investments: shares and interests, share 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)

		Shares and interests C.III.1		Shares in common investment funds C.III.2		Bonds and other fixed-income securities C.III.3		Participation in investment pools C.III.5		Other financial investments C.III.7	
Opening balance	+	1		21		41	3,776,731	81		101	21,243
Increases during the year:	+	2		22		42	552,885	82		102	
for: purchases		3		23		43	515,298	83		103	
reversals of impairment losses		4		24		44		84		104	
transfer from the short-term portfolio		5		25		45		85		105	
other changes		6		26		46	37,588	86		106	
Decreases during the year:	-	7		27		47	749,858	87		107	8,735
for: sales		8		28		48	749,858	88		108	
write-downs		9		29		49		89		109	8,735
transfer to the short-term portfolio		10		30		50		90		110	
other changes		11		31		51		91		111	
Carrying amount		12		**32**		**52**	**3,579,758**	**92**		112	**12,508**
Current value		13		33		53	3,517,870	93		113	12,508

Annex 10
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	1,041	21	1,994,791
Increases during the year:	+	2		22	12,923,557
for: issues		3		23	12,923,557
reversals of impairment losses		4		24	
other changes		5		25	
Decreases during the year:	-	6	369	26	13,716,851
for: repayments		7	369	27	13,716,124
write-downs		8		28	
other changes		9		29	726
Carrying amount		10	**672**	30	**1,201,498**

Annex 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

Type		FY		Previous year		Change
Provision for unearned premiums:						
Provision for premium instalments	1	2,602,073	11	2,757,885	21	(155,812)
Provision for unexpired risks	2	1,268,948	12	1,503,539	22	(234,591)
Carrying amount	3	**3,871,021**	13	**4,261,424**	23	**(390,403)**
Provision for claims outstanding:						
Provision for claims paid and direct expenses	4	739,943	14	755,128	24	(15,185)
Provision for settlement costs	5	13,606	15	13,775	25	(169)
Provision for late claims	6	7,231	16	6,881	26	350
Carrying amount	7	**760,780**	17	**775,784**	27	**(15,004)**

Annex 15
Liabilities - Changes in the year in provisions for risks and charges (Item E) and for employee severance indemnities (Item G.VII)

		Provision for pensions and similar obligations		Provisions for taxation		Other provisions		Provisions for employee severance indemnities
Opening balance	+	1	11	41,466	21	18,511	31	4,995
Accruals for the year	+	2	12	13,539	22	8,129	32	458
Other increases	+	3	13	5,404	23		33	598
Utilisations for the year	-	4	14	2,855	24	8,269	34	638
Other decreases	-	5	15	1,375	25	202	35	35
Carrying amount		6	16	**56,178**	26	**18,169**	36	**5,379**

Annex 16
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	2 180,298	3	4 11,873	5	6 192,172
Bonds	7	8	9	10	11	12
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	32 846,000	33	34	35	36 846,000
Deposits with ceding companies	37	38 23	39	40	41	42 23
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	
Receivables arising out of direct insurance	55	56 125	57	58	59	60 125
Receivables arising out of reinsurance	61 204,898	62	63	64	65	66 204,898
Other receivables	67 3,132	68 4,437	69	70	71	72 7,569
Bank and postal accounts	73	74	75	76	77	78
Other assets	79 143,586	80 4,106	81	82	83	84 147,693
Total	85 **351,616**	86 **1,034,990**	87	88 **11,873**	89	90 **1,398,479**
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	109 132	110 6	111	112	113	114 138
Creditors arising out of reinsurance operations	115 1,096,761	116 13	117	118	119	120 1,096,774
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	135	136	137	138
Other creditors	139	140 6,677	141	142	143	144 6,678
Other liabilities	145 32,475,754	146	147	148	149	150 32,475,755
Total	151 **33,572,647**	152 **6,696**	153	154	155	156 **33,579,343**

Annex 17
Breakdown of classes I, II, III and IV of "guarantees, commitments and other memorandum accounts"

I: Activities

		FY	Previous year
I	Guarantees given:		
a)	sureties and endorsements given in the interests of parents, subsidiaries and related c ompanies	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
Total		12	42
II	Guarantees received:		
a)	from group companies, associates and other investees	13	43
b)	from third parties	14 1,816	44 1,880
Total		15 **1,816**	45 **1,880**
III	Guarantees issued by third parties in the interests of the company:		
a)	from group companies, associates and other investees	16	46
b)	from third parties	17	47
Total		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 ì	21 3,112,235	51 2,130,598
Total		22 **3,112,235**	52 **2,130,598**
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 6,883,663	54 5,246,043
Total		25 **6,883,663**	55 **5,246,043**

Annex 18
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 1,924,000	132 (110,338)	52	152	72 1,569,000	172 (80,215)
	other	13	113	33	133	53	153	73	173
Other transactions		14	114	34 1,188,235	134 (7,668)	54	154	74 561,598	174 (3,940)
Total		15	115	35 **3,112,235**	135 **(118,006)**	55	155	75 **2,130,598**	175 **(84,155)**

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;

Annex 19
Summary information about the non-life technical account

	Gross premiums written	Gross premiums for the year	Gross charge for claims	Management costs	Reinsurance balance
Direct business:					
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)	31 392,154	32 770,270	33 149,438	34 109,394	35 398,642
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
Total direct business	51 392,154	52 770,270	53 149,438	54 109,394	55 398,642
Reinsurance business	56 11,443	57 23,373	58 (8,598)	59 898	60
Total Italian portfolio	61 403,597	62 793,643	63 140,840	64 110,292	65 398,642
Foreign portfolio	66 343	67 700	68 (258)	69 27	70
Grand total	71 **403,940**	72 **794,343**	73 **140,582**	74 **110,319**	75 **398,642**

Annex 21
Investment income (Items II.2 and III.3)

	Non-life business		Life business		Total	
Income from shares and interests:						
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	180	42		82	180
Total	3	**180**	43		83	**180**
Income from investments in land and buildings	4	**198**	44		84	**198**
Income from other investments:						
Income from bonds of group companies and investees	5		45		85	
Interest on loans to group companies and investees	6	18,576	46		86	18,576
Income from units in mutual funds	7		47		87	
Income from bonds and other fixed-income securities	8	187,808	48		88	187,808
Interest on loans	9	12	49		89	12
Income from shares in investment pools	10	1,335	50		90	1,335
Interest on deposits with credit institutions	11	21,322	51		91	21,322
Income from other financial investments	12	74,398	52		92	74,398
Interest on deposits with ceding companies	13		53		93	
Total	14	**303,450**	54		94	**303,450**
Value re-adjustments on investments in:						
Land and buildings	15		55		95	
Shares and interests in group companies and investees	16	12,209	56		96	12,209
Bonds issued by group companies and investees	17		57		97	
Other shares and interests	18	273	58		98	273
Other bonds	19	157	59		99	157
Other financial investments	20	223	60		100	223
Total	21	**12,862**	61		101	**12,862**
Profit on the disposal of investments:						
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	290	65		105	290
Gains on other bonds	26	33,332	66		106	33,332
Gains on other financial investments	27	89,998	67		107	89,998
Total	28	**123,620**	68		108	**123,620**
GRAND TOTAL	29	**440,310**	69		109	**440,310**

Annex 23
Capital and financial charges (Items II.9 and III.5)

	Non-life business		Life business		Total	
Investment management charges and other charges						
Charges relating to shares and interests	1		31		61	
Charges relating to investments in land and buildings	2	1,099	32		62	1,099
Charges relating to bonds	3	1,360	33		63	1,360
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	63,534	36		66	63,534
Interest on deposits received from reinsurers	7		37		67	
Total	8	**65,992**	38		68	**65,992**
Value re-adjustments on investments in:						
Land and buildings	9		39		69	
Shares and interests in group companies and investees	10	309	40		70	309
Bonds issued by group companies and investees	11		41		71	
Other shares and interests	12	8,804	42		72	8,804
Other bonds	13	1,054	43		73	1,054
Other financial investments	14	8,613	44		74	8,613
Total	15	**18,780**	45		75	**18,780**
Losses on the disposal of investments						
Losses on the sale of land and buildings	16		46		76	
Losses on shares and interests	17		47		77	
Losses on bonds	18	6,609	48		78	6,609
Losses on other financial investments	19	101,198	49		79	101,198
Total	20	**107,807**	50		80	**107,807**
GRAND TOTAL	21	**192,579**	51		81	**192,579**

Annex 25

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

Direct business gross of reinsurance		Class 01 Accident (name)	Class 02 Health (name)	Class 03 Hulls land vehicles (name)	Class 04 Hulls railway rolling stock (name)	Class 05 Hulls aircraft (name)	Class 06 Hulls marine, river, lake craft (name)
Premiums written	+	1	1	1	1	1	1
Change in the provision for unearned premiums (+ or -)	-	2	2	2	2	2	2
Charges related to claims	-	3	3	3	3	3	3
Change in sundry technical provisions (+ or -) (1)	-	4	4	4	4	4	4
Balance of other technical items (+ or -)	+	5	5	5	5	5	5
Operating expenses	-	6	6	6	6	6	6
Direct business technical balance (+ or -)	**A**	7	7	7	7	7	7
Result of outward reinsurance (+ or -)	**B**	8	8	8	8	8	8
Inward reinsurance net result (+ or -)	**C**	9	9	9	9	9	9
Change in the equalisation provision (+ or -)	**D**	10	10	10	10	10	10
Allocated investment return transferred from the non-technical account	**E**	11	11	11	11	11	11
Balance on the technical account (+ or -) (A + B + C - D + E)		12	12	12	12	12	12

Direct business gross of reinsurance		Class 07 Goods transported (name)	Class 08 Fire and natural forces (name)	Class 09 Other property damage (name)	Class 10 TPL land vehicles (name)	Colass 11 TPL aircraft (name)	Class 12 TPL marine, river and lake craft (name)
Premiums written	+	1	1	1	1	1	1
Change in the provision for unearned premiums (+ or -)	-	2	2	2	2	2	2
Charges related to claims	-	3	3	3	3	3	3
Change in sundry technical provisions (+ or -) (1)	-	4	4	4	4	4	4
Balance of other technical items (+ or -)	+	5	5	5	5	5	5
Operating expenses	-	6	6	6	6	6	6
Direct business technical balance (+ or -)	**A**	7	7	7	7	7	7
Result of outward reinsurance (+ or -)	**B**	8	8	8	8	8	8
Inward reinsurance net result (+ or -)	**C**	9	9	9	9	9	9
Change in the equalisation provision (+ or -)	**D**	10	10	10	10	10	10
Allocated investment return transferred from the non-technical account		11	11	11	11	11	11
Balance on the technical account (+ or -) (A + B + C - D + E)		12	12	12	12	12	12

Direct business gross of reinsurance		Class 13 Non-motor TPL (name)	Class 14 Credit (name)		Class 15 Suretyship (name)		Class 16 Pecuniary losses (name)	Class 17 Legal fees (name)	Class 18 Assistance (name)
Premiums written	+	1	1	(383,966)	1	(8,188)	1	1	1
Change in the provision for unearned premiums (+ or -)	-	2	2	(370,221)	2	(7,895)	2	2	2
Charges related to claims	-	3	3	146,317	3	3,120	3	3	3
Change in sundry technical provisions (+ or -) (1)	-	4	4		4		4	4	4
Balance of other technical items (+ or -)	+	5	5	(102,351)	5	(2,183)	5	5	5
Operating expenses	-	6	6	107,110	6	2,284	6	6	6
Direct business technical balance (+ or -)	**A**	7	7	(603,110)	7	(12,861)	7	7	7
Result of outward reinsurance (+ or -)	**B**	8	8	398,642	8		8	8	8
Inward reinsurance net result (+ or -)	**C**	9	9	(29,959)	9	(639)	9	9	9
Change in the equalisation provision (+ or -)	**D**	10	10		10		10	10	10
Allocated investment return transferred from the non-technical account	**E**	11	11	(57,925)	11	(1,235)	11	11	11
Balance on the technical account (+ or -) (A + B + C - D + E)		12	12	(292,352)	12	(14,735)	12	12	12

Annex 26

Summary of technical accounts for all lines of business Italian portfolio

		Direct insurance risk				Indirect insurance risk			Risks retained	
		Direct insurance 1		Risks ceded 2		Inward reinsurance 3		Risks retroceded 4	Total 5 = 1 - 2 + 3 - 4	
Premiums written	+	1	(392,154)	11	221,826	21	(11,443)	31	41	(181,772)
Change in the provision for unearned premiums (+ or -)	-	2	(378,116)	12	337,185	22	(11,930)	32	42	(52,861)
Net charges related to claims	-	3	149,438	13	(129,391)	23	(8,598)	33	43	11,448
Change in sundry technical provisions (+ or -) (1)	-	4		14		24		34	44	
Balance of other technical items (+ or -)	+	5	(104,533)	15	(8,695)	25	475	35	45	(112,753)
Operating expenses	-	6	109,394	16	(22,283)	26	898	36	46	88,009
Technical balance (+ or -)		7	(615,972)	17	398,642	27	(30,598)	37	47	(247,927)
Change in the equalisation provision (+ or -)	-	8							48	
Allocated investment return transferred from the non-technical account	+	9	(59,160)			29			49	(59,160)
Balance on the technical account (+ or -)		10	(675,132)	20	398,642	30	(30,598)	40	50	(307,088)

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

Annex 29
Summary of technical accounts for non-life and life business - foreign portfolio

Section I: Non-life business

		Total lines of business
Direct business gross of reinsurance		
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
Direct business technical balance (+ or -)	**A**	7
Result of outward reinsurance (+ or -)	**B**	8
Inward reinsurance net result (+ or -)	**C**	9 (917)
Change in the equalisation provision (+ or -)	**D**	10
Allocated investment return transferred from the non-technical account	**E**	11 (1,773)
Balance on the technical account (+ or -) (A + B + C - D + E)		12 (2,690)

Section II: Life business

Direct business gross of reinsurance		Total lines of business
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
Result of direct business gross of reinsurance (+ or -)	**A**	7
Result of outward reinsurance (+ or -)	**B**	8
Inward reinsurance net result (+ or -)	**C**	9
Change in the equalisation provision (+ or -)	**D**	10
Allocated investment return transferred from the non-technical account	**E**	11
Balance on the technical account (+ or -) (A + B + C)		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

Annex 30
Transactions with group companies and other investees

I: Income

	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
Investment income						
Income from land and buildings	1	2 161	3	4	5	6 161
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 18,576	27	28	29	30 18,576
Interest on deposits with ceding companies	31	32 1	33	34	35	36 1
Total		38 **18,738**	39	40	41	42 **18,738**
Unrealised gains and losses on investments for the benefit of policyholders who bear the risk and relating to the administration of pension funds	43	44	45	46	47	48
Other income						
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 3,009	63	64	65	66 3,009
Total	67	68 **3,009**	69	70	71	72 **3,009**
Profit on the disposal of investments (*)	73	74	75	76	77	78
Extraordinary income	79	80 168	81	82	83	84 168
GRAND TOTAL		86 **21,915**	87	88	89	90 **21,915**

II: Charges

	Parents	Subsidiaries	Related companies	Associated companies	Other	Total
Investment management charges and interest expense:						
Investment charges	91	92 123	93	94	95	96 123
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
Total		158 123	159	160	161	162 123
Unrealised gains and losses on investments for the benefit of policyholders who bear the risk and relating to the administration of pension funds	163	164	165	166	167	168
Losses on the disposal of investments (*)	169	170	171	172	173	174
Extraordinary charges	175	176 **30**	177	178	179	180 **30**
GRAND TOTAL	181	182 **152**	183	184	185	186 **152**

(*) With reference to the counterparty

Annex 31
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.	
Premiums written: Italy	1	392,154	5		11		15		21	392,154	25	
other EU countries	2		6		12		16		22		26	
non-EU countries	3		7		13		17		23		27	
Total	4	**392,154**			14		18		24	**392,154**	28	

Annex 32
Personnel costs, directors' and statutory auditors' fees

I: Personnel costs

	Non-life business		Life business		Total	
Expenses for employees:						
Italian portfolio:						
- Wages and salaries	1	43,978	31		61	43,978
- Social security contributions	2	12,205	32		62	12,205
- Accruals to the provision for employee severance indemnities and similar obligations	3	5,208	33		63	5,208
- Sundry personnel costs	4	8,867	34		64	8,867
Total	5	70,257	35		65	70,257
Foreign portfolio:						
- Wages and salaries	6	1,318	36		66	1,318
- Social security contributions	7	366	37		67	366
- Sundry personnel costs	8	266	38		68	266
Total	9	1,950	39		69	1,950
Grand total	10	72,207	40		70	72,207
Consultants' fees:						
Italian portfolio	11	8,404	41		71	8,404
Foreign portfolio	12	252	42		72	252
Total	13	8,656	43		73	8,656
Total personnel costs	14	80,863	44		74	80,863

II: Description of items

	Non-life business		Life business		Total	
Investment management charges	15	1,094	45		75	1,094
Charges related to claims	16	4,837	46		76	4,837
Other acquisition costs	17	27,235	47		77	27,235
Other administrative expenses	18	47,698	48		78	47,698
Administrative and third-party charges	19		49		79	
	20		50		80	
Total	21	80,863	51		81	80,863

III: Average number of workers during the year

	Number	
Managers	91	44
White collar	92	619
Blue collar	93	
Other	94	
Total	95	663

IV: Directors and statutory auditors

	Number		Fees	
Directors	96	9	98	702
Statutory auditors	97	5	99	33

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

The legal representatives of the company*	Alessandra Ricci**
The Statutory Auditors	Silvio Salini
	Giovanni Battista Lo Prejato
	Angela Salvini

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 and General Manager

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

We the undersigned, Alessandra Ricci, 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 financial statements for the year ended at December 31, 2023.

The adequacy of the administrative and accounting procedures used to prepare the financial statements for the year ended at December 31, 2023 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, 2023:
  - 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 management 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 26, 2024

Alessandra Ricci
CEO

Nicoletta Cassano
Manager responsible for preparing the company's financial reports

Indipendent auditor’s report

Deloitte.

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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, 2023, 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, 2023 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.

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Evaluation of Provision for unearned premiums	
Description of the key audit matter	At December 31, 2023, the Company recorded in item C.I "Technical Provisions – Non life business" – liabilities of the balance sheet – a provision for unearned premiums for Euro 3,871 million, including the provision for unexpired risks. As highlighted by the Directors into the Notes to the Financial Statements, "Part A - Valuation criteria and basis of the presentation", the technical provisions calculation required the use of a significant extent of subjective assumptions in order to formulate reliable estimates and hypotheses. For this purpose, the Directors referred to historical experience as well as to other factors considered reasonable, based on available information. The Company, in the Notes to the Financial Statements, "Part A - Valuation criteria and basis of the presentation" and "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. The provision for unearned premium has also been integrated to take into account the expected rate of claims referring to insurance contracts in portfolio signed by the reporting date (so-called "provision for unexpired risks"). In respect of the determination of this component, the Directors highlight that the Company used a method based on the estimate of the expected loss of the entire portfolio; the main components taken into consideration 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 unexpired risks and even in the light of the current macroeconomic context, we have considered the evaluation of the provision for unearned premiums a key audit matter for the financial statements of SACE S.p.A. as of December 31, 2023.
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 determination process of the aforementioned provision; • carrying out verification procedures in relation to the completeness and

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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;
- 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 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:

Deloitte.

- 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, the actions taken to eliminate the related risks or the safeguards applied.

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.

Deloitte.

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 of SACE S.p.A. as at December 31, 2023, 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, 2023 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, 2023 and are prepared in accordance with the law.

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
Carlo Pilli
Partner

Rome, Italy
April 12, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SACE S.p.A.

Report of the Board of Statutory Auditors

Financial Statements at 31st December 2023

Dear Shareholder,
this report has been drafted by the Board of Statutory Auditors of SACE S.p.A. ("SACE" or the "Company") pursuant to art. 2429, second paragraph, of the Italian Civil Code. This report has been collectively approved and is deposited at the Company's registered office, in compliance with terms of art. 2429, third paragraph, of the Italian Civil Code.

In its supervisory role, the Board of Statutory Auditors, worked in accordance with the Principles of Conduct of the Board of Statutory Auditors, recommended by the National Council of Chartered Accountants and Accounting Experts.

During the reporting period, taking into account that the accounts were subject to a legal audit by the company appointed for this purpose, the Board of Statutory Auditors carried out its supervisory activities, pursuant to and for the purposes of art. 2403 of the Italian Civil Code, with the collaboration of Internal auditing and Control Departments, as well as with the involvement of the Heads of the Departments of the various matters subject to disclosure.

On March 26th 2024, the Board of Directors of SACE approved the draft Financial Statements for the year ended at 31st December 2023, together with the detailed prospectuses and annexes, as well as the Directors' Report, in compliance with current corporate legislation, as well as the specific legislation for the particular activity carried out by SACE.

The Board of Statutory Auditors, appointed by the resolution of the Shareholders' Meeting of May 18th 2022, for three financial years and, therefore, until the date of the Shareholders' Meeting that will be called to approve the Financial Statements for the year 2024, held 9 meetings in 2023, as reported in the relevant book. The Auditors also attended all the meetings of the Board of Directors, of the Control and Risk Committee and of the Sustainability and Scenarios Committee, regularly receiving information from Directors and Managers on performance and on the most significant and relevant transactions, in order to verify that the acts resolved or carried out are in compliance with the law, the Articles of Association and the resolutions adopted, in accordance with principles of correct management, consistent with the structure and size of the Company and the consistency of its assets.

Relations with the Company and, on its behalf, with its Directors, employees and consultants are based on mutual collaboration, respecting the roles entrusted to each one. The resolutions of the Board of Directors are assisted by adequate analyses and explanations.
The Board of Statutory Auditors promoted and collected a sufficient flow of information on the development of management issues, receiving information, clarifications and explanations from the Chief Executive Officer as well as from those in charge of specific functions in accordance with Article 2381 of the Italian Civil Code.

The operating performance is consistent with the objectives set by the Board of Directors; the latter has received regular updates on the Company's operations, through the drafting of adequate reports.
In consideration of the above, the main issues analysed by the current Board of Statutory Auditors concerned:
- the activities carried out by the Risk management department, also with reference to the drafting of Risk Appetite Framework SACE-MEF and Risk Appetite Framework SACE;
- the activities of the Internal audit department, which - on the basis of a specific activity plan approved by the Board of Directors - are subject to annual reporting;
- the annual planning of the other Control Functions and the analysis of the periodic reports and the corrective measures identified;
- the analysis - in the presence of the Heads of Department and on the basis of specific documentation - of the performance management system;
- the activities of the Supervisory Body pursuant to Legislative Decree no. 231/2001 which - on the basis of Annual Plan submitted to the Board of Directors - were disclosed at the Board meeting of March 26th, 2024;
- the work carried out by the legal auditor Deloitte & Touche S.p.A. In particular, pursuant to art. 2409-septies of the Italian Civil Code, the Board of Statutory Auditors and the Audit firm have periodically exchanged useful information related to the activities within their respective competences, planning specific update meetings, most recently on March 25th 2024 for the purpose of verifying the drafting process of the 2023 Financial Statements. The Board of Statutory Auditors, as part of its assigned functions, has also monitored compliance with the provisions contained in Legislative Decree no. 254/2016, with reference to the drafting process and the contents of the Non-Financial Statement, approved by the Board of Directors on March 26th 2024. In addition to that, having examined the certificate issued by KPMG S.p.A. on April 11th 2024, the Board ascertained that no elements of non-compliance and/or violation of the regulations referred to in Legislative Decree no. 254/2016 were detected.

The Board of Statutory Auditors monitored the adequacy of the Company's organisational, administrative and accounting structure, by collecting information from the Heads of corporate departments as well. The Board of Statutory Auditors acknowledges that, from the information obtained and from the examination of the company documentation, no critical issues have been identified to be reported and that the organizational, administrative and accounting structure is adequate to the needs of the Company and supported by efficient business processes.

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, there were no critical issues with respect to the organisational model that should be disclosed in this report.

Within the Board of Directors, the functions are distributed in accordance with the powers conferred.

On April 12th 2024, the legal Auditor Deloitte & Touche S.p.A. issued the report on the Financial Statements at December 31st 2023, in compliance with the provisions on legal auditing implemented by Legislative Decree no. 135/2016. In particular, the legal Auditor: i) issued an opinion according to which the Financial Statements provide a true and fair representation of the Company's financial position as at December 31st 2023 and of the economic result for the year ended on that date, in accordance with the Italian legislation governing the preparation criteria; ii) issued a consistency opinion, which shows that the Directors' Report and some specific information contained in the report on Corporate Governance and Ownership Structure set out in art. 123-bis, paragraph 4, of Legislative Decree no. 58/1998, are consistent with SACE's Financial Statements as at December 31st 2023 and are prepared in accordance with the law; iii) with reference to the declaration referred to in art. 14, paragraph 2, letter e) of Legislative Decree no. 39/2010, issued on the basis of the knowledge and understanding of the company and its context acquired during the audit, showed that it had nothing to report.

On April 12th 2024, the legal Auditor also issued the report required by art. 11 of EU Regulation no. 537/2014, which does not result in any caseof actual or presumed non-compliance with laws and regulations or provisions of the Articles of Association, to be submitted to the Board of Statutory Auditors. In its capacity as Internal Control and Audit Committee, the Board of Statutory Auditors will transmit the above mentioned Additional report to the Board of Directors, pursuant to art. 19, paragraph 1, letter a) of Legislative Decree no. 39/2010. The legal Auditor also submitted the annual confirmation of independence pursuant to art. 6 of EU Regulation no. 537/2014, which shows that the principles of ethics have been respected and that no situations have been found that have compromised the independence of the company itself.

The Board of Statutory Auditors supervised the general approach given to the Financial Statements, its general compliance with the law in relation to the formation criteria and structure; italso verified compliance with the legal provisions relating to the preparation of the management report.
The Board of Statutory Auditors has not received, nor promoted complaints, nor complaints pursuant to art. 2408 and 2409 of the Italian Civil Code. In the course of the supervisory activity, as described above, no significant facts emerged that would require a diclosure in this report and no action had to be taken due to omissions by the Board of Directors pursuant to art. 2406 of the Italian Civil Code.
With reference to atypical and/or unusual transactions, including intra-group transactions or transactions with related parties, it does not appear that transactions of a non-ordinary nature, i.e. not settled at normal market conditions, have been carried out.
Based on the above, the Board of Statutory Auditors does not express reservations to the approval of the Financial Statements, as prepared by the Board of Directors, as well as to the proposal for the allocation of the profit for the year, equal to Euro 398,212,066, as follows:

- **Euro 19,910,603**, equal to 5% of net profit, to the legal reserve, in accordance with the provisions of art. 2430 of the Italian Civil Code;
- **Euro 47,432,696** to "Other Reserves";
- **Euro 330,868,767**, in accordance with the resolutions that will be adopted at the Shareholders' Meeting by the sole shareholder Ministry of Economy and Finance.

Furthermore, with reference to the portion of capital absorption released by the reinsurance transaction referred to in article 2, paragraph 6 of Decree-Law No. 23/2020 (the "Liquidity Decree"), as amended by article 1, paragraph 112, of Law No. 213/2023 (the "2024 Budget Law"), the Board of Statutory Auditors does not express reservations to the proposal for the distribution of available reserves for an amount of Euro 513,915,196.

Rome, April 15th 2024

THE BOARD OF STATUTORY AUDITORS
Dr. Silvio Salini (Chairman)
Dr. Giovanni Battista Lo Prejato (Statutory Auditor)
Dr.ssa Angela Salvini (Statutory Auditor)

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS AT **DECEMBER 31, 2023**

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. 923591
Sole shareholder: Ministry of the Economy and Finance

COMPANY OFFICERS AND BOARDS

BOARD OF DIRECTORS

Chairman	Filippo GIANSANTE
Deputy chairman	Ettore Francesco SEQUI *
Chief Executive Officer and General Manager	Alessandra RICCI **
Directors	Vincenzo DE FALCO
	Paola FANDELLA
	Federico LOVADINA
	Marco SIMONI
	Cristina SGUBIN
	Francesca UTILI

BOARD OF STATUTORY AUDITORS

Chairman	Silvio SALINI
Standing Auditors	Giovanni Battista LO PREJATO
	Angela SALVINI
Substitute Auditors	Marco CANZANELLA
	Giuliana TULINO
Statutory Delegate of the Court of Auditors	Natale Maria Alfonso D'AMICO (until december 31, 2023) Antonio ATTANASIO (from January 1, 2024)
Independent Auditors	Deloitte & Touche S.p.A.***

Company Boards appointed by the Shareholders' Meeting on May 18, 2022 and in office for three years.

* Appointed Deputy Chairman by resolution of the Board of Directors on May 24, 2022
** Appointed CEO and General Manager by resolution of the Board of Directors on May 24, 2022
*** Appointed for the period 2020-2028 by resolution of the Shareholders' Meeting on October 17, 2019

Contents

Management report

MANAGEMENT REPORT

1 The economic scenario

1.1 The global macroeconomic context

During 2023, the global macroeconomic context was characterized by multiple contrasting factors that contributed, on one side, to the slowdown of economic activity compared to the previous year and, on the other, to the resilience of some countries and sectors. According to recent Oxford Economics' estimates[1], global economic activity advanced by 2.7%, down compared to the +3.1% recorded in 2022, but up against the +1.3% initially forecast.

The downward factors include the restrictive stance taken by numerous central banks, primarily those of the United States and the Euro Zone, adopted to counter inflationary pressures. The rapid increases in monetary policy interest rates and the reduction in extraordinary purchase programs of financial assets were reflected in the tightening of credit conditions, which had a greater impact on more capital-intensive industrial sectors and on demand for durable consumer goods, in a fiscal context characterized by the elimination of the emergency expansive budget policies. This was compounded by the strong uncertainty, fuelled, above all, by commercial and geopolitical tensions between the main economies (particularly between the USA and China), which affects the global markets and the climate of confidence of businesses and households, with repercussions on the respective investment and consumption decisions. Furthermore, a record number of extreme weather events occurred last year, which had a significant impact on several regions. Conversely, the normalisation of prices of raw materials – compared to the spike recorded in 2022 – and the easing of critical issues along international supply chains – measured by the Global Supply Chain Pressure Index – partly mitigated the effects of adverse factors.

The improvement in supply conditions coupled with the weakness in demand facilitated the drop in prices, with global consumer inflation estimated to drop to 6% (despite remaining relatively high compared to the historical average of the 2010-2019 decade). Core inflation (which excludes the more volatile components, such as fresh foodstuffs and energy products) also largely fell, albeit at a slower rate in line with the more gradual transmission of the lower costs of intermediate inputs to the end prices of consumer goods and services.

At regional level, the increase in global GDP was driven by greater resilience in the United States (+2.5%), which more than offset the weakness of the Euro Area (+0.5%), and by the solid dynamic of the emerging economies (+4.2%, aggregate average). At sector-based level, the performance of services was positive at global level, as can be seen from the respective Purchasing Managers' Index (PMI) indicator, which remains systematically above the neutral threshold of 50 points, thus indicating positive growth for the sector. Conversely, the global industrial production dynamic was almost stationary, with a mere year-on-year increase of 0.8% in volumes realised between January and November; at the same time, the manufacturing SME values, just below the threshold throughout the year, also confirmed the moderation of production rates, ascribable above all to the component of new foreign orders.

Indeed, the deterioration in the international trade of goods continued, estimated at -1.3%, reflecting the reduction in intra-EU trading and the modest Chinese demand which weakened flows between the Asian countries. Furthermore, the drop in the global trade of goods is also partly explained by the statistical comparison with the strong expansion period that characterized the previous two years. The role of the shift – or rather, return – of consumer preferences towards services, with an increase in respective international trading estimated at around 10% in volumes, should also not be overlooked.

In 2023, foreign direct investment (FDI) flows at global level reached an estimated value of 1.37 trillion dollars, with a marginal increase of 3% on 2022 which surprised expectations, considering the forecasts at the start of the year[2]. The increase is mainly due to flows towards the European economies (mainly Luxembourg and the Netherlands), excluding which the variation would have been negative at -18%. In particular, FDI flows towards developing countries reduced by 9%, reaching a total of 841 billion dollars, with downward or stable flows in the majority of the regions (in detail: -12% in the Asian emerging economies, -1% in Africa, stationary in Latin America). In terms of investment type, the number of international project announcements reduced across the board, from greenfield investments (-6%), to project finance (-21%) and to cross-border mergers and acquisitions (-16%), affected by the climate of economic uncertainty and by the higher interest rates.

1 Source: Oxford Economics, *World Economic Prospects Monthly* (January 2024).

2 Source: Unctad, *Global Investment Trends Monitor* (January 2024).

1.2 The Italian economy and industrial sectors

In line with the international and European context, in 2023 Italy's GDP growth stood at +0.7%, down from the +3.9% recorded in 2022, held back by the modest dynamic of investments and foreign demand [3].

In particular, the tightening of financing conditions, the growing uncertainty and the reshaping of fiscal incentives limited the demand for investments. The signs of decline mainly concerned investments in construction, particularly in the residential segment, against a profile that remained positive for non-residential and for civil engineering, thanks also to the support of the PNRR (Italian National Recovery and Resilience Plan) funds. Investments in machinery and means of transport increased.

The Italian industrial production volume index recorded a reduction of -2.5%, higher than that of its European peers which are, however, still being influenced by the post-pandemic rebound effect while Italy has already fully recovered. In terms of the main industrial groups, this trend was mainly affected by intermediate goods (-5.4%) and consumer goods (-3.5%, particularly durable goods), while capital goods demonstrated a positive dynamic (+2.8%). In particular, the best performing sectors include means of transport (thanks to the recovery of the automotive industry) and pharmaceuticals; growth was marginally positive for electronics, while it was stagnant for mechanical engineering. On the other hand, the decline in production in the wood, paper and chemical products sectors was strongly negative; rubber-plastic, electrical equipment and metals also declined. On average for the first eleven months of 2023, the construction production volume index in Italy recorded a drop of -1.2% on a year-on-year basis, worse than that of the Euro Area, which partly reflects a statistical effect due to the comparison with the same period of last year which was characterized, on the other hand, by an excellent performance. From August, however, construction production activity began to show signs of improvement, returning to growth in the final part of the year.

Between January and November, the total Italian turnover index in nominal terms (i.e. in value) remained largely unchanged, marking a -0.5% trend, remaining at the record levels of the previous year. The positive dynamics of capital goods (+9.9%) and consumer goods (+5.5%) were balanced out by the reductions of intermediate goods (-8.8%) and energy goods (-16.7%). At sector-based level, the best performance was seen for means of transport, pharmaceutical products and the food and drink industry. Conversely, chemical products, metallurgy and the wood-paper industry recorded negative trends: as these three sectors are positioned more "upstream" of the production process, they were affected by the cyclical slowdown phase and the cooling of demand activated by the "downstream" sectors; furthermore, the decline in prices of underlying raw materials determined the drop in list prices.

Foreign direct investments amounted, in the first nine months of 2023, to Euro 10.5 billion, while the flows from Italy to foreign countries stood at approximately Euro 16 billion [4].

3 Source: Istat (Italy's National Statistical Institute).

4 Source: OECD.

1.3 Italian exports

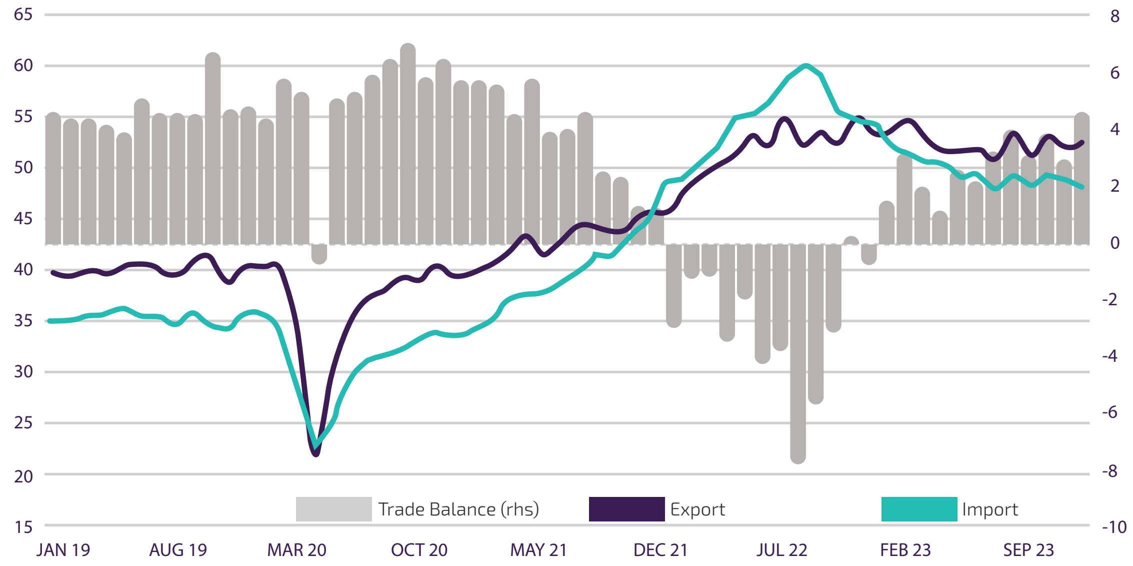
The decline in the international trade of goods in volume last year also had a negative effect on the dynamics of Italian exports. The expected physiological slowdown, after two years of double-digit growth, turned out to be more intense than expected: in 2023 the value of Italian exports of goods in value remained stationary compared to the previous year, with the increase in average unit values (+5.3%) fully offset by the reduction, far higher than expectations, in the volume figure (-5.1%) [5].

In the year as a whole, sales of capital goods increased (+8.4%), which, by nature, are those that most generate the demand for export-credit insurance cover, along with consumer goods (+2.7%), while intermediate goods (-6.7%) and energy goods (-25.7%) reduced; net of the latter, the 2023 exports would have grown by 1.3%. The greatest positive contributions derive from the increase in sales of mechanical engineering, motor vehicles, food and drink, while the greatest negative contributions arise from declines in sales of metals and metal products, refined products and chemicals.

Opposing trends were also recorded in terms of destination geographies: EU (-2.3%) and non-EU (+2.5%). Significant growth trends were recorded by major commercial partners such as the United States and Spain, contrasted with the negative dynamics of Germany, the United Kingdom and Switzerland. The OPEC countries, India and the ASEAN countries did well.

2023 ended with a sharply reduced energy deficit compared to 2022, which enabled the trade balance to return to positive, amounting to Euro 34.5 billion, sustained by non-EU countries.

Figure 1. Italian exports and imports of goods in value (billions of Euros; seasonally adjusted monthly data)



5 Source: Istat (Italy's National Statistical Insitute).

1.4 Bank loans, bankruptcies and business demographicssa

The average interest rate on new loans to Italian non-financial companies continued to rise in December, reaching 5.46% (over 400 basis points more than July 2022). In the same month, bank business loans reduced by 3.7% on a year-on-year basis, continuing the phase of decline albeit at a relatively slower pace compared to that observed in previous months. The deterioration rate of business loans, which represents a flow quantity, remained stable at contained levels (1.5% in September) and the leading indicators, such as payment delays of performing borrowers, do not show particular signs of deterioration of credit quality [6].

At the same time, bankruptcies of Italian enterprises began a slow upward path in the first nine months of the year compared to the same period of 2022, attributable mainly to the trend increase recorded in the third quarter of the year. According to our estimates, on average in 2023, growth should stand at +10.7%, against a still contained level of insolvencies standing at around 8,000 units, remaining - for the fourth consecutive year - well below the pre-pandemic figure [7].

In this context, new business openings remained stable, against an increase in closures. In spite of this, the balance remains positive, standing at around 42,000 between January and December. This balance corresponds to a modest business growth of 0.7% recorded in 2023 [8].

1.5 Payment habits

In the third quarter of 2023 the percentage of prompt payers at national level was recorded at 41.1%, while severe delays exceeding 30 days remained stable at 9.4%. Smaller (micro) companies are always the most virtuous in terms of making payments on time with 42.8% of the total, but they record the highest percentage of delays beyond 30 days (10.3%). As the size of the company increases, the percentage of prompt payers decreases, recording the lowest value in large companies (15.8%); at the same time, the incidence of payers with delays within 30 days increases (ranging from 46.9% for micro companies to 80.4% for large companies). At sector-based level, the percentages of payers in severe delay are higher among the food and large-scale retail industries (over 12%) and lower for the paper and rubber industry (below 3%). The overview of average payment times (calculated as the sum of payment terms and delays) shows a national figure of 71 days [9].

6 Source: Bank of Italy, Banks and Money (February 2024) and Financial Stability Report (November 2023).

7 SACE processing of Istat data.

8 Source: Unioncamere (January 2024). The cancellations are to be considered net of automatic cancellations made in each period.

9 Source: Crif, Cribis Payments Study, October 2023.

2 Key events of 2023

2.1 Strategy

During the year, the SACE group, despite a complex and unstable macroeconomic context, continued to support Italian enterprises both domestically and abroad with over 44,000 companies served through services and products. The group supported business challenges and projects with total Guarantees and Liquidity of Euro 41.7 billion, of which Euro 22.7 billion relating to export operations and strategically significant activities, Euro 16.6 billion in support of the "Supportitalia" Program [pursuant to Art. 15 of the Italian "Aiuti" (Aid) Decree"] and Euro 2.4 billion for guarantees and bonds issued as part of the Green New Deal [pursuant to Art. 64 of the Italian "Semplificazioni" (Simplifications) Decree].

SACE supported enterprises in the area of export operations and strategically significant activities, in terms of finalised volumes (capital and interest) for Euro 22,746.2 million. In support of the development and growth of Italian enterprises, particularly SME, training and business matching events were staged, both in person and online, thanks to the services offered via the SACE Education & SACE CONNECTS program which aims to assist enterprises in their paths of growth in Italy and abroad. The training offer targets businesses and professionals as well as the new generations and future managers who led Italy's green and digital transformation. The services offered since the launch of the training offer at the end of 2023 included: (i) over 280 training hours via live webinars; (ii) approximately 200 webinars and 130 physical events in the country; (iii) 17 new formats launched in the last three years; (iv) over 400 training hours always available on the platform and over 200 continuous on-demand training contents; (v) 8 academic agreements signed. The business matching activity has been equally as assiduous; since its launch, this has seen the organisation of 150 events, balanced between webinars and local meetings, 43 of which in 2023 alone, with the involvement of 66 top foreign buyers at meetings with companies. The SACE Education and SACE Connects digital programs were also launched, during 2023, in the reserved area mysace.it, which number over 3,000 registered users at the end of 2023.

For the "Supportitalia" operations in the period from 1 January 2023 and until 31 December 2023, in view of the applications received, 4,237 guarantees were issued for a total financing amount of Euro 17,397 million and a maximum guaranteed amount [10] of Euro 16,555 million.

In relation to the sustainable transition carried out through the Green New Deal, SACE granted Euro 2.4 billion for guarantees and bonds for a total of 298 transactions and a financing amount of Euro 4.3 billion. The projects supported respond to at least one of the six European Environmental Objectives and in 2023 the majority contribute to pursuing the objective of mitigating climate change

10 The guaranteed amount is the principal plus ancillary charges and interest, net of the percentage cover, upon issuing of the guarantee

and many other transactions pursue more than one objective. By way of these actions, SACE has supported infrastructural works in the high-speed rail sector included in the PNRR and, therefore, recipients of EU funds. The other supported projects include: a) plants for the production of energy from renewable sources (particularly wind farms and photovoltaic systems); b) industrial investments with a view to the circular economy (for example, wood recycling systems for the production of chipboard panels); c) investments in the real estate sector and other energy redevelopment interventions of existing buildings and public lighting systems and, finally d) investments in innovative sectors (for example, hydroponic and aeroponic agriculture).

In light of the increasing demand for support and in order to facilitate greater use of the tool by SME and MidCaps, during 2023, 4 Green Light Conventions were signed, 3 of which are not yet operational at the date of 31 December 2023. Furthermore, the activity in agreement with financial intermediaries continues through the use of the entirely online portal which allows requests for amounts of less than Euro 15 million to be entered. At 31 December 2023 nine Conventions with Banks operating across the entire country are active.

In relation to the Group Companies, net resources of Euro 12.9 billion were mobilised during 2023, of which SACE Fct Euro 4.7 billion and SACE BT Euro 8.2 billion. Total customers served exceeded 15,125, of which 81% pertaining to the SME segment. All group companies posted positive financial results. As part of the creation at SACE of a single hub to oversee the analysis and monitoring activities of credits and loans, compensation, restructuring and recoveries, also in order to streamline the operations, particularly in relation to SME customers, as well as to centralise the commercial strategy and targets of the Group for all customer segments, with control within SACE of tools enabling the monitoring of commercial activity and of first level customer care, on 1 May 2023 the transfer operation from SACE SRV to the Parent Company SACE of the business branch constituted by activities relating to restructuring and recoveries of distressed exposures, as well as those relating to customer care, was finalised.

2.2 Summary of 2023 regulatory interventions

Below is a summary of the main regulatory interventions affecting SACE in 2023.

- **Italian State Budget Law for the year 2023..** i) Art.1, paragraph 421, concerning the allocation for 2023 of Euro 565 million on the Fund established to cover the so-called green guarantees and the setting of the maximum commitment limit that can be assumed by SACE in relation to green operations amounting to Euro 3 billion;
- ii) Art. 3, paragraphs 3, 4 and 5, which: a) establishes the maximum commitments that can be assumed by SACE in accordance with Article 6, paragraph 9 of Italian Decree Law no. 269/2003 – equal to Euro 4 billion for guarantees of duration up to twenty-four months and Euro 40 billion for guarantees of duration longer than twenty-four months (paragraph 3), as well as the amount of the Statutory Cover Limit for 2023 of Euro 150 billion (paragraph 5); b) also authorises SACE to issue, for the 2023 financial year, guarantees and insurance cover relating to the activities indicated in Article 11-quinquies of Italian Decree Law no. 35/2005, within a maximum share of 30% of the aforementioned limits (paragraph 4).
- **Italian Law no. 6 of 13 January 2023, converting Italian Decree Law no. 176 of 18 November 2022 [known as Aiuti quater (Aid-quater) Decree]** The conversion law introduced paragraph 4-ter in article 9 of the decree by which it clarified that the construction companies falling under ATECO codes 41 and 43 and carrying out the works covered by article 119 of Law decree no. 34 of May 19, 2020, converted, with amendments, by Law no. 77 of July 17, 2020 ("Superbonus 110%"), can access the "Garanzia SupportItalia" scheme under the conditions, according to the procedures and within the terms set out in article 15 of Law decree no. 50 of May 17, 2022, converted, with amendments, by Law no. 91 of July 15, 2022 (the "Aid decree").
- **Italian Law no. 41 of 21 April 2023, converting Italian Decree Law no. 13 of 24 February 2023 (known as PNRR-ter Decree)** The conversion law introduced some changes to Italian Decree Law no. 144 of 23 September 2022 (known as Aid-ter Decree), allowing enterprises with high energy consumption (energy-intensive companies) to obtain an increase in the amount that can ordinarily be financed as part of the "Garanzia SupportItalia" , in particular the abrogation of the limit of Euro 25 million envisaged as the maximum increase in the additional amount (Art. 49, par. 5 of the PNRR-ter decree).
- **Law decree no. 61 of June 1, 2023, converted with amendments by Law no. 100 of July 31, 2023 Floods Decree), Ordinances of the Head of Civil Protection Department no. 992/23, 1000/23, 1002/23 and 1037/23** As a result of the state of emergency declared by the Council of Ministers due to the flood events that occurred in May and November 2023, the Floods Decree and the Ordinances of the Head of Civil Protection Department no. 992/23, 1000/23, 1002/23 and 1037/23 envisaged, inter alia, the "ope legis" suspension of the instalments of loans – including those guaranteed by SACE – granted, as appropriate, to enterprises having their registered office or place of business or local units or performing commercial and economic activity in one or more of the damaged areas.
- **Italian Decree Law no. 124 of 19 September 2023, converted with amendments by Italian Law no. 162 of 13 November 2023 (known as South Decree Law)** The South Decree Law envisaged that SACE may make use of reinsurers and counter-guarantors of the private market relating to guarantees granted under market conditions by SACE in favour of banks issuing the requested security deposits to enterprises in the context of the PNRR and the PNC (National Complementary Plan), in accordance with Article 64 of Italian Decree Law no. 76 of 16 July 2020 (known as "green" operations) and in accordance with Article 6 of Italian Decree Law no. 269 of 30 September 2003 (so-called "strategic significance" operations), by 31 December 2023

Finally, we note the publication on 30 December 2023 of Italian Law no. 213 "State budget forecast for the 2024 financial year and multiyear budget for the three-year period 2024-2026", with entry into force on 1 January 2024 which modified Italian Decree Law 23/2020 (converted into Law no. 40/2020) specifying that "the assets in which the technical reserves are invested are transferred by SACE S.p.A. to the Ministry of Economy and Finance net of the costs incurred by the aforementioned company for commitments reinsured by the State, in accordance with this paragraph, recorded by the accounts of that company".

3 Consolidated financial statements results

The economic-financial values referring to 31 December 2023 were prepared by applying, to the entire perimeter of the SACE group, accounting standard IFRS 17 on insurance contracts in replacement of the previous IFRS 4. IFRS 17, which came into force on January 1, 2023, was applied retroactively to the 2022 corresponding figures for comparative purposes. For information about the effects of the application of IFRS 17 on the Group's financial position, financial performance and equity, reference should be made to that set out in the "Accounting policies" section of the notes to the condensed interim consolidated financial statements. The different presentation of segment reporting was applied retroactively to the years presented for comparative purposes.

As part of the operating context introduced by the regulatory interventions of 2020, it is noted that SACE's financial and economic situation at 31 December 2023 includes the effects deriving from the application of Article 2, paragraph 9 of the "Liquidity" Decree Law and in particular the transfer up to a percentage of reinsurance of 90% of the performing portfolio recorded at the date of 8 April 2020, by transfer for reinsurance to the MEF of the portfolio with simultaneous registration, in the 2020 financial year, of a payable to the MEF itself of approximately Euro 1.5 billion (payable partly paid in the 2021 financial year). That amount was quantified in the "SACE Report on Capital and Capital Endowment" prepared in 2020 in accordance with the cited rule. It is also noted that, by virtue of the modification introduced by the 2024 Finance Law, cited above, a receivable from the MEF was recorded in the financial statements at 31 December 2023 for a total amount of Euro 228 million which represents the quantification of costs incurred in relation to the reinsured portfolio transferred to the MEF pursuant to Decree Law 23/2020 determined using the criteria applied in the pre-existing reinsurance treaty with the MEF. In the financial statements at 31 December 2023 the portion of those costs relating to the reinsured portfolio amortised in the years 2020-2023 was included in the income statement and amounts to Euro 122.9 million.

(in € million)	31-12-2023	31-12-2022
Insurance revenue from insurance contracts issued	1.224,6	526,1
Insurance service expenses from insurance contracts issued	(175,7)	(2.400,0)
Insurance revenue from reinsurance contracts held	470,2	1.731,4
Insurance service expenses from reinsurance contracts held	(1.210,2)	(141,3)
INSURANCE SERVICE RESULT	**309**	**(284)**
Income/ expenses from financial assets and liabilities at fair value through profit or loss	91,9	(21,0)
Income/ expenses from investments in subsidiaries, associated companies and joint ventures	0,9	1,3
Income/ expenses from other financial assets and liabilities and investments properties	189,2	223,0
RESULT OF INVESTMENTS	**282,0**	**203,3**
INSURANCE SERVICE RESULT FROM INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD	**3,2**	**(24,0)**
OTHER INCOME/EXPENSES	**174,0**	**53,2**
ACQUISITION AND ADMINISTRATION COSTS	**(107,7)**	**(106,8)**
NET PROVISIONS FOR RISK AND CHARGES	**(11,3)**	**8,8**
OTHER INCOME/CHARGES AND NET IMPAIRMENT ON TANGIBLE AND INTAGIBLE ASSETS	**(19,6)**	**(21,3)**
PROFIT (LOSS) BEFORE TAX	629,6	(171)
Income tax	(155,9)	40,5
PROFIT (LOSS) AFTER TAX	473,8	(128,2)

Below is a summary of the economic performance of the 2023 financial year. The consolidated net result of the SACE group at 31 December 2023 is positive for Euro 473.8 million. The main components of the profit for the period are summarised below::

- The gross premiums of Euro 531.3 million are in line with those of the previous financial year (Euro 533.7 million), while the premiums transferred to reinsurance, amounting to Euro 253.1 million, are down by 12% compared to 31 December 2022 (Euro 286 million);
- The claims settled in the period amount to Euro 342.1 million (of which Euro 288 million relating to the company SACE S.p.A.) and are up compared to 31 December 2022 (Euro 261.8 million). The claims paid by reinsurers amount to Euro 116.9 million (of which Euro 99 million relating to SACE S.p.A;
- the insurance management result, determined according to the IFRS 17 standard, is positive and amounts to Euro 309 million at 31 December 2023, reflecting the portfolio dynamics characterized by a substantially stable risk level compared to the previous financial year. The management of insurance services records a positive result of Euro 1,048.9 million by virtue of the release of expected cash flows, transferred for Euro 862.9 million to the reinsurers;
- Operating expenses are in line with the same period of the previous year;
- the investment management result is positive and amounts to Euro 282 million (Euro 203.3 million at 31 December 2022).

4
Insurance business

4.1 Premiums

In 2023 the gross premiums of SACE S.p.A. amount to Euro 403.9 million, generated, for Euro 392.0 million, from direct work and, for Euro 11.9 million, from indirect work (active reinsurance).In relation to the company SACE BT a total increase is recorded in premium collection of 7% which mainly concerns the Credit, Sureties and Other damages to property businesses.

4.2 Claims and recoveries

In 2023 SACE S.p.A. paid compensation of Euro 284.7 million (up by approximately 36% compared to the 2022 figure of Euro 210 million). Approximately 97% of liquidated claims concerned the foreign risk and the main sectors were (i) Infrastructures and construction and (ii) Aeronautics. Euro 177.7 million was also paid in relation to the "Garanzia Italia" product which mainly concerned the Water, Environment and Urban Services sector.

The policy recoveries collected and due to SACE in 2023 amount to Euro 73.5 million, up compared to those posted in the same period of 2022 (Euro 66 million). The recovered sums refer mainly to collections deriving from Bilateral Agreements signed with Iraq (Euro 47.2 million), Argentina (Euro 9.6 million), Serbia (Euro 7.2 million), Pakistan (Euro 3.4 million) and Bosnia (Euro 2.05 million).

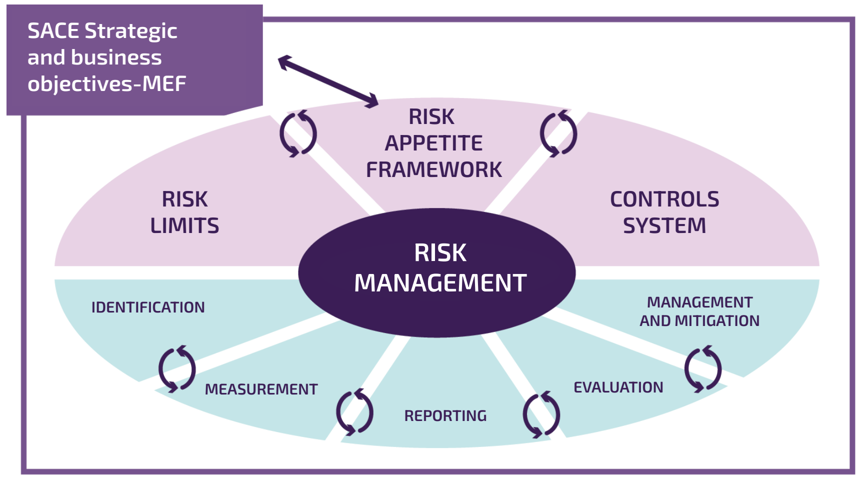
The commercial recoveries due to SACE in 2023 amount to Euro 103.1 million, up sharply on the 2022 figure (Euro 43.5 million). The amounts recovered refer mainly to collections deriving from (i) restructuring agreements signed with UAE counterparties (Dubai – Euro 26.4 million) and Egyptian counterparties (Euro 4.2 million); (ii) aircraft re-marketing activity with Panamanian counterparties for Euro 24.05 million, (iii) assignment of receivables from Russian counterparties for Euro 19.2 million (iv) recoveries from Italian counterparties for Euro 9.6 million.

The costs for insurance management claims of SACE BT S.p.A. amount to Euro 46 million (Euro 41 million at 31 December 2022). In 2023 the recoveries collected amount to Euro 4.4 million mainly referring to positions in the sureties 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 [11]. 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 envisages the adoption by SACE S.p.A. and the other Group Companies of a capital adequacy strategy and control process;
- 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, expressed for SACE S.p.A. and the other Group Companies, are indicated 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

11 For SACE FCT S.p.A. Circular no. 288 dated 3 April 2015 "Supervisory provisions 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.

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.

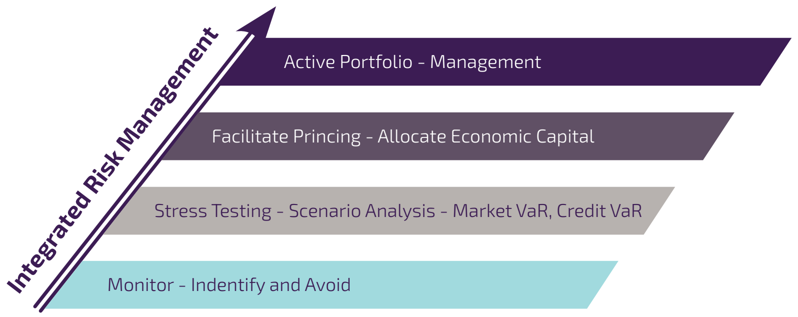
- Market risk: this category includes the risks generated by market operations involving financial instruments. It includes interest rate, currency, credit and equity risks. SACE monitors and manages market risk using asset-liability management techniques and keeps it within previously defined limits 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 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. 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 riske: 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 through appropriate management processes The following risks are also identified and, where necessary, measured and mitigated through appropriate management processes:

- Money laundering risk: risk deriving from breaching legal, regulatory, and self-regulatory provisions that serve to prevent the use of the financial system for money laundering purposes, terrorist financing, or the funding of development programs for weapons of mass destruction, as well as the risk of being involved in money laundering episodes and terrorist financing or the funding of development programs for weapons of mass destruction.
- Export Control Risk: risk deriving from the violation of laws or regulations on international economic sanctions and export control adopted by the European Union, the United States of America and the United Kingdom, as well as the risk of involvement in episodes of: i) terrorist financing or ii) funding of development programs of weapons of mass destruction or iii) illegal activities implemented by third parties in violation of the legislation international economic sanctions and export control.
- 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 the other Group Companies have developed a process for managing the non-compliance risk in order to ensure that the internal processes and procedures are consistent with the objective of preventing any violation of regulations, whether imposed by the authorities or the companies themselves.
- Climate risk: risk of direct and indirect losses generated by the occurrence of natural catastrophic events that were unexpected due to their frequency and intensity. Since 2022, SACE has been working on developing an internal methodology for the identification, measurement and management of exposure to that type of risk, applicable to the entire Group perimeter. This takes account of the evolution of the regulatory framework and is inspired by best market practices.

5.2 The role of Risk Management

The Risk Management division ensures full coverage of risk control and management within the entire SACE Group, using an organisational structure which complies with the specific nature and the regulatory provisions of the individual Companies. 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:

- defines and coordinates risk management activities for SACE, contributing to the defined strategic guidelines, proposing capital optimisation actions and assessing the impact and effectiveness also of risk transfer policies,
- defines guidelines on risk management and transfer, submitting them to the Board of Directors, and takes care, in cooperation with the other functions in charge, of defining and reviewing the company's risk appetite framework, monitoring the correct allocation of economic capital,
- defines, in line with developments in regulations, the market and reference corporate guidelines, the methodologies and tools for the identification, measurement and integrated control of risks, at SACE and other group companies level, continuously verifying the adequacy of the relative procedures;
- defines risk-adjusted pricing policies, ensuring the adequacy of the risk/return profile;
- defines the strategies and policies of the operational risk management and control system;
- ensures the methodological alignment and coordination of risk management in group companies. The structure assists the Risk Management Functions, with a view to shifting their individual operational risk management systems to converging policies, while contributing to a single SACE policy;
- measures exposure to credit and market risk, preparing scenario analyses and stress tests;
- defines operating limits for core and financial operations and monitors compliance therewith;
- develops and implements methodologies, models and integrated risk measurement and control systems, monitoring the correct allocation of economic capital, in compliance with applicable regulations.

SACE's Risk Management Function also guarantees monitoring of operational risks at group level, by implementing and validating specific risk identification and quantification methodologies, with a view to moving their individual risk management systems to converging policies, while contributing to a single policy. The operational risk management and monitoring process is governed by the policy on "Managing operational risks", which describes the methodological framework and the relevant operational tools. The adoption of this framework strengthens risk controls and improves 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.
The activities and processes carried out in this respect are as follows:

- Risk Self Assessment (RSA), which assesses the company's exposure to operational risks by organisational unit and business process and qualitatively and quantitatively identifies the exposure to operational risks in terms of both frequency and impact. The main risk factors are identified in relation to the business processes and organisational units covered by the assessments;
- Loss Data Collection (LDC): this process constantly collects and manages - in a structured manner and according to severe criteria - internal loss data related to operational risk events that have occurred within the company; it defines mitigation actions aimed at minimising the risk identified in business processes in order to guarantee increasingly stronger security levels and safeguards and mitigate risk exposure;
- assessment of the operational risk inherent in the launch of new products, promoting the implementation of control frameworks that minimise the residual operational risk.

The cyber risk monitoring and management process is governed by a specific framework that guarantees the identification of the related peculiarities with respect to other types of operational risk, based on performance and risk indicators developed within an Information Security Dashboard used for the annual assessment of the level of exposure and effectiveness of the control and monitoring safeguards implemented for this type of risk. Furthermore, this activity also identifies, where necessary, the need for adjustment and streamlining actions to ensure the strengthening of security levels and mitigate risk exposure.
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**[12]**:** assists the Board of Directors with risk issues and the internal control system and provides consulting support and proposals;
- **Management Committee:** examines and evaluates the strategies, objectives and operational planning guidelines of SACE and the other group companies 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 guidelines of SACE and the other group companies; **Transactions Committee**[13]**:** assesses proposed transactions falling within the remit of the Board of Directors (Underwriting Changes, Agreement Restructuring or Settlement Agreements with policyholders, Claims, Commercial Recoveries, Policy Recovery Agreements) and other relevant transactions, expres-

12 Present in SACE S.p.A and in SACE BT S.p.A. with the name of the Internal Control and Risk Committee.

13 Defined as: Commitments Committee for SACE BT S.p.A. which assesses in advance proposals falling within the remit of the Board of Directors, expressing a favourable or unfavourable opinion on the same and approves: i) the insurance underwriting limit and respective changes for the Credit Insurance/Surety branches within the limits of amount delegated by the BoD, ii) individual transactions for branches other than Credit Insurance/Surety within the limits of insurance commitment delegated by the BoD, iii) individual transactions of the Credit Insurance business as well as the respective changes within the limits of amount delegated by the BoD iv) indemnities and, as part of the same, it authorises all related and/or consequent credit recovery acts, within the limits of amount delegated by the BoD. Credit Committee for SACE Fct S.p.A. which i. resolves on factoring transactions in respect of the established limits; ii. assesses the transaction proposals delegated to the BoD and, where necessary, those delegated to the GM.

sing a favourable or unfavourable opinion on the transaction, possibly with recommendations and/or requests for further details;

- **Risk Committee:** supports the Control and Risk Committee[14] in implementing an effective risk management and control system; assesses proposals for determining the Risk Appetite Framework, the company risk management and transfer guidelines. In line with the guidelines for managing the overall risk position, it comments on policies for improving the overall quality of the exposures, proposing actions on the technical and financial portfolios to rebalance the risk positions, measures for optimising capital, reserves and liquidity; it analyses, assesses and issues opinions on risk methodologies and models (i.e. rating models, risk adjusted pricing models, etc.); it assesses specific issues according to the legislation of interest;
- **Investments Committee[15]:** periodically defines the company portfolio investment strategies, in order to optimise the risk/return profile of financial activities and compliance with the Guidelines defined by the Board of Directors; it monitors the trends and outlook of the investment performance, reporting any critical areas to the competent divisions; it assesses proposals of guidelines on financial management;
- **Claims Committee:** analyses the trend of "Large Claims" and sets out the operating guidelines for SACE BT S.p.A.

5.3 Reinsurance

Reinsurance is, for SACE and for SACE BT, an effective tool of active management and optimisation of the risk profile of the managed portfolio in support of the underwriting policy and for the mitigation of risks

Through reinsurance, the risks in the portfolio are shared with reinsurers operating in the private market and, specifically for SACE, also with ECA and with the Ministry of Economy and Finance, in order to:

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

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, selecting specialist high-standing reinsurers and simple reinsurance structures.

In this respect, the main form of reinsurance for SACE and SACE BT insurance portfolios is that of quota share reinsurance which transfers part of the risk to the reinsurer against a proportional quota of the premium, net of the ceding commission paid the reinsurer. In case of a claim, the compensation, costs and recoveries are allocated based on the agreed percentage. The excess of loss reinsurance is another non-proportional reinsurance solution which contains the cost of the claim within an agreed amount by transferring the excess amount to the reinsurer in exchange for a specific premium. Furthermore, the reinsurance policy provides for other types of solutions, including, in particular, stop loss agreements to transfer to the reinsurer the losses relating to claims exceeding a set amount.

Reinsurance can be activated 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, and whenever the existing solutions are not sufficient on a contingency basis.

The Reinsurance Function researches, proposes, and creates reinsurance solutions that are more effective depending on the goals set and manages the operational processes connected to their use.

With reference to SACE, based on the portfolio at 31 December 2023 and the reinsurance in place, the most significant form of transfer is represented by the reinsurance with the Ministry of Economy and Finance pursuant to the agreement signed in 2014 with the MEF, approved with Prime Ministerial Decree of 20 November 2014 and registered with the Court of Auditors on 23 December 2014, subsequently expanded as part of the measures to support exports, internationalisation and business investments pursuant to Decree Law no. 23 of 8 April 2020 (Liquidity Decree), Article 2.6, converted, with amendments, by Law no. 40 of 5 June 2020 which increased the percentage of reinsurance of existing commitments on the date of the Decree's entry into force in the amount of 90%, excluding any share reinsured by third parties and with some specific limitations in respect of exposures for which the risk profile is badly impaired. In addition to state reinsurance, part of the portfolio is reinsured as part of transfer agreements with other ECAs and highly specialised and high standing private market reinsurers, in line with the requirements of the reinsurance strategy. The coverage in place with the private market refers both to treaties for compulsory proportionate transfer, signed with reference to the resolution years 2019 and 2020, and to contracts for optional transfer on individual transactions signed by SACE between 2014 and 2020. As January 1, 2021, SACE has continued to operate on a reinsurance basis with other ECAs.

In particular, at 30 December 2023, the portfolio in place relating to export transactions and strategic significance is made up of transactions finalised for a total of Euro 86.6 billion, of which Euro 56.3 billion underwritten by SACE on its own balance sheet and Euro 30.2 billion underwritten on behalf of the MEF in coinsurance, in accordance with Art. 1, letter b) of the Liquidity Decree. With reference to the Euro 86.6 billion of finalised transactions, Euro 42.76 billion (49.4%) was transferred to reinsurance.

With respect to the Euro 56.3 billion of finalised transactions underwritten by SACE on its own balance sheet, Euro 42.75 billion (75.9%) was transferred to reinsurance. Approximately 89.1% thereof is reinsured with the MEF and includes the portion ceded pursuant to the Liquidity decree up to the 90% threshold mentioned above, 9.7% is reinsured with the private reinsurance market, represented by the main counterparties operating at global level and the remaining 1.2% is reinsured with other ECAs pursuant to current bilateral agreements. With respect to the Euro 30.2 billion underwritten on behalf of the MEF, approximately Euro 2.1 million is reinsured by other ECA.

With specific reference to the transfers carried out during 2023, against transactions finalised in the year for a total of Euro 22.7 billion, approximately Euro 2.2 billion was reinsured referring to transactions resolved before 1 January 2021 and finalised during the year in progress or to variations for increase of

14 Internal Control and Risk Committee within SACE BT S.p.A.

15 Present only in SACE S.p.A.

commitment on transactions already in the portfolio underwritten in the previous regime of reinsurance prior to 2021, of which (i) Euro 1.96 billion transferred to the MEF; (ii) Euro 211.3 million transferred to the Reinsurance Treaty with the private market.
With reference to SACE BT the renewal of the 2023 treaties was characterized by a sharp reduction in reinsurance capacity, particularly for the "Property" products. Both climatic events that occurred in the previous year and macroeconomic factors including the effects of inflation and the dynamics of interest rates contributed to that reduction.
SACE BT in any case maintained the stability of both the reinsurance structure, with proportional treaties and in Excess of Loss depending on the risk appetite established for the various business lines, and in the panel of reinsurers, pursuing the lengthy duration of the relationships with quality securities and strong financial solidity.

Transfer to the private market of transactions of the PNRR guarantee porttfolio

In order to increase the underwriting capacity in support of new projects linked to the PNRR operations, Art. 17, paragraphs 2 of Decree Law no. 124 of 19 September 2023 laying down "Urgent provisions on cohesion policies, for the relaunch of the economy in the Southern areas of the country, as well as on immigration" authorised SACE to make recourse to risk mitigation tools and techniques and to use reinsurers and counter-guarantors of the private market for the transfer of the portfolio of guarantees, issued by 31 December 2023, for projects falling within the scope of the PNRR.
To that end, SACE identified a risk transfer strategy of the Portfolio based upon two different types of transfer: (I) portfolio-based proportional transfer by signing a Quota Share reinsurance treaty; (ii) proportional transfer in reinsurance or counter-guarantee on the individual transaction.
The Portfolio identified for the purposes of the transfer in accordance with the law includes all guarantees issued by SACE from 2021 until 31 December 2023 within the scope of the Green New Deal and Strategic Significance portfolios relating to PNRR projects. More specifically, the transfer concerned 28 transactions, for total exposure, at 31 December 2023, of approximately Euro 1.3 billion.
The exposure subject to risk transfer amounts to approximately Euro 400 million. Of this sum, approximately Euro 242 million relates to cover finalised by 31 December 2023; the remaining approximately Euro 148 million refers to transfers with effective date from 1 January 2024. With respect to the technical risk transfer tool, considering the approximately Euro 400 million subject to cover, approximately 286 million was transferred in accordance with the Quota Share reinsurance treaty and approximately Euro 104 million refers to counter-guarantees with the insurance market.
Decree Law no.19/2024 ("PNRR-quater DL"), published in the Official Gazette on 2 March 2024, at Art.12, paragraph 10, envisaged the extension, until 31/12/2024, of the rule enabling SACE to reinsure itself with private operators.

5.4 Loans, receivables and guarantee portfolio

The total exposure of SACE S.p.A., calculated as the sum of outstanding guarantees (principal and interest), amounts to Euro 56.7 billion, down by 8.5% compared to 2022 by virtue mainly of the guarantee portfolio which represents 99.3% of the overall exposure. The loans portfolio demonstrates a reduction compared to 2022 of 8.3% attributable to the reduction in sovereign loans of 9.9% and of trade receivables of 5.8%.
The overall exposure of SACE BT S.p.A. at 31 December 2023 amounts to Euro 101 billion, up compared to 2022 (+1.2%).
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 2.20 billion and is up by 11.4% compared with the end of the previous year.

Portfolio (in € millions)

	2023	2022	Var.
SACE	**56.705,0**	**61.957,9**	**(8,5%)**
Outstanding guarantees	56.319,2	61.537,0	(8,5%)
- principal	50.232,2	54.978,30	(8,6%)
- interest	6.086,9	6.558,70	(7,2%)
Receivables	385,8	420,9	(8,3%)
SACE BT	**101.824,5**	**100.574,4**	**1,2%**
Short-term receivables	15.565,4	14.307,3	8,8%
Suretyship	8.101,3	7.190,9	12,7%
Other damage to property and Non-life businesses [16]	78.157,7	79.076,2	(1,2%)
SACE FCT	**2.199,1**	**1.974,8**	**+11,4%**
Outstanding receivables	2.199,1	1.974,8	+11,4%

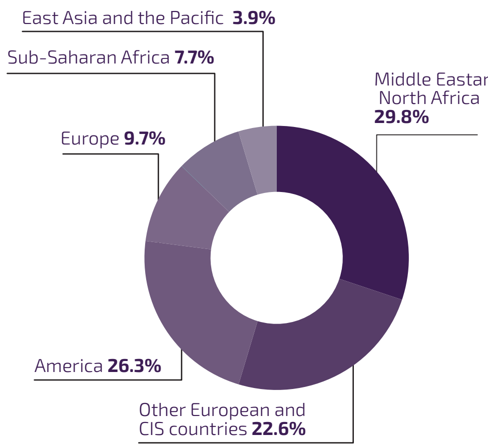
16 Non-life businesses include the Fire and Non-motor TPL classes.

SACE

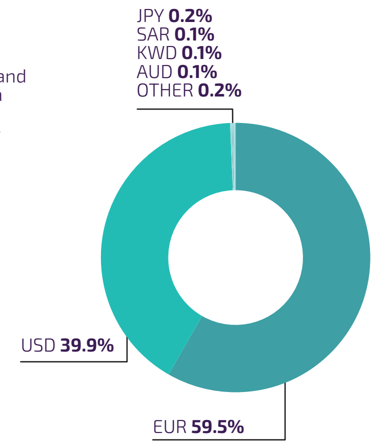
The analysis by geoeconomic area shows the highest exposure towards the Middle East and North African countries (29.8% compared to 30.1% in 2022) followed by the Americas area (26.3%, compared to 22.4% in 2022). The highest exposure by country was to the USA with a concentration of 22.4%. In terms of area, the European countries not belonging to the EU and CIS (Commonwealth of Independent States) follow, accounting for 22.6%, compared to 2022 when the exposure was 24.5%. The other geoeconomic areas represent in total 21.3% of the portfolio: the countries belonging to the European Union recorded a reduction of 5.0% (with a portfolio impact reduced from 10.2% in 2022 to 9.7% in 2023); Sub-Saharan Africa recorded a reduction of 4.9% (with a portfolio impact moving from 8.1% in 2022 to 7.7% in 2023); finally, the East Asia and Oceania area, in turn, reduces compared to the previous year (with a portfolio impact moving from 4.7% in 2022 to 3.9% in 2023). The portfolio composition by currency demonstrates that the component denominated in US dollars stands at 39.9% compared to 41.1% in 2022. Both the loans and receivables portfolio and the guarantees portfolio in US dollars recorded a decrease compared to last year, moving, respectively, from 43.4% to 38.3% and from 41.0% to 39.9%. Compared to the previous year, the Euro appreciated against the US dollar, mo-

ving from 1.0666 on 30 December 2022 to 1.1050 on 29 December 2023.
The exchange rate risk on the loans and receivables portfolio and on the guarantees portfolio is partly mitigated through a natural hedge provided by the management of the provision for unearned premiums and through asset-liability management techniques implemented by the company.
With regard to the sector concentration, the top five sectors represent 65.1% of the total portfolio. Once again, the main sector by exposure is the Cruise industry with an impact of 42.4%, up compared to 2022 by 3.5%. The Gas and Chemical/Petrochemical sectors stand in second and third place by greatest exposure. The Gas sector, with an impact of 9.1%, records a reduction of 11.7% compared to 2022 just as the Chemical/Petrochemical sectors and the Oil sector record a reduction respectively of 2.4% and 28.6% with an impact of 5.0% and 4.8%; the Electrical sector is in fifth place, recording a reduction of 11.9%; the Infrastructures and Construction sector comes next, recording a decrease of 24.1%.

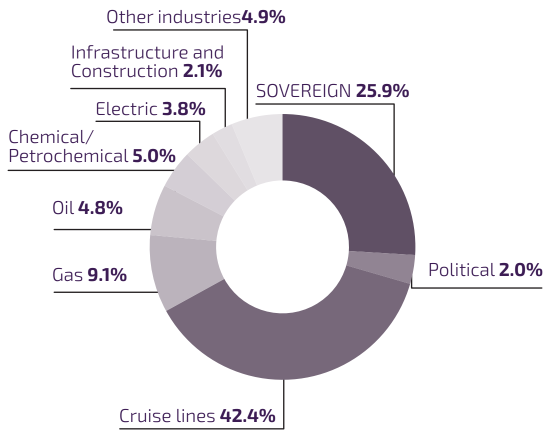
SACE: TOTAL EXPOSURE BY GEO-ECONOMIC AREA.



SACE: TOTAL EXPOSURE BY ORIGINAL CURRENCY



SACE: GUARANTEE PORTFOLIO BY INDUSTRY SECTOR/RISK TYPE



SACE BT

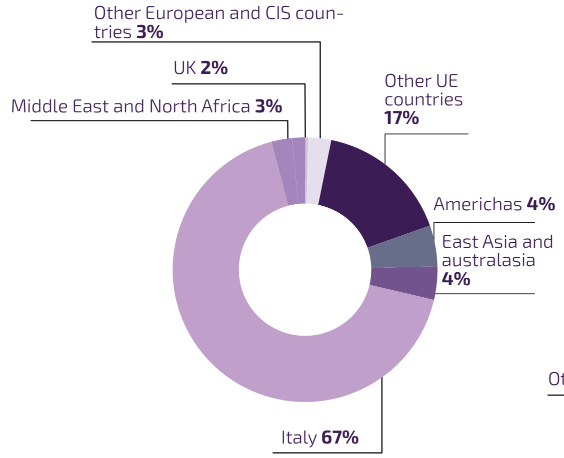
Loans and receivables portfolio

The credit insurance business has 150,394 exposures in place at 31 December 2023 (+4.2% on 2022), for a total of Euro 15.6 billion. The maximum risk ceilings are concentrated mainly in European Union countries (84.2%), with Italy representing 67.0%. Wholesale trade, retail trade and agri-food are the main three industrial sectors of the portfolio, with exposure, respectively, of 22.3%, 8.0% and 11.0%.

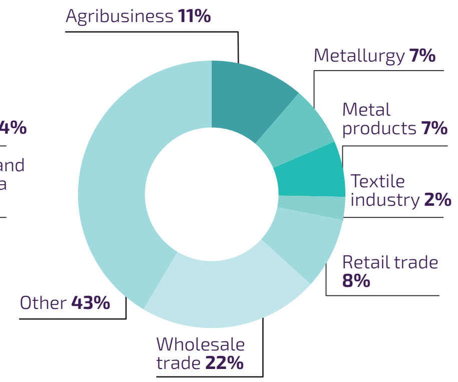
Surety portfolio

The exposure of the Surety portfolio (insured capital) amounts to Euro 8.1 billion (+12.7% on 2022). Guarantees related to contracts account for 76.7% of the total exposure, followed by guarantees on tax payments and reimbursements (10.2%).The portfolio includes approximately 47,934 contracts and is concentrated in Northern Italy (62.0%).

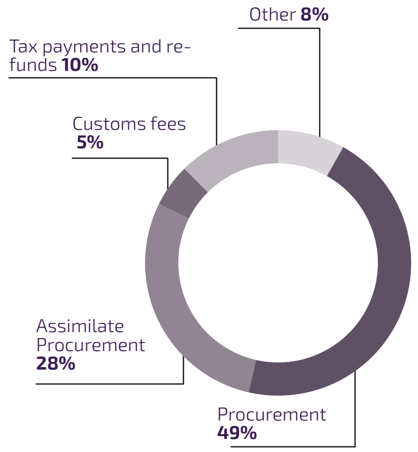
SACE BT: MAXIMUM CREDIT RISK CEILINGS BY GEO-ECONOMIC AREA.



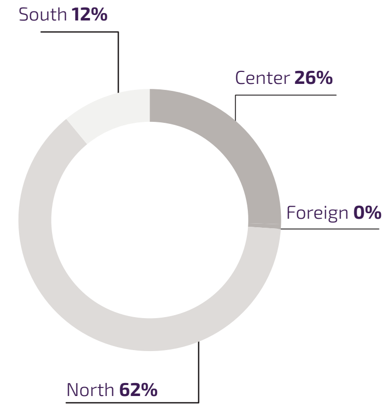
SACE BT: MAXIMUM CREDIT RISK CEILINGS BY INDUSTRY SECTOR



SACE BT: CAPITAL INSURED SURETY BONDS BY POLICY TYPE



SACE BT: NOMINAL SURETY BOND EXPOSURE BY GEOGRAPHICAL AREA



SACE Fct

At 31 December 2023 the outstanding receivables of SACE Fct S.p.A. amounted to Euro 2,199.1 million, up by 11.4% compared to the end of the previous year. During 2023, factoring transactions generated a turnover of Euro 5,848 million, down by 1% compared to what was produced in 2022. In line with what has already previously been noted, the outstanding receivables refer mainly to without recourse transactions, which represent 86.4% of the portfolio total.

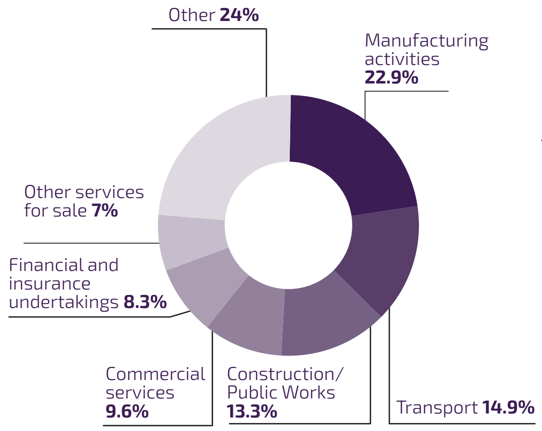
Outstanding receivables by type of transaction (in € millions)

	Amount	%
Without recourse	1,900.5	86.4%
With recourse	298.6	13.6%
TOTAL	**2,199.1**	**100.0%**

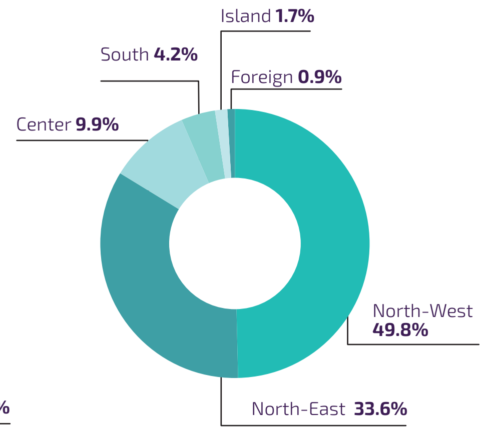
Outstanding receivables are analysed below by assignor, debtor, geographical region and sector.

The distribution of outstanding receivables by the assignor's sector shows a significant concentration in the Manufacturing Activity sector (22.9%), followed by Transport (14.9%) and Construction and Public Works (13.3%). Compared to the previous financial year, there has been an increase in the Transport sector (3.4% at 31 December 2022) and a simultaneous reduction in the impact relating to the Energy Products sector (6.6% at 31.12.2023 compared to 22.3% observed at 31.12.2022).

SACE FCT: OUTSTANDING RECEIVABLES BY ASSIGNOR'S ECONOMIC SECTOR



SACE FCT: OUTSTANDING RECEIVABLES BY ASSIGNORS' GEOGRAPHICAL REGION



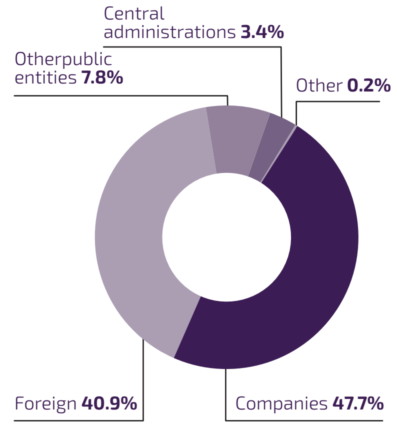
The analysis relating to the assignor's geographical area of intervention marks a prevalent concentration of assignors resident in the North-West, amounting to 49.8%, up compared to what was recorded at the end of the previous financial year when it stood at 44.6%. An increase in assignors resident in the North-East is also recorded, covering 33.6% of the total compared to 24.4% recorded in December 2022, along with a simultaneous reduction of assignors of the Centre area which stand at 9.9% of the total compared to the 20.8% recorded at the end of the previous quarter.

The distribution of outstanding receivables by debtor's sector shows a situation whereby the majority of the counterparties fall within the Private sector, representing 88.8% of the total; the debtors relating to the public administration stand at 11.2% and are down compared to the end of the last financial year when they totalled 22.1%.

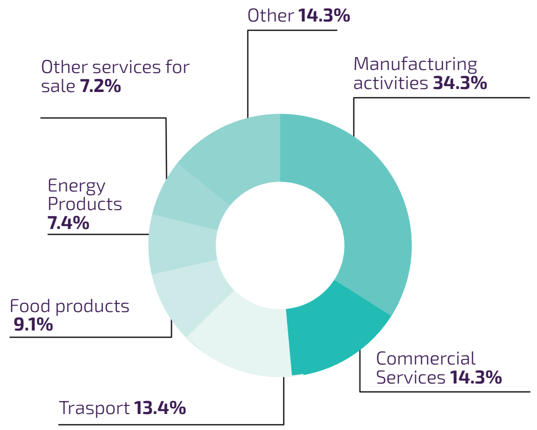
Below is the sector breakdown of debtor enterprises resident in Italy, in which the sectors of "Manufacturing Activities" (34.3%) and "Commercial Services" (14.3%) are prevalent. Compared to the previous financial year, an increase is recorded in the sector of "Other services" available for sale (2.6% at 31.12.2022) with a simultaneous reduction in the amount relating to the "Energy Products" sector (13.2% in December 2022)..

The graph below shows the breakdown of outstanding receivables by debtors' geographical region. The highest concentration is observed with reference to foreign debtors which cover 40.8% of the total, up compared to the figure recorded at the end of the previous financial year (when it stood at 21.6%). In addition, a reduction is recorded in debtors referring to the North-West area, the impact of which moves from 29.3% in the previous financial year to the current 20.0%, and the Centre area, which currently accounts for 13.8% of the total compared to 18.4% of the previous financial year.

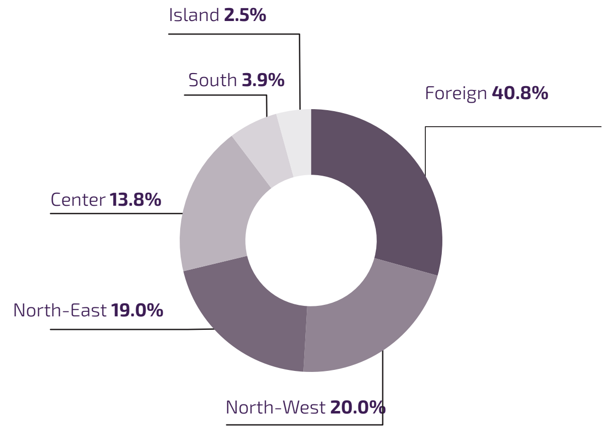
SACE FCT: OUTSTANDING RECEIVABLES BY DEBTORS' SECTOR



SACE FCT: SECTOR BREAKDOWN OF ITALIAN DEBTOR ENTERPRISES



SACE FCT: OUTSTANDING RECEIVABLES BY DEBTORS' GEOGRAPHICAL REGION



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.

Assets Class (in € millions)	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortised cost	Total	%
Bonds	3,035		3,497	6,532	70.5%
UCITS	51		300	351	3.8%
Shares and equity instruments	25			25	0.3%
Money Market			2,355	2,355	25.4%
TOTAL	**3,110**		**6,152**	**9,262**	**100%**

66% of the portfolio consists of bonds and other debt securities, 33% of money market instruments, 1% of units of UCITS mainly made up of bonds. The money market instruments contain a component of funding granted by SACE S.p.A. to the Group Company Sace Fct S.p.A, for the amount of Euro 846 million.
During 2021, a loan agreement was signed by SACE S.p.A. In favour of the Group Company 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 (July 30, 2021).
With regard to the credit risk on the securities portfolio, SACE S.p.A. and the other Group Companies have implemented a prudential investment policy, setting operating limits based upon the types of financial instruments that may be used, on concentration by type as well as on the creditworthiness of the issuer.

Breakdown of securities portfolio by rating

Rating Classes	%
AAA	0.16%
AA	3.34%
A	2.38%
BBB	93.53%
B	0.19%
Other	0.41%
TOTAL	**100%**

The indication of COVID impacts is not considered significant in light of the end of the pandemic emergency and in view of the impairment estimate of securities, cash and cash equivalents and receivables and of the Best Estimate of Premiums which contemplate the current and prospective risk context.

5.6 Climate risk analysis

Climate change risks are assuming increasing importance for financial institutions, particularly due to the important interconnections they have with traditional risks and the systematic significance that the potential impacts may have. International standards require the implementation of an identification process of potential risks and impacts, considering those associated with climate change and adaptation; the analysis level depends on the vulnerability of the operation to climate change based upon the type of infrastructure and geographic localisation of the project. In line with the provisions of the ECB and EIOPA, which defined the expectations for financial institutions in order to integrate climate and environmental risks into the strategies, governance processes and risk management frameworks, SACE is implementing, with a progressive approach, methodologies for assessing those risks in relation to all Group operations. In relation to the important interconnections with traditional risks and to the systematic significance that the potential impacts of the occurrence of those events may have, the regulatory interventions by the Supervisory Authorities on the guidance of the Group activities are increasing. The climate and environmental risks identified by SACE can be broken down into two categories, physical risks and transition risks. The former identify the impacts deriving from extreme and frequent weather events, gradual climate changes, as well as environmental degradation, namely pollution of the atmosphere, water and soil, water stress, loss of biodiversity and deforestation. The physical risks are further classified as follows:

- Acute physical risks: resulting from the occurrence of external environmental phenomena (such as floods, heat waves and droughts) linked to climate change which increase its intensity and frequency;
- Chronic physical risks: determined by climate events that manifest progressively (e.g. gradual raising of temperatures and of the sea level, deterioration of ecosystem services and loss of biodiversity).

Transition risks identify, on the other hand, the impacts, direct and indirect, caused by the process of adjustment towards an economy based upon low carbon emissions and more sustainable from the environmental perspective. This situation could be caused, for example, by the relatively sudden adoption of climate and environmental policies, by technological progress or by the alteration of trust and preferences of the markets.
SACE assesses the potential impact of climate and environmental risks on its portfolio by carrying out a materiality analysis based upon the dynamic interactions of three components:

- Exposure: This identifies the exposed value, namely the assets present in the area or affected by the danger of being involved in a calamitous event (e.g. economic activities, infrastructures, business model, people). It may assume both a static dimension (existing exposures) and a dynamic dimension (planning).
- Risk: This identifies the potential occurrence of a natural event that may cause death, injuries or other impacts on health, as well as damages and losses to property, infrastructures, services, ecosystems and resources.
- Vulnerability: This represents the vulnerability of an asset to suffering damage as a consequence of solicitations induced by an event of certain intensity and the lack of safeguards to adapt to or mitigate those damages. It depends on the characteristics of the business of reference and the mitigation strategies implemented to increase resilience with respect to the risk drivers iden-

tified in the risk analysis.

The current methodologies adopted by SACE for the purposes of assessing climate and environmental risks are in the phase of further development and refinement also in relation to: i) the continuously evolving regulatory context; ii) the absence of methodological benchmarks and consolidated market practices; iii) the difficulty in obtaining information and/or data relevant for the purposes of assessing the exposure to climate risks.

Risk exposure

The quantification of the impact of climate and environmental risks is carried out on all potential exposures of the Group perimeter. Based upon the nature of the exposure and the peculiarities of the specific portfolios of SACE, the following clusters have been identified:

- Corporate. This segment includes exposures where the counterparty at risk is a private counterparty.
- Project Finance. The cluster identifies the guarantees provided in support of long-term loans for project activities.
- Assets in motion. This cluster includes SACE exposures collateralised by mobile assets (e.g. ships and aircraft)..
- Works. This includes exposures referring to works under construction for which the Group provides guarantees.
- Sovereign Counterparties. . This cluster includes exposures where the counterparty at risk is a sovereign counterparty.

Risk Analysis

With reference to the physical risk, the methodology defined by SACE asses-ses the potential impacts of those events on the counterparties based upon the nature of the exposure. In general, the risk assessment process factors in the following information:

- Geographical location: geographical coordinates relating to all significant sites and assets of the counterparties under analysis.
- Intended use: information on the intended use of the sites and assets.
- Strategic significance: the significance within the value chain of a certain site, asset or supplier.

The following table summarises the approach defined by SACE for assessing the physical risk based upon the portfolio clusters defined above.

Cluster	Evaluative approach
Corporate	The manifestation of climate events becomes potentially impactful if it concerns the counterparty at risk, therefore the mapping activity aims, in the medium to long term, to locate and evaluate the entire value chain of each counterparty. Ad hoc approach for financial holding companies.
Project Finance	The identification of the risk mainly concerns the geography on which the financed/guaranteed project is located; However, the risks potentially impacting the supply chain of raw materials and energy sources must also be factored into the assessment.
Moving Assets	The valuation depends not only on the factors identified for corporate exposures, but also on the potential impacts of physical risks on the moving assets that characterize this business. These assets are similar to operational headquarters, but, in this case, the risk is not focused on a single geographical area but on all the areas affected.
Construction	The valuation depends on the geolocation of the works under construction covered by the insurance coverage and the assets used in their construction.
Sovereign	Exposure to climate risks depends on territorial characteristics and the resilience of public budgets to the occurrence of climate events. The assessment was conducted using sovereign scores developed by Moody's.

The risk assessments relating to physical risks are currently acquired by way of external providers. In that context, it is worth highlighting that the defined approach is in the implementation phase according to a criterion of increasing granularity. The aim is to include in the assessment of counterparties the entire value chain in order to identify the geographical location and intended use of all strategic assets that could generate, if physical risk events occur, losses and therefore delays in payments or insolvencies. A complex element is represented by the information to be used for those assessment approaches; not all information is, in fact, readily available internally or by making recourse to external providers. Therefore, the minimum information set to be gradually integrated has been identified, developing at the same time an internal data acquisition process. As part of the assessment of exposure to the transition risk, a counterparty approach has mainly been used, except for some operations where that risk depends on the characteristics of the financed or insured projects. The risk analysis defined by SACE involved two alternative approaches: i) Energy Transition Indicator developed by an external provider; ii) Climate Policy Relevant Sectors (CPRS) developed by the University of Zurich (approach mostly used by professionals and policy makers to assess exposure to the climate transition risk). In particular, with the Energy Transition Indicator, the decarbonisation efforts of companies are assessed through a qualitative analysis of the commitments, policies, measures implemented and sector KPIs. The score is made up of six transition criteria: i) Green products and services development; ii) energy consumption; iii) emissions; iv) transport; v) product use and disposal; vi) social impacts of products and services. The relevant criteria for energy transition are customised to sector level to reflect what is material in terms of objectives, actions and KPI for the assessment of the decarbonisation efforts of companies. The CPRS analysis, on the other hand, identifies the sectors most affected by an economic and financial risk deriving from misalignment with climate targets. The classification is carried out on the basis of four drivers: role in the value chain of energy (technology), role in the chain of greenhouse gas emissions, specific political processes, business model (possible replacement of fossil fuel input). In relation to the physical risk, the analyses carried out by SACE on the Export and Strategic Significance portfolio at 31.12.2023 reveal for that portfolio a medium-low risk profile in view of the fact that approximately 78% of the exposures are located in geographies with that risk profile. In relation to the acute physical risks, the risk level is confirmed to be medium-low (76% of exposures of the guarantee portfolio), while with regard to chronic physical risks, the risk profile is positioned in the medium-high area (89% of exposures of the guarantee portfolio) driven mainly by geographies where there are exposures to sovereign counterparties. In relation to the earthquake risk, the portfolio is only residually exposed to that type of risk (only 3% of total exposures are positioned in a high risk area); that risk event is material, however, when looking only at the exposures portfolio towards counterparties resident in Italy (83% of exposures classified at medium risk and 11% at high risk) which represent 4% of the overall total portfolio. The exposure to the transition risk is significant in view of the exposure towards energy intensive sectors, and, in particular, the Cruise (43%), Oil (13%) and Gas (7%) sectors. In that context, it is emphasized that, following commitments assumed by the Italian government in the international arena, in March 2023 Climate Change Policy was published. This policy envisages the gradual discontinuation of support to the sector of fossil fuels, with some exceptions limited to specific cases. In late 2023 SACE also launched its ESG strategy which envisages the introduction of decarbonisation targets. Furthermore, for several years, SACE has already been making available to Italian enterprises direct support tools to incentivise their transition (e.g. Green New Deal).

Vulnerability Analysis

Vulnerability measures the impacts linked to risk factors and depends on the mitigation strategies of the counterparties (e.g. insurance cover), the capacity of the event to generate impacts on business continuity, the link between peculiar sector-based aspects and exposure to risk factors, and the structural characteristics of the assets of counterparties. The development of vulnerability assessment methodologies thus depends strongly on individual behaviours and the peculiar aspects of the business. The vulnerability assessment was conducted, during 2023, in order to identify the information set to be used to produce those assessment models. More specifically, the exercise conducted allowed for the assessment on a qualitative-quantitative scale of the vulnerability of counterparties to risk factors, identifying the relevant sector as the main behavioural driver.

Credit risk and propagation mechanisms

Physical risk and transition risk factors have an impact on economic activities which, in turn, influence the financial system. This impact may occur directly, for example, by virtue of lower profitability of enterprises or devaluation of the activities, or indirectly, by way of macroeconomic changes. Those risks also affect the resilience of the business model in the medium and more long-term period, particularly in cases where there is high concentration in sectors and markets that are particularly vulnerable to climate and environmental risks. Furthermore, physical and transition risks may lead to further losses deriving directly or indirectly from legal actions (so-called "legal liability risk") as well as from reputational damage which emerges when the public, the counterparties of the entity and/or the investors associate the entity with adverse environmental effects ("reputational risk"). As a result, physical and transition risks represent risk factors for the existing categories, with particular reference to the credit, operational, market and liquidity risk. Climate and environmental risks can constitute at the same time determining factors of various existing risk categories and sub-categories. During 2023, SACE began to develop methodologies to facilitate the assessment of propagation of the effects of climate and environmental risk events on the credit risk. The assessment and quantification of climate-related risks in relation to their potential impact on the credit risk - in its components of expected and unexpected loss - require new approaches and tools. With reference to the methodological aspects, SACE, in line with what are identified as best practices by the ECB, is developing an incremental complexity approach which involves as the first step that of including in its default probability assessments the climate-adjusted component and subsequently assessing the impacts that risks linked to the climate may have on the recovery capacity of the business.

In particular, the transmission channels identified for the transmission of factors of physical risk (in its acute and chronic components) and transition risk to the credit risk are:

- Macroeconomic transmission channel which identifies the mechanisms by which climate-related risk factors may influence the main macroeconomic variables (e.g. economic growth, productivity) and how the latter may have an impact on the SACE portfolio in terms of increasing the risk level of the positions.
- Microeconomic transmission channel which identifies the mechanisms for which climate-related risk factors may affect the individual counterparties in terms of cost increase, margin reduction, and negative effects deriving from business interruption.

Given the available information sources, and the current state of evolution of the credit risk propagation methodology, at present no significant impacts on the quantification of the expected loss are identified.

Sensitivity Analysis

SACE, in line with what is required by paragraph 128 of the IFRS 17 Standard, has carried out sensitivity analyses of LRC and LIC to variations of the risk exposure relating to the SACE SpA portfolio. In particular, the sensitivity analysis to market risk factors was conducted in terms of interest rate risk. In this scenario, the application of shocks up and shocks down on the curve of rates published by EIOPA in 2023 was hypothesised. The impact on the current value of LRC is 9% upwards and 8% downwards and on the ARC 9% upwards and 7% downwards, respectively in the case of shocks down and shocks up. On the current value of LIC, the impact is 6% upwards and downwards and on the AIC 6% upwards and 7% downwards respectively in the case of shocks down and shocks up.

6
Human resources

At 31 December 2023 there were 935 employees, down by 1% compared to the previous year (944 units at 31 December 2022) and the workforce consists of men for 50.5% and women for 49.5%. During the year, 114 resources were hired and 123 left the company.

Distribution of staff by grade

	SACE	SACE BT	SACE SRV	SACE FCT	SACE do Brasil	TOTAL	Composition
Executives	46	8	1	6	0	61	7%
Officials	348	73	3	41	1	466	50%
Office workers	273	86	16	32	1	408	44%
TOTAL	667	167	20	79	2	935	100%

Distribution of staff by age group

	Breakdown
Under 29	13%
Between 30 and 39	28%
Between 40 and 49	34%
Over 50	25%

Distribution of staff by qualification

	Breakdown
Degree	88%
Secondary school certificate/ other	12%

A series of initiatives were launched during 2023 which are summarised below:

- With a view to greater implementation of the Business Plan principles and to promoting the model of values and leadership, negotiations were launched between the Company and the Trade Unions in order to define the Company Supplementary Agreement ("Contratto Integrativo Aziendale" or "CIA") signed on 20 December 2023. A package of work flexibility measures was introduced through a series of interventions facilitating the achievement of a work organisation based upon individual and collective targets, promoting trust and accountability of resources. The main initiatives include the elimination of clock-in checks, the implementation of smart working from an activity-based perspective, namely by choosing the workplace based upon the type of activity to be performed and guaranteeing in any case a portion of office work (indicatively 40% of the time) to guarantee the retention of corporate heritage and team synergies and, ultimately, the experimentation of a 4-day working week for one year, reducing the weekly hours from 37 to 36 hours, on a voluntary basis and with planning agreed at team level. The experiment will take place in collaboration with the "Politecnico" of Milan and the La Sapienza University of Rome to observe with scientific evidence the effectiveness of the same in terms of repercussions on productivity and on individual well-being. The results of the trial will then be made available to the country as a whole. The other measures introduced in the CIA renewal involve personalised welfare with an increase in usable credit, the reworking of the transport contribution and the possibility of a contribution for electric vehicles; the redevelopment of the health policy to guarantee greater economic sustainability; the bolstering of regulatory contributions/treatment to support parenting and the introduction of support for parents of disabled children; the increase of the company contribution to supplementary pensions from 6.5 to 7%; the increase in the amount of the restaurant voucher from €10 to €12; the increase in the mortgage contribution from 60% to 70%; the revision of the Diversity & Inclusion measures to guarantee full inclusiveness and extension of rights also to parties in a civil union between persons of the same sex and to de facto cohabiting partners and to children of the spouse, civil partner or more uxorio cohabiting partner; and the payment of a one-off bonus in the average amount of €300 per employee;
- The manifesto of values and the EPIC Leadership model have been defined (in co-design) for all organisational levels, identifying the expected behaviours in the cultural transformation that is taking place, which leans towards a skill-based and purpose & value-driven organisational model. Traditional training has therefore been supplemented by ad hoc training based upon the new values and leadership model, both with regard to soft skills and to more technical-specialist skills, delivered by way of webinars, e-learning and seminars. The company training catalogue has also been renewed, to strengthen and acquire technical, business and cross-sectional knowledge and skills, in line with the challenges of the "Insieme" 2025 Business Plan;
- Several strategic processes were revised: (i) Performance Management, designed in a cross-sectional manner in terms of objectives and assessment (all persons will be assessed on the expression of 6 Leadership Skills); (ii) Development and Progression which involves meetings of cross-sectional areas (known as

"Peoples Forums") in which to discuss the merit and potential of individuals; (iii) the new appointment process of managers; (iv) Development Feedback (with the launch of the new TELLME app) to train people in building their own Individual Development Plan and on the importance of exchange and discussion;

- The commitment in the field of Diversity, Equity & Inclusion has been strengthened, with the main aim of raising awareness, informing and involving SACE people of D&I issues, with a calendar of seminars and workshops open to all personnel, in partnership with external professionals or non-profit associations of the industry, with a view to achieving social sustainability. The issues discussed this year include, in particular, neurodiversity and neurodivergences within companies, dyslexia and other learning disabilities, transgender identity and the stigma of HIV. In the field of gender equality, all actions preparatory to obtaining the Gender Equality Certification in line with UNI PdR 125/2022 have been implemented, including the complete revision of the Diversity, Equity, Inclusion & Gender Equality Policy, supplemented by specific gender policies with an impact on all HR processes. The activity also included the preparation and delivery of mandatory training on the topic of the UNI standard, on harassment and on reporting methods. From the perspective of LGBTQ+ inclusion, a gender transition protocol has been implemented, aimed at managing an alias identity during the transition process. From an intercultural point of view, a partnership has been launched with the Adecco Foundation for the professional insertion of refugees. A D&I and Well-being strategy has been defined for the two-year period 2024-2025, with a plan of actions and measurable KPIs.

The Total Reward Statement was again drawn up in 2023, which is a personalised document aimed at giving to each employee a clear overall view of their remuneration package, including all fixed and variable elements, benefits and services offered by the company.

As in previous financial years, the flexible benefit plan was activated, a tax-free initiative launched in 2019 with the aim of improving individual well-being. Through this plan, each employee can in fact increase their own purchasing power by choosing from a range of benefits and services, completely customisable based upon individual needs and preferences, including: health, education, supplementary pension, caregiver support and assistance to elderly and non-self-sufficient relatives, transport and leisure. In 2023 the percentages of participation in the plan through conversion of the performance bonus grew again compared to the previous three-year period, when values above the industry and market average had already been recorded. The participation rate in fact reached the historical level of 47% Group-wide, confirming a widespread degree of use and appreciation of the initiative.

In 2023 the new Performance Management & Bonus Policy was published which introduced some changes compared to the past in line with the new company values identified and the new EPIC Leadership model. The main changes included transparency and transversality, such as the new "Cross-Evaluation" step facilitating the collection of all-round feedback on Leadership Skills and the harmonisation of the target bonus between all Group companies.

In confirming the centrality of health as a primary and essential value for every colleague, the check-up plan was confirmed for all permanent employees. The provision of multiple analyses, examinations and specialist appointments of which it consists is aimed at primary and secondary prevention of all factors that may give rise to the onset or progression of specific pathologies. During 2023 seasonal flu prevention campaigns were implemented by administering vaccines and an internal protocol is also planned for the constant communication to all employees of the group of regulatory and health updates.

7 Litigation

As at 31 December 2023, SACE was defendant in 17 lawsuits regarding a contested amount of around Euro 44.67 million, and plaintiff in 6 cases for a total of approximately Euro 180 million, along with two international recoveries (for a total of approximately Euro 38 million).

It was plaintiff in a further 27 proceedings which included oppositions to statements of liabilities and summary proceedings pursuant to Article 702-bis of the Italian Code of Civil Procedure for the recovery on a preferential basis pursuant to Italian Legislative Decree no. 123/1998 of the claims paid (or being paid) against guarantees to support the internationalisation of business enterprises.

SACE BT was involved in 120 lawsuits as defendant, with a total contested amount of approximately Euro 52 million, while it was plaintiff in five lawsuits, with a contested amount of approximately Euro 1.3 million.

In relation to SACE FCT it was defendant in 3 lawsuits, with a total contested amount of Euro 2.4 million and 21 lawsuits as plaintiff, for a total amount of approximately Euro 28.2 million.

8
Distribution network and marketing activity

In 2023 SACE confirmed its position as being fundamental for the economic development of the country. In addition to the traditional role of Export Credit Agency in support of exports and internationalisation, SACE, in continuity with 2022, also supported Italian enterprises in their domestic operations, with instruments aimed at strengthening their liquidity and competitiveness and supporting the Green New Deal through the issuance of guarantees aimed at ecological and digital transition projects with the "Garanzia Support Italia" through the "Aid" Decree during the year the facilitation measures for accessing credit were strengthened to respond to the liquidity requirements attributable to the negative economic repercussions deriving from the serious international crisis in place in Ukraine and the consequent rise in fuel and energy costs. To address the economic recovery of businesses, particularly medium and small enterprises, already tested by the effects of the pandemic, a guarantee needed to be developed that could mitigate the negative effects of the procurement of energy sources. The "Caro Energia PMI" guarantee made access even simpler by developing a digital request process that allows companies to benefit from support by an insurance agent which deals with its management.
The Group's service model, based upon serving client companies by territory and dimension and on the development of relationships with the main international buyers through the presence of offices located in Italy and abroad, evolved to strengthen the support to SME. The sales network adopted a new capillary approach of intermediary and third-party networks, private and institutional, focused in particular on dealing with the distribution of products and services with digital vocation. The customers intercepted via indirect channels were managed through an ad hoc sales strategy aimed at retaining and increasing their loyalty. The commercial initiatives aimed at promoting the Group's products allowed for approximately 45,000 SME to be served (1 SME in 5 of the potential market of reference). The partnership agreements in place with banks, universities, consulting companies and e-commerce platforms were maintained or renewed.
In addition to the direct promotion of products, the business matching program was bolstered, with a view to developing the Italian supply chain. With the new name of SACE Connects, it enhances the capacity to create connections between Italian and foreign enterprises through the in-depth knowledge of the parties. In 2023 the program involved almost 70 foreign buyers and over 2,500 Italian companies.
There was further development of our training hub SACE Education, which offers free paths of growth in support of Italian enterprises in relation to infrastructures, sustainability and digitalisation, as well as those dedicated to exports and internationalisation. The training offer also includes high specialisation courses in collaboration with the leading Italian universities (11 universities). At the end of 2023, 20,000 Italian enterprises and individual professionals were registered to the SACE training portal.
During the year SACE took forward the activity based upon the customer listening model, through the Net Promoter Score, a modular and scalable tool adopted by the leading insurance-financial companies at global level, with which a tactical survey is delivered that is able to intercept customer satisfaction. In 2023 that interview was submitted with a view to ascertaining customers' needs, assessing their experiences with respect to the customer journey and measuring their value drivers, which recorded an increase of over 30% on the previous year.

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 22 September 2022 by SACE's Board of Directors pursuant to and for the effects specified by Legislative decree no. 231/01 ("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 includes:

- 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. When 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 SACE Group's New Code of Conduct for 2023 represents the values, purpose, vision, mission, commitments and strategic pillars of the SACE Business Plan. The Code also defines the criteria of conduct, which represent the guiding criteria for preventing unethical behaviours, formulated using as a reference the SACE values. The criteria of conduct are in turn broken down into three macro sets: transparency, sustainability and attention to individuals.

The Code of Conduct and the Model are two separate documents, although they are both an integral part of the prevention system that has been adopted.

The recipients of the Code of Conduct are:

- Corporate Bodies
- SACE's people
- Customers
- the Community

The Code indicates the reporting mechanisms of any violations of the same and the mechanisms for implementing it (approval, communication, promotion and dissemination).

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, evaluate, 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 division is responsible for ensuring (i) the correct implementation of the risk management process and (ii) that the various divisions respect the established operating limits. The Compliance and Anti-Money Laundering division ensures, according to a risk-based approach, the management of the risk of non-compliance with regulations, the money laundering risk and the terrorist financing risk connected with business transactions;
- third level controls. The Internal Audit division guarantees the monitoring and periodical evaluation of the efficacy and efficiency of the risk management, control and governance system, in relation to the type and importance of the risks.

In addition to the Supervisory Board, SACE also appointed a manager in charge of financial reporting who checks the adequacy and application of the administrative and accounting procedures necessary to prepare separate and consolidated financial statements. SACE defined and implemented the coordination approach between the above parties in order to maximise the efficiency of internal controls and the risk management system, while avoiding unnecessary duplication of activities.

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 Audit division performs, for SACE and for the Group companies, independent and impartial assurance and internal consulting activities, 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 for the Internal Audit activities, approved by the Board of Directors, sets out its purposes, authority, and responsibilities and defines the reporting lines to senior management for communicating the results of its activities 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 organisation'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 the system of 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, 2023 SACE S.p.A. had no treasury shares or shares of the sole shareholder nor did its subsidiaries hold any shares in the parent either directly or through trustees or nominees.

11
Business outlook for 2024

The main provisions, of interest to SACE, introduced by Italian Law no. 213 of 30 December 2023 (known as "2024 Budget Law") containing the State budget forecast for the 2024 financial year and the multiyear budget for the three-year period 2024-2026 are illustrated in brief below.

- **Measures in relation to catastrophe risks (paragraphs 108-110)**

Article 1, at paragraphs 101-111, establishes the obligation, for enterprises with registered office or permanent establishment in Italy, required to register in the respective Register, to enter into insurance contracts by 31 December 2024 to cover damage to land and buildings, plant and machinery, as well as industrial and commercial equipment caused directly by events such as earthquakes, floods, landslides, inundations and overflows.

More specifically, paragraphs 108 to 110 contain rules aimed at improving the efficiency of risk management by insurance companies to cover the damages in question, authorising SACE S.p.A. to grant up to 50% cover of the indemnities that the same would have to pay upon the occurrence of the damage events established in the contract and in any case not exceeding Euro 5 billion for the year 2024. The State guarantee is granted by law on the obligations of SACE S.p.A. deriving from that cover.

For the purposes indicated in paragraphs 108 and 109, paragraph 110 establishes, as part of the Fund to cover guarantees granted to support business liquidity, a special section, posted autonomously in the accounts, with initial endowment of Euro 5 billion, also using the financial resources paid periodically by insurance companies to SACE S.p.A. net of management costs connected to the insurance cover.

- **Guarantees granted by SACE spa under market conditions and Green guarantee (Archimede) (paragraphs 259-271)**

Article 1, at paragraph 259, authorises SACE S.p.A. to issue, until 31 December 2029, guarantees connected to investments in the sectors of infrastructures and transition processes towards a clean and circular economy. Paragraph 260 indicates the beneficiaries of the guarantees (e.g. executive partners as part of the InvestEU program, banks, insurance companies, etc.).

The guarantees, regarding the loans granted, may be provided by SACE and have a maximum duration of 25 years. In accordance with paragraph 261, the commitments deriving from the guarantee activities are assumed by SACE S.p.A. for 20% and by the State for 80% of the principal and interest of each commitment, without solidarity constraints. SACE issues the guarantees and insurance cover also in its own name and on behalf of the State, determines the premiums by way of remuneration of the guarantees in line with the characteristics and risk profile of the underlying operations and establishes the operational methods of underwriting and managing the guarantees, their enforcement and the recovery of credits. The maximum limit of the commitments that SACE S.p.A. may assume for the issuance of guarantees in the year 2024 is fixed at Euro 10 billion.

The following is noted with particular reference to the evolution of the macroeconomic context. The global economy continues to have relatively modest growth prospects, for the third consecutive year, as a reflection of the occurrence of some delayed effects of restrictive monetary policies in the most advanced countries and, more generally, the deterioration of the risk framework. According to Oxford Economics' basic scenario, in 2024 GDP growth is expected to be +2.3%, accompanied by a continuous drop in prices with global inflation expected to be at 4.1%, moving closer to the targets of central banks in the main economies – in the absence of further price shocks - by 2025.

Based upon these expectations, progressive measures to reduce the monetary policy reference interest rates are expected to be applied from spring of this year, by both the US Federal Reserve and the European Central Bank. The financial markets are, moreover, already being influenced by a more accommodating orientation that will facilitate the gradual easing of credit conditions, with positive impacts on the climate of confidence of businesses and households. This change of paradigm may therefore create a more favourable context for businesses: on one side, by easing the effects of less expansive budget policies, with the removal of the huge fiscal incentives that sustained the liquidity requirement during the dual pandemic and energy crisis; on the other, by facilitating private investments in the green and digital transition, supported in part by the infrastructural plans of governments.

A marked divergence between the economies will persist in the short-term, with a generally better performance in emerging countries (+3.6%) compared to advanced countries (+1.3%). In particular, the United States economy is expected to slow to +2%, while the Euro Zone GDP is expected to remain at a modest +0.6% this year too, with Germany still expected to reduce slightly (-0.1%) and France and Italy to grow, respectively, in the amount of +0.6% and +0.5%; more positive expectations are held for Spain (+1.4%). In these countries, the implementation of national investment plans established as part of Next Generation

EU may in any case contribute to a more solid recovery trajectory commencing from 2024.

Among the emerging economies – where there is greater heterogeneity – the positive trend of the Chinese GDP (+4.4%) could also act as a driving force for other countries of the region (particularly Singapore, Philippines, Thailand and Vietnam), although high risks remain for Beijing linked to the continued weakness of the property markets and the increase in non-performing loans. The performance recorded by India was even better, being one of the countries with the fastest growth (+5.7%) which will take it from fifth to third position among the world economies in 2027. Growth should continue to be modest for the East European countries, more immediately exposed to the conflict between Russia and Ukraine, while Turkey (+1%) positively highlights a return to the path of orthodox economic policies, with a direct and immediate positive effect on market sentiment. Some countries of the Gulf (such as the United Arab Emirates, Saudi Arabia and Qatar) and of Latin America (including Mexico and Brazil) are showing encouraging macroeconomic indicators, and constitute markets of opportunity for our enterprises. After an exceptionally difficult three years, even in Sub-Saharan Africa there has been an acceleration of growth in the main economies, opening new room for opportunity, for example, in South Africa, the most developed economy and the region's main market for Italian exports; Senegal and the Ivory Coast are among the most promising destinations rapidly growing in West Africa, up to Nigeria and Angola, with spaces to be monitored as part of national product diversification strategies.

About international trade, the forecasts point to a recovery of world trade in goods, with growth expected to be around 1.7% in volume. The dynamics will be favoured by the expected progressive normalisation of international economic-financial conditions, with positive repercussions on business investments and household spending. However, possible downside risks linked to new critical issues along global supply chains cannot be ruled out, as they have weakened significantly due to the recent tensions in the Red Sea. There is more positive news from the perspective of trade in services: in the wake of a gradual, solid recovery of the international tourism industry and also thanks to the role of a relative shift in consumer preferences, growth in international trade of services is expected to stand at +4.4% in volume this year.

The slowdown in Italian economic activity will also continue in 2024, with growth expected at +0.5%, slightly lower than the other forecasters such as the Bank of Italy (+0.6%) and the IMF (+0.7%). Positive signs, however, are coming from foreign demand, with the recovery of global trade which will support our exports (+4% in value for goods), and from inflation, the drop in which will encourage household consumption. In particular, the reduction of inflation in Italy is expected to be higher than in the international context and in line with that of its European peer countries, explained mainly by the normalisation in the prices of energy raw materials (primarily gas) and the intermediate products which had contributed strongly to inflationary pressures in the Euro Zone. In 2024 Italian consumer inflation is expected to fall to 1.6%, down sharply from the 5.6% recorded in 2023 and 8.2% in 2022; core inflation (namely net of the most volatile components, such as energy and fresh food) will reduce more slowly (+2.2%). Investments are expected to advance by 1.6% in volume (+1 percentage point compared to 2023), thanks also to the impulse deriving from the public sector as part of the strategic investments outlined in the PNRR affecting various critical sectors for our economy, from transport infrastructures to the dual digital and ecological transition.

In the background, growing geopolitical tensions are fuelling uncertainty regarding the short-term global macroeconomic prospects. The outbreak of the conflict between Israel and Hamas is currently limited at geographical level, but any extension of the same – both direct and indirect – to other areas of the Middle East could have broader repercussions; the recent tensions in the Red Sea, triggered by the attacks by Yemeni Houthi militiamen and by the consequent military response led by the UK and US, highlight the risks of potential negative effects on global commercial traffic and new pressures on the prices of raw materials, particularly energy. In this context, the rifts in geopolitical relationships between the main players on the world stage, already exacerbated by the Russia-Ukraine conflict, should also be further investigated.

Rome, 26 March 2024

On behalf of the Board of Directors
Chief Executive Officer
Alessandra Ricci

Consolidated Financial Statements

Consolidated financial statements

Consolidated balance sheet
ASSETS

(in euro thousands)

Items of assets		Total 31-12-2023	Total 31-12-2022
1.	INTANGIBLE ASSETS	12,584	11,433
	of wich: goodwill	92	92
2.	TANGIBLE ASSETS	73,031	59,677
3.	INSURANCE ASSETS	3,465.858	4,216,648
	3.1 Insurance contracts that are assets		
	3.2 Reinsurance contracts that are assets	3,465,858	4,216,648
4.	INVESTIMENTS	9,283,894	8,408,748
	4.1 Land and buildings (investment properties)	12,306	12,289
	4.2 Investments in subsidiaries, associated companies and joint ventures	11,873	11,193
	4.3 Financial assets at amortised cost	6,098,306	6,494,510
	4.4 Financial assets at fair value through other comprehensive income		
	4.5. Financial assets at fair value through profit or loss	3,161,409	1,890,755
	a) Financial assets held for trading	3,106,642	1, 836,254
	b) Financial assets designated at fair value		
	c) Financial assets mandatorily at fair value through profit or loss	54,768	54,502
5.	OTHER FINANCIAL ASSETS	155,707	153,486
6.	OTHER ASSETS	689,476	584,079
	6.1 Non-current assets or disposal group classified ad held for sale		
	6.2. Tax receivables	349,214	327,818
	a) current	52,993	42,599
	b) deferred	296,221	285,219
	6.3 Other Assets	340,262	256,261
7.	CASH AND CASH EQUIVALENTS	32,153,308	32,178,956
	TOTAL ASSETS	45,833,858	45,613,026

Consolidated balance sheet
LIABILITIES AND EQUITY

(in euro thousands)

ITEMS OF EQUITY AND LIABILITIES		Total 31-12-2023	Total 31-12-2022
1.	SHAREHOLDERS' EQUITY	5,799,257	5,530,254
	1.1 Share capital	3,730,324	3,730,324
	1.2 Other equity instruments		
	1.3 Capital reserves	43,305	43,305
	1.4 Revenue reserves and other reserves	1,377,288	1,576,212
	1.5 Own Share (-)		
	1.6 Valutation reserves	174,568	129,337
	1.7 Shareholders' equity attributable to minority interests (+/-)		
	1.8 Result of the period attributable to the Group (+/-)	473,773	(128,923)
	1.9 Result of the period attributable to minority interest (+/-)		
2.	OTHER PROVISIONS	30,562	28,246
3.	INSURANCE PROVISIONS	4,503,604	5,433,994
	3.1 Insurance contracts that are liabilities	4,503,604	5,433,994
	3.2 Reinsurance contracts that are liabilities		
4.	FINANCIAL LIABILITIES	1,748,726	1,468,173
	4.1 Financial liabilities at fair value through profit or loss	118,287	89,340
	a) Financial liabilities held for trading	118,287	89,340
	b) Financial liabilities designated at fair value		
	4.2 Financial liabilities at amortized cost	1,630,439	1,378,832
5.	PAYBLES	33,257,465	32,978,052
6.	OTHER LIABILITIES	494,243	354,307
	6.1 Liabilities associated with non-current assets and disposal groups classified as held for sale		
	6.2 Tax payables	462,277	333,998
	a) current	129,892	51,476
	b) deferred	332,385	282,522
	6.3 Other liabilities	31,965	20,309
6.	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	45,833,858	45,613,026

Income statement **Consolidated**

(in € thousands)

	Items of income statement	Total 31-12-2023	Total 31-12-2022
1	Insurance revenue from insurance contracts issued	1,224,591	526,091
2	Insurance service expenses from insurance contracts issued	(175,676)	(2,399,953)
3	Insurance revenue from reinsurance contracts held	470,205	1,731,381
4	Insurance service expenses from reinsurance contracts held	(1,210,197)	(141,310)
5	**INSURANCE SERVICE RESULT**	**308,923**	**(283,791)**
6	Income/ expenses from financial assets and liabilities at fair value through profit or loss	91,932	(20,972)
7	Income/ expenses from investmets in subsidiaries, associated companies and joint ventures	884	1,282
8	Income/ expenses from other financial assets and liabilities and investments properties	189,233	223,030
8.1	Interest income calculated using effective interest rate method	235,606	258,924
8.2	Interest expenses	(48,380)	(27,832)
8.3	Other income/expenses	404	402
8.4	Realised gains/losses	(87)	609
8.5	Unrealised gaind/losses	1,690	(9,073)
	of wich: linked to credit impaired financial assets		
9	**RESULT OF INVESTMENTS**	**282,049**	**203,340**
10	Net finance income/expenses relates to insurance contracts issued	(9,901)	(23,616)
11	Net finance income/expenses relates to reinsurance contracts held	13,074	(351)
12	**NET FINANCE RESULT**	**285,222**	**179,373**
13	**OTHER INCOME/EXPENSES**	**174,032**	**53,177**
14	**Acquisition and administration costs:**	**(107,682)**	**(106,827)**
14.1	Investments management costs	(867)	(50)
14.2	Other administrative costs	(106,815)	(106,776)
15	**Net provisions for risk and charges**	**(11,257)**	**8,760**
16	**Net impairment on tangible assets**	**(2,158)**	**(1,692)**
17	**Net impairment on intangible assets**	**(2,335)**	**(2,323)**
	of wich : impairment on goodwill		
18	**Other income/charges**	**(15,102)**	**(15,364)**
19	**Profit (Loss) before tax**	**629,644**	**(168,686)**
20	Income tax	(155,871)	40,485
21	**Profit (Loss) after tax**	**473,773**	**(128,201)**
22	Profit (Loss) from discontinued operations		
23	**CONSOLIDATED PROFIT (LOSS)**	**473,773**	**(128,201)**
	of which attributable to the owners of the parent company	473,773	(128.923)
	of which attributable to minority interests		722

Statement of comprehensive income- **NET AMOUNTS**

(in € thousands)

	Items	Total 31-12-2023	Totale 31-12-2022
1.	**PROFIT (LOSS) FOR THE PERIOD**	**473,773**	**(128,201)**
2.	**Other items, net of taxes, that may be not reclassified to profit and loss in future periods**	**422**	**814**
2.1	Share of valuation reserves of equity-accounted investments		
2.2	Change in the revaluation reserve of intangible assets		
2.3	Change in the revaluation reserve of property and equipment		
2.4	Financial income/expenses from insurance contracts issued		
2.5	Income and expenses from non-current assets or a disposal group held for sale		
2.6	Actuarial gains and losses and adjustments for defined benefit plans	422	814
2.7	Gains or losses on equity instruments designated at fair value through other comprehensive income		
2.8	Change in ow n creditworthiness on financial liabilities designated as at fair value through profit or loss		
2.9	Other items		
3	**Other items, net of taxes, that may be reclassified to profit or loss in future periods**	**44,808**	**127,571**
3.1	Change in the reserve for net exchange differences	(1,246)	(724)
3.2	Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income		
3.3	Gains or losses on cash flow hedges	12,782	4,330
3.4	Gains or losses on hedges of net investments in foreign operations		
3.5	Share of valuation reserves of equity-accounted investments		
3.6	Financial income/expenses from insurance contracts issued	129,055	577,893
3.7	Financial income/expenses from reinsurance contracts	(95,783)	(453,927)
3.8	Income or expenses from non-current assets or a disposal group held for sale		
3.9	Other items		
4.	**TOTAL OTHER COM PREHENSIVE INCOME (EXPENSES)**	**45,230**	**128,385**
5.	**TOTAL COMPREHENSIVE INCOME (EXPENSES)**	**519,003**	**184**
5.1	**of which attributable to the owners of the parent company**	**519,003**	**(538)**
5.2	**of which attributable to minority interests**		**722**

STATEMENT OF CHANGES **IN EQUITY**

(in € thousands)	Share capital	Other equity instruments	Capital reserves	Revenue reserves and other reserves	Own shares	Valuation reserves	Profit (Loss) for the period	Sharehol-ders 'equity attributable to the groud	Sha-reholders attributable tominority interests	Sharehol-ders equity
Amount at 01/01/2022	**3,730,324**		**43,305**	**1,678,547**		**953**	**115,992**	**5,569,120**	**74,150**	**5,643,270**
Change in opening balances				(125,161)				(125,161)		(125,161)
Result of the period allocation 31/12/2021										
Reserves				112,826			(115,992)	(3,166)		(3,166)
Dividends and other destination				(90,000)				(90,000)		(90,000)
Changes in amount										
New issuance shares										
Purchase own shares										
Change in ow nership interest										
Other Comprehensive income						128,384		128,384		128,384
Other changes (+)							(128,923)	(128,923)		(128,923)
Other changes (-)									(74,150)	(74,150)
Amount at 31/12/2022	**3,730,324**		**43,305**	**1,576,212**		**129,337**	**(128,923)**	**5,350,254**		**5,350,254**
Change in opening balances										
Result of the period allocation 31/12/2022										
Reserves				(128,923)			128,923			
Dividends and other destination				(70,000)				(70,000)		(70,000)
Changes in amount										
New issuance shares										
Purchase own shares										
Change in ow nership interest										
Other Comprehensive income						45,231		45,231		45,231
Other changes (+)							473,773	473,773		473,773
Other changes (-)										
Amount at 31/12/2023	**3,730,324**		**43,305**	**1,377,288**		**174,568**	**473,773**	**5,799,257**		**5,799,257**

CASH FLOW STATEMENT **(INDIRECT METHOD)**

(in € thousands)	Total 31-12-2023	Total 31-12-2022
Net cash flows from/used in:	**1,268,668**	**(383,519)**
Profit (loss) for the period (+/-)	629,644	(169,408)
Net revenue and expenses from insurance contracts issued and reinsurance contracts (-/+)	308,923	(283,791)
Gains/losses on financial assets measured at fair value through profit or loss (-/+)	91,932	(20,972)
Other non-monetary income and expenses arising from financial instruments, investment property and equity investments(+/-)	32,702	(6,287)
Net provisions for risks and charges (+/-)	2,317	(17,360)
Interest income, dividends, interest expense, taxes (+/-)	31,355	271,576
Other adjustments (+/-)	69,974	(172,610)
Interest income collected (+)	151,423	58,855
Dividends collected (+)	1,516	237
INTEREST PAID (-)	(3,104)	(2,478)
Taxes paid (-)	(48,012)	(41,282)
Net cash flows from/used in other cash items related to operating activities	**(2,149,806)**	**(192,243)**
Insurance contracts issued that are liabilities/assets (+/-)	(1,206,296)	2,039,657
Reinsurance contracts held that are assets/liabilities (+/-)	814,320	(1,246,883)
Liabilities from financial contracts issued by insurance companies (+/-)		
Receivables from banks (+/-)	(253,177)	70,864
Payables to banks (+/-)	(255,622)	95,557
Other financial assets and liabilities measured at fair value through profit or loss (+/-)	(1,337,097)	(1,519,517)
Other financial assets and liabilities (+/-)	88,067	368,080
TOTAL NET CASH FLOWS FROM/USED IN OPERATING ACTIVITIES	**(881,138)**	**(575,762)**
Net cash flows from/used in:	**242,554**	**(2,076,734)**
Sales/purchases of investment property (+/-)	357	247
Sales/purchases of investments in associated companies and joint ventures	204	269
Dividends collected from equity investments (+)		
Sales/purchases of financial assets at amortised cost (+/-)	256,615	(2,389,816)
Sales/purchases of financial assets measured at fair value through other comprehensive income (+/-)		
Sales/purchases of intangible assets and property and equipment (+/-)	(14,622)	4,233
Sales/purchases of subsidiaries and business branches (+/-)		308,333
Other net cash flows from investing activities (+/-)		
TOTAL NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES	**242,554**	**(2,076,734)**
Net cash flows from/used in:	**507,781**	**(2,659,480)**
Share capital increases (+/-)	45,231	128,384
Issues/purchases of own shares (+/-)		
Dividends paid and other allocations (-)	(70,000)	(90,000)
Disposal/acquisition of minority interests in subsidiaries (+/-)		(77,316)
Issues/purchases of subordinated liabilities and participating financial instruments (+/-)		
Issues/purchases of liabilities measured at cost (+/-)	532,550	(2,620,548)
TOTAL NET CASH FLOWS FROM/USED IN FINANCING ACTIVITIES	507,781	(2,659,480)
NET CASH FLOWS FROM/USED IN THE PERIOD	**(130,803)**	**(5,311,976)**
Opening cash and cash equivalents	615,221	5,927,197
Total net cash and cash equivalents from/used in the period	(130,922)	(5,307,987)
Cash and cash equivalents: effects of exchange rate changes	119	(3,988)
Closing cash and cash equivalents	484,418	615,221

The statement of cash flows 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 (Euro 31 billion), and the corresponding balancing entry recognised under other liabilities.

Notes to The consolidated Financial statements

Notes to the consolidated financial statements

General information

The SACE Group is composed 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. 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. Through the São Paolo 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 (December 31, 2023) 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. 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, regarding the formats to be used, and applicable IVASS rulings, regulations and circulars.

Accounting standards adopted and statement of compliance with international accounting standards

The consolidated financial statements have been prepared in accordance with IAS/IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in the technical formats required under ISVAP Regulation no. 7/2007. 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.

With reference to the operating context introduced by the 2020 regulatory interventions, it is noted that these Financial Statements include the effects deriving from the application of Decree Law no. 23 (the "Liquidity" Decree or "DL23") converted with amendments into Law no. 40 of 5 June 2020, and in particular SACE's financial and economic situation at 31 December 2023 includes the effects deriving from the application of Article 2, paragraph 9 of the Liquidity Decree and in particular the transfer up to a percentage of reinsurance of 90% of the performing portfolio recorded at the date of 8 April 2020, by transfer on reinsurance to the MEF of the portfolio with simultaneous posting, in the 2020 financial year, of a payable to the MEF itself of approximately Euro 1.5 billion (paid partly paid in the 2021 financial year). It is also noted that, by virtue of the modification introduced by the 2024 Finance Law, cited above, in the financial statements at 31 December 2023 a receivable from the MEF was recorded for a total amount of Euro 228 million which represents the quantification of costs incurred in relation to the reinsured portfolio transferred to the MEF pursuant to Decree Law 23/2020 determined using the criteria applied in the pre-existing reinsurance treaty with the MEF. The income amount recorded with respect to the receivable cited above and recorded in reduction of the Transferred premiums reserve is treated in coherence with the treatment of the Technical Reserves subject to transfer characterized by a multiyear reduction. In the financial statements at 31 December 2023 the portion of that income of the years 2020-2023 relating to the reduction of the transferred technical reserve was included in the income statement and amounts to Euro 122.9 million.

New standards

IFRS 17 – Insurance Contracts

IFRS 17 - Insurance Contracts is the new standard governing insurance contracts that became effective on January 1, 2023. IFRS 17 introduces a general measurement model whose objective is to determine all information necessary to calculate both the expected cash flows and the profitability of insurance contracts.

Scope

IFRS 17 applies to all contracts falling within the definition of insurance contract relating only to Export and Strategic Significance operations. All references to insurance contracts also apply to reinsurance contracts issued and held. All contracts managed by SACE Group are included in the scope of IFRS 17. Under IFRS 17, on initial recognition, insurance and reinsurance contracts are aggregated into groups of contracts subject to similar risks and managed together. Furthermore, the recognition, measurement and presentation requirements must be applied to the group of contracts. The groups of contracts identified shall be included in the unit of account upon initial recognition and must not be modified after initial recognition.

Definition of Groups of contracts

Under IFRS 17, an entity shall identify a portfolio of insurance contracts. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Contracts in different product lines would not be expected to have similar risks and hence would be expected to be in different portfolios.

Once the identification phase is complete, an entity shall divide a portfolio of insurance contracts in order to identify the different groups of contracts.
Under IFRS 17.16, each portfolio of insurance contracts must be divided into a minimum of:

- onerous contracts at the initial posting date, if any;
- contracts that, at the initial posting date, do not have the significant possibility of becoming onerous later, if any;
- a group of remaining contracts in the portfolio, if any.

SACE analysed the characteristics of the marketed insurance contracts and, given that (i) the range of insurance products is exposed to similar and identifiable risks in a single product line, (ii) the covered risks are jointly managed and (iii) the product valuation methodologies are the same due to the similar nature of the underlying risk, chose to establish a single IFRS 17 portfolio.

- The Groups of contracts for Direct Business identified by SACE are the result of the aggregation of similar contractual types in terms of operations, pricing and profitability and therefore two Groups of contracts have been defined (onerous contracts and contracts which, at the date of initial recognition, do not have a significant possibility of becoming onerous subsequently). Those Groups of contracts are defined for each signing year (cohort) commencing from 01.01.2022, while the portfolio finalised at 31.12.2021 falls into a single cohort.
- The Groups of contracts for Transferred Business were identified based upon the characteristics of the reinsurance treaties, also defining here two Groups of contracts (MEF and other reinsurers).

Accounting treatment

SACE applies the building blocks approach, which is the standard method used to measure insurance contracts and which is based on the following principles:

- discounting of future cash flows identified at the measurement date;
- identifying risk adjustment as an offsetting factor relating to the uncertainty inherent in cash flows;
- recognising the contractual service margin ("CSM") which represents the difference between positive and negative discounted cash flows, adjusted for risk. It indicates the profitability level of the contract as specified in more detail below.

The calculation of the CSM of a group of insurance contracts includes all cash flows expected from each insurance contract included in it. The valuation of the CSM produces the value of future gains that the enterprise will record in future years; for contracts generated in the current year it is based on a profitability assessment based upon initial recognition hypotheses; the end of period value is measured based upon the conditions in place on the observation date.
The CSM is recorded in the Statement of Financial Position and released annually based upon an algorithm that takes into consideration the temporal development of the policies and the residual duration of the portfolio risks.
In the case of onerous contracts - for which the expected cash outflows are higher than the expected cash inflows - a Loss Component is defined instead, which, unlike the CSM, is recorded immediately in the income statement.

Expected future cash flows

Expected future cash flows are the first element in determining the fulfilment cash flows and represent an estimate of the expected future cash flows within the contractual limits.

The estimate of future cash flows must: i) incorporate, objectively, all reasonable available information, ii) reflect the point of view of the entity, provided that the estimates of relevant market variables are coherent with the market prices observable for those variables, iii) be updated and iv) be explicit.

The projections of expected cash flows concern: future premiums to be collected, expected claims net of recovery estimates, management and acquisition expenses. With regard to the expenses, some differences may arise since IFRS 17 requires that only expenses directly attributable to insurance and reinsurance contracts should be considered in the measurement of expected cash flows.

Time value of money
Time value of money is the second element constituting the fulfilment cash flows. An entity must adjust estimates of future cash flows to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows. The discount rate shall reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.

SACE decided to use the EIOPA risk-free rate curve adjusted with an Illiquidity premium estimated using a Bottom-Up approach as a discounting curve in line with the Volatility Adjustment Entity Specific estimation technique defined by EIOPA for the Solvency II framework.

Risk adjustment
Risk adjustment is the amount required by the entity for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

SACE has adopted the percentile approach for risk adjustment calculation. The percentile of reference was defined at the 75th.

Contractual service margin
It represents the unearned profit the entity will recognise as it provides insurance contract services in the future. The release of the CSM is based on the quantification of the expected benefits under the contract and the related expected coverage period.

Insurance finance income or expenses
Under IFRS 17, an entity shall make an accounting policy choice between disaggregating insurance finance income or expenses for the period in profit or loss or in comprehensive income. Once made, the accounting policy choice should be applied consistently across the portfolio of insurance contracts issued and reinsurance contracts ceded. In implementing such choice, an entity must assess the combination of potential results that could be generated by the different measurement models envisaged for insurance items under IFRS 17 and for investments under IFRS 9, in order to be able to mitigate any potential accounting mismatches.

The Group applies the accounting disaggregation approach to insurance contracts issued and to contracts transferred to reinsurance in order to mitigate potential accounting misalignments and the related Income Statement volatility.

Transition
IFRS 17 is applicable for annual reporting periods beginning on or after January 1, 2023. The transition date is the beginning of the annual reporting period immediately preceding the date of initial application.

To apply IFRS retrospectively, an entity shall have information and historical data with a level of detail that allows application of all the requirements of the new standard (full retrospective approach). If it is impracticable to apply this approach, an entity may choose to either apply the modified retrospective approach or the fair value approach. In choosing between these two alternatives, the standard does not define a priority.

- Full retrospective approach: under this approach an entity must identify, recognise and measure each group of contracts as if IFRS 17 had always been applied;

- Modified retrospective approach: if it is impracticable to apply a full retrospective approach, an entity may choose to apply the modified retrospective approach which introduces a series of simplifications in terms of aggregation, discount rate, full retrospective approach: under this method, an entity must identify, recognise and measure each group of contracts as if IFRS 17 had always been applied;

- Fair value approach: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If it is impracticable to apply the full retrospective approach, an entity may choose to apply the fair value approach. This transition method is based upon the possibility of calculating the margin on contractual services\loss component at the transition date as the difference between the fair value of the group of insurance contracts and financial flows of fulfilment at that date.

SACE S.p.A. has assessed the inapplicability of the full retroactive application method for the contracts in the portfolio due to the impossibility of reconstructing the flows consistently with the requirements of the Standard, as the available database relating to past financial years did not contain adequate granularity and detail to perform the valuation required by the accounting standard; the fair value was chosen as the methodology to be adopted in the transition. The fair value chosen by SACE is the Premium Fraction Reserve net of commissions in the liabilities and the Premium Fraction Reserve net of reinsurance commissions in the assets.

Effects of the adoption of IFRS 17

In 2022, IVASS (the Italian institute for insurance supervision) revised the financial statements under Isvap Regulation no. 7/2007 (IVASS Provision no. 121 of June 7, 2022), effective from 2023. The changes introduced, attributable to the introduction of the IFRS 17 accounting standard, caused effects on the posting of the capital and economic financial statements items and were also applied to the data of the previous period (2022) for comparative purposes of these consolidated Financial Statements.

In order to reconcile the figures included in the most recently approved consolidated financial statements (2022) with those calculated in accordance with the new layout as described above, we describe below the effects of the reclassification of assets, liabilities, expenses and revenue (with no impacts in terms of measurement due to the adoption of IFRS 17), specifically:

- on the statement of financial position as at January 1, 2022 which is the date of first-time adoption of IFRS 17
- on the income statement for 2022
- on the statement of financial position as at December 31, 2022.

Effects of the reclassification

Statement of financial position at the transition date (before the reclassification)

(in € thousands)

01/01/2022 (new exposure)	01/01/2022 (prevoius)	INTANGIBLE ASSETS	TANGIBLE ASSETS	REINSURERS' SHARE OF TECHNICAL PROVISIONS	Investment property	Investment in subsidiaries, associates companies and joint ventures	Financial assets at amortised cost	Financial assets held for trading	Other financial assets for which fair value measurements is mandatory	Receivable arising out of direct insurance business	Receivable arising out of reinsurance business	Other receivables	Non-current assets or of a disposal group classified as held for sale	Deferred tax assets	Current tax assets	Other assets	Cash and cash equivalents	BALANCE SHEET ACTIVITIES	ITEMS RECLASSIFIED	BALANCE SHEET ACTIVITIES-RICLASSIFIED
		1	2	3	4.1	4.2	4.3	4.5.1	4.5.3	5.1	5.2	5.3	6.1	6.3	6.4	6.5	7			
1	INTANGIBLE ASSETS	10,123																10,123		**10,123**
	of wich: goodwill	92																92		**92**
2	TANGIBLE ASSETS		67,313															67,313		**67,313**
3.1	Insurance contracts that are assets									470,656								470,656	**(470,656)**	
3.2	Reinsurance contracts that are essets			3,730,155							66,760							3,796,915	**(63,423)**	**3,733,493**
4.1	Land and buildings (investment properties)				12,275													12,275		**12,275**
4.2	Investments in subsidiaries, associated companies and joint ventures					10,180												10,180		**10,180**
4.3	Financial assets and amortised cost						4,440,692											4,440,692		**4,440,692**
4.5	Financial assets at fair value through profit or loss																			
a)	Financal assets nels for trading							405,154										405,154		**405,154**
b)	Financial assets designated at fair value																			
c)	Financial assets mandatorily at fair value through profit or loss								60,678									60,678		**60,678**
5	Other financial assets											204,950						204,950	**(31,279)**	**173,671**
6.1	Non-current assets or disposal group classified ad held for sale												542,623					542,623		**542,623**
6.2	Tax receivables:																			
	a) current														5,677			5,677		**5,677**
	b) deferred													138,971				138,971		**138,971**
6.3	Other assets									120,827		3,093				39,162		163,082	**(7,145)**	**155,937**
7	Cash and cash equivalents																37,315,344	37,315,344		**37,315,344**
	TOTAL ASSETS	**10,123**	**67,313**	**3,730,155**	**12,275**	**10,180**	**4,440,692**	**405,154**	**60,678**	**591,483**	**66,760**	**208,043**	**542,623**	**138,971**	**5,677**	**39,162**	**37,315,344**	**47,644,632**	**(572,503)**	**47,072,130**

(in € thousands) 01/01/2022 (prevoius) 01/01/2022 (new exposure)		Share capital - PNG	Capital reserves - PNG	Revenue reserves and other equity reserves - PNG	Other gain (losses) recognised directly in equity - PNG	Group interest in the profit (loss) for the year - PNG	Share capital and reserves - PNT	Gain (losses) taken directly to equity - PNT	Minority interst in the profit (loss) for the year - PNT	TOTAL RECLASSIFIED
		1.1.1	1.1.3	1.1.4	1.1.8	1.1.9	1.2.1	1.2.2	1.2.3	
1.1	Share capital	3,730,324								**3,730,324**
1.2	Other equity instruments									
1.3	Capital reserves		43,305							**43,305**
1.4	Revenue reserves and other reserves			1,678,547						**1,678,547**
1.5	Own Share (-)									
1.6	Valutation reserves				953					**953**
1.7	Shareholders' equity attributable to minority interests (+/-)						73,282	(67)		**73,215**
1.8	Result of the period attributable to the Group (+/-)					115,992				**115,992**
1.9	Result of the period attributable to minority interest (+/-)								935	**935**
	TOTAL SHAREHOLDERS' EQUITY	**3,730,324**	**43,305**	**1,678,547**	**953**	**115,992**	**73,282**	**(67)**	**935**	**5,643,271**

(in € thousands) 01/01/2022 (prevoius) 01/01/2022 (new exposure)		PROVISIONS	TECHNICAL PROVISIONS	Financial liabilities held for trading	Financial liabilities at amortised cost	Payable arising out of direct insurance business	Payable arising out of reinsurance business	Other payable	Liabilities of disposal group classified as held for sale	Deferred tax liabilities	Current tax liabilities	Other liabilities	BALANCE SHEET LIABILITIES	ITEMS RECLASSIFIED	TOTAL BALANCE SHEET LIABILITIES
		2	3	4.1.1	4.2	5.1	5.2	5.3	6.1	6.2	6.3	6.4			
2	Other provisions	45,606											**45,606**		**45,606**
3.1	Insurance contracts that are liabilities		4,768,422			36,607							4,805,029	**(554,423)**	4,250,606
3.2	Reinsurance contracts that are liabilities						832,263						832,263	**(679,502)**	152,761
4.1	Financial liabilities at fair value through profit or loss														
	a) Financial labilities held for trading			173,952									173,952		173,952
	b) Financial labilities designated at fair value														
4.2	Financial liabilities at amortized cost				3,919,043								3,919,043		3,919,043
5	Paybles							220,219					**220,219**	**32,198,218**	**32,418,437**
6.1	Liabilities associated with non-current assets and disposal groups classified as held for sale								234,290				234,290		234,290
6.2	Tax payables														
	a) current										4,399		4,399		4,399
	b) deferred									223,930			223,930		223,930
6.3	Other liabilities											31,542,630	31,542,630	**(31,536,796)**	5,834
	TOTAL LIABILITIES	**45,606**	**4,768,422**	**173,952**	**3,919,043**	**36,607**	**832,263**	**220,219**	**234,290**	**223,930**	**4,399**	**31,542,630**	**42,001,361**	**(572,503)**	**41,428,859**

Total shareholders' equity and liabilities: 47,072,130

Statement of financial position as at December 31, 2022 (before the reclassification)

(in € thousands) 31/12/2022 (prevoius) / 31/12/2022 (new exposure)		INTANGIBLE ASSETS	TANGIBLE ASSETS	Reinsurers' share of technical provisions	Investment property	Investment in subsidiaries, associates companies and joint ventures	Financial assets at amortised cost	Financial assets held for trading	Other financial assets for which fair value measurement is mandatory	Receivables arising out of direct insurance business	Receivables arising out of reinsurance business	Other receivables	Deferred tax assets	Current tax assets	Other assets	Cash and cash equivalents	BALANCE SHEET ACTIVITIES	ITEMS RECLASSIFIED	BALANCE SHEET ACTIVITIES-RECLASSIFIED
		1	2	3	4.1	4.2	4.3	4.5.1	4.5.3	5.1	5.2	5.3	6.3	6.4	6.5	7			
1	INTANGIBLE ASSETS	11,433															11,433		11,433
	of wich: goodwill	92															92		92
2	TANGIBLE ASSETS		59,677														59,677		59,677
3.1	Insurance contracts that are assets									578,556							578,556	(578,556)	
3.2	Reinsurance contracts that are assets			4,227,775							147,901						4,375,676	(159,848)	4,215,828
4.1	Land and buildings (investment properties)				12,289												12,289		12,289
4.2	Investents in subsidianes, associated companies and ioint ventures					11,193											11,193		11,193
4.3	Financial assets at amortised cost						6,494,401										6,494,401		6,494,401
4.5	Financial assets at fair value through profit or loss																		
	a) Financial assets hels for trading							1,836,254									1,836,254		1,836,254
	c) Financial assets mandatorily at fair value through profit or loss								54,502								54,502		54,502
5	OTHER FINANCIAL ASSETS											8,016					8,016	145,470	153,486
6.2	Tax receivables																		
	a) current													42,599			42,599		42,599
	b) ddeferred												209,657				209,657		209,657
6.3	Other Assets										8,857	185,082			112,223		306,163	(49,765)	256,398
7	CASH AND CASH EQUIVALENTS															32,178,956	32,178,956		32,178,956
	TOTAL ASSETS	**11,433**	**59,677**	**4,227,775**	**12,289**	**11,193**	**6,494,401**	**1,836,254**	**54,502**	**578,556**	**156,758**	**193,098**	**209,657**	**42,599**	**112,223**	**32,178,956**	**46,179,371**	**(642,699)**	**45,536,672**

(in € thousands) 31/12/2022 (prevoius) / 31/12/2022 (new exposure)		Share capital - PNG	Capital reserves - PNG	Revenue reserves and other equity reserves - PNG	Other gain (losses) recosgnised directly in equity - PNG	Group interest in the profit (loss) for the year - PNG	TOTAL RECLASSIFIED
		1.1.1	1.1.3	1.1.4	1.1.8	1.1.9	
1.1	Share capital	3,730,324					**3,730,324**
1.2	Other equity instruments						
1.3	Capital reserves		43,305				**43,305**
1.4	Revenue reserves and other reserves			1,701,373			**1,701,373**
1.5	Own Share (-)						
1.6	Valutation reserves				6,142		**6,142**
1.7	Shareholders' equity attributable to minoritv interests (+/-)						
1.8	Result of the period attributable to the Group (+/-)					89,201	**89,201**
1.9	Result of the period attributable to minoritv interest (+/-)						
	TOTAL SHAREHOLDERS' EQUITY	**3,730,324**	**43,305**	**1,701,373**	**6,142**	**89,201**	**5,570,345**

With respect to the statement of financial position figures, the balance of item "3. Reinsurers' share of technical provisions" under assets and of item "3. Technical provisions" under liabilities were allocated to item "3.2 Reinsurance contract assets" and "3.1 Reinsurance contract liabilities", respectively.

(in € thousands)

31/12/2022 (new exposure)	31/12/2022 (prevoius)	PROVISIONS	TECHNICAL PROVISIONS	Financial liabilities held for trading	Financial liabilities at amortised cost	Payable arising out of direct insurance business	Payable arising out of reinsurance business	Other payable	Deferred tax liabilities	Current tax liabilities	Other liabilities	BALANCE SHEET LIABILITIES	ITEMS RECLASSIFIED	TOTAL BALANCE SHEET LIABILITIES
		2	3	4.1.1	4.2	5.1	5.2	5.3	6.2	6.3	6.4			
2	OTHER PROVISIONS	28,245										28,245		28,245
3.1	Insurance contracts that are liabilities		5,361,865									5.361.865	(243,699)	5,118,166
3.2	Reinsurance contracts that are liabilities													
4.1	/Financial liabilities at fair value through profit or loss													
	a) Financial liabilities held for trading			89,340								89,340		89,340
	b) Financial liabilities designated at fair value													
4.2	Financial liabilities at amortized cost				1,378,832							1,378,832		1,378,832
5	PAYBLES					38,779	1,072,415	551,614				1,662,807	31,315,245	32,978,053
6.2	Taxpayables													
	a) ccurrent									51,478		51,478		51,478
	b) deferred								301,904			301,904		301,904
6.3	Other liabilities										31,734,553	31,734,553	(31,714,244)	20,309
	TOTAL LIABILITIES	**28,245**	**5,361,865**	**89,340**	**1,378,832**	**38,779**	**1,072,415**	**551,614**	**301,904**	**51,478**	**31,734,553**	**40,609,025**	**(642,698)**	**39,966,327**

Total shareholders' equity and liabilities: 45,536,672

Statement of financial position as at December 31, 2022 (before the reclassification)

(in € thousands)

01/01/2022 (new exposure)	01/01/2022 (prevoius)	Net premiums	Outward reinsurance premiums for the year	Commission income	Income and expense from financial instruments at fair value through profit or loss	Income from investments in subsidiaries, associates companies and joint ventures	Interest income	Interest income	Realised gains	Other revenue	Claims paid and changes in technical provisions	Reinsurers'share	Commissions expense	Expense related to other financial instruments and investment property	Commissions and other acquisition expenses	Investment management charges	Other administrative expenses	Other expenses	Taxes	TOTAL
		1.1.1	1.1.2	1.2	1.3	1.4	1.5.1	1.5.2	1.5.3	1.6	2.1.1	2.1.2	2.2	2.4	2.5.1	2.5.2	2.5.3	2.6	3	
1.	Insurance revenue from insurance contracts issued	(61,244)								(8,645)										**(69,889)**
2.	Insurance service expenses from insurance contracts issued						811			17,771	(178,708)			(22)				(114,850)		**(274,998)**
3.	Insurance revenue from reinsurance contracts held		424,337								(58,717)			(4,074)						**361,546**
4.	Insurance service expenses from reinsurance contracts held		(251,810)							2,840	1,205	161,155			21,436					**(65,173)**
6.	Income/ exoenses from financial assets and liabilities at fair value through profit or loss				(20,972)															**(20,972)**
7.	Income/ expenses from investmets in subsidiaries, associated companies and ioint ventures					1,282														**1,282**
8.	Income/ expenses from other financial assets and liabilities and investments properties																			**223,289**
8.1	- Interest income calculated using effective interest rate method						258,924													**258,924**
8.2	- Interest expenses													(27,832)						**(27,832)**
8.3	- Other income/expenses							662												**662**
8.4	- Realised gains/losses								609											**609**
8.5	- Unrealised gaind/losses													(9,073)						**(9,073)**
10.	Net finance income/expenses relates to insurance contracts issued																			
11.	Net finance income/expenses relates to reinsurance contracts held																			
12.	Net finance result																			
13.	Other income/exoenses			18,619						159,191	3,012		(3,042)	(260)				(30,715)		**146,805**
14.	Acquisition and administration costs:																			**(142,215)**
14.1	- Investments management costs															(51)				**(51)**
14.2	- Other administrative costs														(43,505)	(3,376)	(95,283)			**(142,165)**
15.	Net provisions for risk and charges									16,875								(8,115)		**8,760**
16.	Net impairment on tangible assets																	(1,692)		**(1,692)**
17.	Net impairment on intangible assets																	(2,323)		**(2,323)**
	of which: Goodwill value adjustments																			
18.	Other income/charges																	(15,364)		**(15,364)**
19.	UProfit (Loss) before tax																			**149,056**
20.	Income tax																		(59,133)	**(59,133)**
21.	Profit (Loss) after tax																			**89,923**
	TOTAL	**(61,244)**	**172,527**	**18,619**	**(20,972)**	**1,282**	**259,735**	**662**	**609**	**188,032**	**(233,208)**	**161,155**	**(3,042)**	**(41,261)**	**(22,069)**	**(3,427)**	**(95,283)**	**(173,059)**	**(59,133)**	**89,923**

The income statement introduced by Regulation no. 7/2007 separately shows the insurance service result and the investment result.

Effects of the reclassification of balances

Statement of financial position as at the transition date (after the reclassification)

	(in € thousands)	1/1/2022 Balance sheet Activities	IERS 17 at transition	1/1/2022 Total balance Sheet activities
1	Intangible assets	10,123		10,123
	of wich: goodwill	92		92
2	Tangible asset	67,313		67,313
3.1	Insurance contracts that are assets			
3.2	Reinsurance contracts that are assets	3,733,493	(661,186)	3,072,307
4.1	Land and buildings (investment properties)	12,275		12,275
4.2	Investments in subsidiaries, associated companies and joint ventures	10,180		10,180
4.3	Financial assets at amortised cost	4,440,692		4,440,692
4.4	Financial assets at fair value through other comprehensive income			
4.5	Financial assets at fair value through profit or loss			
	a) Financial assets hels for trading	405,154		405,154
	b) Financial assets designated at fair value			
	c) Financial assets mandatorily at fair value through profit or loss	60,678		60,678
5	Other financial assets	173,671		173,671
6.1	Non-current assets or disposal group classified ad held for sale	542,623		542,623
6.2	Tax receivablesi:			
	a) current	5,677		5,677
	b) deferred	138,971	(7,208)	131,763
6.3	Other Assets	155,937		155,937
7	Cash and cash equivalents	37,315,344		37,315,344
	TOTAL ASSETS	**47,072,130**	**(668,394)**	**46,403,736**

	(in € thousands)	1/1/2022	IFRS 17 impact at transition	1/1/2022 Total at Transition
1.1	Share capital	3,730,324		3,730,324
1.2	Other equitv instruments			
1.3	Capital reserves	43,305		43,305
1.4	Revenue reserves and other reserves	1,678,547	(125,161)	1,553,386
1.5	Own Share (-)			
1.6	Valutation reserves	953		953
1.7	Shareholders' equity attributable to minority interests (+/-)	73,215		73,215
1.8	Result of the period attributable to the Group (+/-)	115,992		115,992
1.9	Result of the period attributable to minoritv interest (+/-)	935		935
	TOTAL SHAREHOLDERS' EQUITY	**5,643,271**	**(125,161)**	**5,518,110**

	(in € thousands)	1/1/2022 Balance sheet Liabilities	IFRS 17 at transition	1/1/2022 Total balance Sheet liabilities
2	Other provisions	45,606		45,606
3.1	Insurance contracts that are liabilities	4,250,606	(538,166)	3,712,440
3.2	Reinsurance contracts that are liabilities	152,761		152,761
4.1	Financial liabilities at fair value through profit or loss			
	a) Financial liabilities held for trading	173,952		173,952
	b) Financial liabilities designated at fair value			
4.2	Financial liabilities at amortized cost	3,919,043		3,919,043
5	Paybles	32,418,437		32,418,437
6.1	Liabilities associated with non-current assets and disposal groups classified as held for sale	234,290		234,290
6.2	Tax payables			
	a) current	4,399		4,399
	b) deferred	223,930	(5,067)	218,863
6.3	Other liabilities	5,835		5,835
	TOTAL LIABILITIES	**41,428,859**	**(543,233)**	**40,885,626**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,072,130**	**(668,394)**	**46,403,736**

Statement of financial position as at December 31, 2022 (after the reclassification)

	(amounts in thousands of Euro))	31/12/2022 Balance sheet Activities	IFRS 17 impact	31/12/2022 Total balance Sheet activitie
1	INTANGIBLE ASSETS	11,433		11,433
	of wich: goodwill	92		92
2	TANGIBLE ASSETS	59,677		59,677
3.1	Insurance contracts that are assets			
3.2	Reinsurance contracts that are assets	4,215,828	820	4,216,648
4.1	Land and buildings (investment properties)	12,289		12,289
4.2	Investments in subsidiaries, associated companies and joint ventures	11,193		11,193
4.3	Financial assets at amortised cost	6,494,401	(28)	6,494,373
4.5	Financial assets at fair value through profit or loss			
	a) Financial assets hels for trading	1,836,254		1,836,254
	c) Financial assets mandatorily at fair value through profit or loss	54,502		54,502
5	OTHER FINANCIAL ASSETS	153,486		153,486
6.2	Tax receivables			
	a) current	42,599		42,599
	b) deferred	209,657	75,562	285,219
6.3	Other Assets	256,398		256,398
7	CASH AND CASH EQUIVALENTS	32,178,956		32,178,956
	TOTAL ASSETS	**45,536,672**	**76,354**	**45,613,026**

	(in € thousands)	31/12/2022 Shareholders' Equity	IFRS 17 Impact	31/12/2022 Total Shareholders' Equity
1.1	Share capital	3,730,324		3,730,324
1.2	Other equity instruments			
1.3	Capital reserves	43,305		43,305
1.4	Revenue reserves and other reserves	1,701,373	(125,162)	1,576,212
1.5	Own Share (-)			
1.6	Valutation reserves	6,142	123,196	129,337
1.7	Shareholders' equity attributable to minority interests (+/-)			
1.8	Result of the period attributable to the Group (+/-)	89,201	(218,125)	(128,923)
1.9	Result of the period attributable to minority interest (+/-)			
	TOTAL SHAREHOLDERS' EQUITY	**5,570,345**	**(220,091)**	**5,350,255**

	(in € thousands)	31/12/2022 Balance sheet Activities	IFRS 17 impact	31/12/2022 Total balance Sheet activities
2	OTHER PROVISIONS	28,245		28,245
3.1	Insurance contracts that are liabilities	5,118,166	315,827	5,433,993
3.2	Reinsurance contracts that are liabilities			
4.1	Financial liabilities at fair value through profit or loss			
	a) Financial liabilities held for trading	89,340		89,340
	b) Financial liabilities designated at fair value			
4.2	Financial liabilities at amortized cost	1,378,832		1,378,832
5	PAYBLES	32,978,052		32,978,052
6.2	Tax payables			
	a) current	51,478		51,478
	b) deferred	301,904	(19,382)	282,522
6.3	Other liabilities	20,309		20,309
	TOTAL LIABILITIES	**39,966,327**	**296,445**	**40,262,772**
	Total shareholders' equity and liabilities	45,536,672	76,354	45,613,026

Income statement for the year ended December 31, 2022 (after the reclassification)

	(amounts in thousands of Euro)	Income statement 31/12/2022 riclassified	IFRS 17 impact	Incom Statement 31/12/2022
1	Insurance revenue from insurance contracts issued	(69,889)	589,955	520,067
2.	Insurance service expenses from insurance contracts issued	(274,998)	(2,118,930)	(2,393,928)
3.	Insurance revenue from reinsurance contracts held	361,547	1,369,834	1,731,381
4.	Insurance service expenses from reinsurance contracts held	(65,173)	(76,137)	(141,310)
6.	Income/ expenses from financial assets and liabilities at fair value through profit or loss	(20,972)		(20,972)
7.	Income/ expenses from investmets in subsidiaries, associated companies and joint ventures	1,282		1,282
8.	Income/ expenses from other financial assets and liabilities and investments properties	223,289	(260)	223,029
8.1	- Interest income calculated using effective interest rate method	258,924		258,924
8.2	- Interest expenses	27,832		(27,832)
8.3	- Other income/expenses	662		662
8.4	- Realised gains/losses	609	(260)	349
8.5	- Unrealised gaind/losses	(9,073)		(9,073)
10.	Net finance income/expenses relates to insurance contracts issued		(23,616)	(23,616)
11.	Net finance income/expenses relates to reinsurance contracts held		(351)	(351)
12.	Net finance result		(23,967)	(23,967)
13.	Other income/expenses	146,805	(93,628)	53,177
14.	Acquisition and administration costs:	(142,215)	35,389	(106,826)
14.1	- Investments management costs	(51)		(51)
14.2	- Other administrative costs	(142,165)	35,388	(106,776)
15.	Net provisions for risk and charges	8,760		8,760
16.	Net impairment on tangible assets	(1,692)		(1,692)
17.	Net impairment on intangible assets	(2,323)		(2,323)
	of which: Goodwill value adjustments			
18.	Other income/charges	(15,364)		(15,364)
19.	Profit (Loss) before tax	149,056	(317,742)	(168,686)
20.	Income tax	(59,133)	99,618	40,485
21.	Profit (Loss) after tax	89,923	(218,124)	(128,201)
	TOTAL	**89,923**	**(218,124)**	**(128,201)**

Main impacts on the statement of financial position as at January 1, 2022 (transition date)

At the transition date, the reclassified equity calculated in accordance with the new standards, amounted to Euro 5,518.1 million, down Euro 125.1 million on the equity calculated under the previous standards (Euro 5,643.3 million).

The trend of equity is due to a net decrease caused by the more than proportional reduction of the transferred amount compared to the direct amount, in particular:

- to the posting of the net loss component (direct - transferred) for Euro 108.8 million
- to the posting of the net risk adjustment for Euro 29.6 million which determines a net increase in LIC of Euro 26.6 million.

Effects on the financial performance for 2022

The financial performance for 2022, reclassified in accordance with the new standards, shows a pre-tax loss of Euro 168.7 million. This is due to the insurance service loss of Euro 299 million which includes:

- Insurance revenue on direct business: it includes the releases of premium technical provisions (ARC-LRC);
- Insurance service expenses on direct business: they include claims and attributable expenses paid during the period and changes in claims reserves (AIC-LIC) and the effects of the recognition and subsequent measurements of the loss component;
- Net reinsurance expenses: they include the premiums ceded for the period, net of claims and other recoveries from reinsurance and the economic effects of the recognition of the loss recovery component.

The insurance service loss on direct business for 2022 generated amounted to Euro 1,893 million, mitigated by the effects of reinsurance which generates a positive margin of Euro 1,594 million. The insurance service expenses on direct business amount to Euro 2,293 million and refer to the effects of the recognition and subsequent measurement of the loss component on onerous contracts, which show a total loss of Euro 2,149 million. The increase in the loss component on subsequent measurements is due to the overall worsening of the risk profile of the portfolio mainly connected to the deterioration of the macroeconomic scenario in 2022.

- Net finance income of Euro 161 million, including the investment result, calculated in accordance with IFRS 9.
- Other revenue/expenses, equal to Euro 136 million, include other income and expenses outside the scope of IFRS 17 and IFRS 9.
- Operating expenses of Euro 81 million include, in particular, Euro 80 million related to the portion of expenses not attributable to insurance contracts.

Main impacts on the statement of financial position as at December 31 2022

The balance sheet situation at 31 December 2022 records a reduction in equity of Euro 226.8 million, attributable to the variation of net insurance technical liabilities.

International accounting standards approved and in force from 2023:

The European Commission Regulations that adopted ("endorsed") new international accounting standards, or changes of accounting standards already in force, whose application became mandatory from 1 January 2023 are indicated below:

- On 7 May 2021 the IASB published an amendment entitled "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how companies account for deferred tax on transactions that may generate assets and liabilities in the same amount at the initial recognition, such as leases and decommissioning obligations.
- On 12 February 2021 the IASB published two amendments entitled "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8". The changes regarding IAS 1 require a company to indicate relevant information on the accounting standards applied by the Group. The changes are aimed at improving disclosure on the accounting standards applied by the Group to provide more useful information to investors and other primary users of the financial statements as well as to help companies to distinguish changes in accounting estimates from changes in accounting policy.
- On 23 May 2023 the IASB published an amendment entitled "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules". The document introduces a temporary exception to the accounting for deferred tax assets and liabilities relating to the Pillar Two Model Rules (the rule is in force in Italy at 31 December 2023, but applicable from 1 January 2024) and envisages specific reporting obligations for entities affected by the respective International Tax Reform.

New accounting standards and interpretations already issued and approved by the European Union but not yet in force (date of entry into force from the administrative financial years commencing from 1 January 2024)

The new standards and the interpretations already issued and approved, but which have not yet entered into force and are therefore not applicable to the preparation of financial statements at 31 December 2023, are listed below:

- On 23 January 2020 the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 it published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". Those changes are aimed at clarifying how to classify payables and other short or long-term liabilities. Furthermore, the changes also improve the information that an entity must provide when its entitlement to defer the repayment of a liability for at least twelve months is subject to the respect of certain parameters (i.e. covenants). The changes come into force from 1 January 2024; advance application is, however, permitted. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of that amendment.
- On 22 September 2022 the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liabilities originating from a sale & leaseback transaction in such a way that it records no gain or loss related to the right of use that it retains. The changes will apply from 1 January 2024, but advance application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of that amendment.

Accounting standards, amendments and interpretations not yet approved by the European Union at the reference date of 31 December 2023

At the reference date of this document, the competent bodies of the European Union have not yet concluded the approval process necessary for the adoption of the amendments and standards described below.

- On 25 May 2023 the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- On 15 August 2023 the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"

Financial statements schedules

The schedules of the consolidated financial statements and related annexes are presented in accordance with requirements of ISVAP Regulation no. 7/2007.

It is specified that the item "Other income/expenses" includes the reimbursement of operating costs incurred by SACE S.p.A. in connection with the new "Garanzia Italia" operations, DL Energy Guarantees, Reinsurance of short-term trade receivables, Green New Deal Guarantee and the coinsurance 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 can affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is assumed and until such control ceases to exist. All subsidiaries are included in the scope of consolidation.

Changes in accounting policies

The consolidated financial statements have been prepared in accordance with international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - 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 regulation (EC) no. 1606/2002 in force on the same date.

These financial statements were also prepared in accordance with IVASS Ruling no. 121 of 7 June 2022, which amended and supplemented the provisions of IVASS Regulation no. 7/2007, by virtue of the entry into force of IFRS 17 (Insurance Contracts) which replaces IFRS 4 starting from the 2023 financial statements. In particular, the IFRS 17 "Insurance Contracts" standard is the new Standard that regulates the methods of accounting for insurance contracts, entering into force on 1 January 2023 and replacing IFRS4.

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 subsidiary company African Trade Insurance (ATI).
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.

Scope of consolidation
Participations in controlled entities

Name	Country of head office	Operational headquater Country (1)	Method(2)	Business(3)	Relatioship type(4)	% Direct ivestment	% Total interest(5)	% Voting rights at ordinary Sharehol-ders' Meetings(6)	% of conso-lidation
SACE BT	Italy		G	1	1	100%	100%	100%	100%
SACE FCT	Italy		G	11	1	100%	100%	100%	100%
SACE SRV	Italy		G	11	1	0%	100%	100%	100%
SACE Do Brasil	Brazil		G	11	1	99.9997%	100%	100%	100%
EXPORT DEVELOP-MENT FUND	Italy		G	11	1	100%	100%	N.A.	100%

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 emerging following intercompany transactions are maintained in the consolidated financial statements.

(1) Such information is required only if the operational headquarter Country differes from the registrered office Country
(2) Metod of consolidation: Line-by-line=G, Proportionate=P, Line-by-line by unitary division=U
(3) 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;
(4) Type of relationship: 1 = majority of voting rights at the shareholders' meeting; 2 = significant influence at the shareholders' meeting; 3 = arrangements with other shareholders ; 4 = other type of control; 5 = joint management as per "legislative decree 209/2005" art.96, paragraph 1; 6 = joint management as per "legislative decree 209/2005" art.96, paragraph 2
(5) It is the product of the partecipation relathionships relating to all the companies that, located along the participatory chain, are may be used between the undertaking drawing up company in question. If the latter is directly owned by several subsidiaries it is necessary to sum the individual products
(6) Voting rights at the shareholders' meeting, if different from direct shareholding, split by effective and potential voting rights

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 assessments that have an effect on the amounts recorded relating to the assets, liabilities, expenses and income. For the 2023 financial statements, it is considered that the assumptions made are appropriate and, consequently, that the financial statements were prepared with the intention of clarity and that they represent truthfully and correctly the capital, financial and economic result of the financial year.

In order to produce reliable estimates and assumptions, the directors made reference to historic experience, as well as to other factors considered reasonable for the circumstance in question, based upon all available information. However, it cannot be excluded that variations to those estimates and assumptions may determine effects on the capital and economic situation, as well as on the potential liabilities recorded in the financial statements for the purposes of information, where different elements of judgement arise compared to those expressed at the time. In particular, the use to a greater extent of subjective assessments by the directors was necessary in the following cases: in determining the insurance assets and liabilities; in determining the fair value of financial assets and liabilities in cases where the same could not be directly observed on active markets; in determining the recoverable value of the receivables recorded, in the estimate of recovery of deferred tax assets, in quantifying the provisions for risks and charges.

Valuation 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 assets

This item includes 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. That item does not include values relating to deferred purchase costs and intangible assets regulated by other international accounting standards. Those assets are recorded 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. Depreciation 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 includes 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 property, plant and equipment

This item includes 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.

Insurance assets

Insurance contracts that constitute assets

This item includes insurance contracts, including reinsurance contracts, issued, settled and regulated by IFRS 17, belonging to portfolios of insurance contracts issued that constitute, based upon the closing balance figure, assets.

Transfers to reinsurance that constitute assets

This item includes reinsurance transfer contracts settled and regulated by IFRS 17, belonging to portfolios of reinsurance transfer contracts that constitute, based upon the closing balance figure, assets.

Investments

Investment property

This item includes the property as specified and governed by IAS 40. Such investments include 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 associates and joint ventures

All subsidiaries have been consolidated on a line-by-line basis. This item includes equity investments measured using the equity method and relating to associated companies or companies subject to joint control. In periods following the initial recognition at purchase cost, the change in the value of the equity investments attributable to the result of investee companies is recorded in the profit and loss account.

Financial assets at amortised cost

The item includes the financial assets indicated in IFRS 7 8(f), different from those included in the items "Other financial assets" and "Cash and cash equivalents", that satisfy both the following 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, paragraph 8(h) and, specifically: financial assets that meet the following two conditions (IFRS 9, paragraph 4.1.2A):

a the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
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.

- 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, paragraph 5.7.5.

Financial assets at fair value through profit or loss

This item includes the financial assets referred to in IFRS 7, paragraph 8(a) not classified as financial assets measured at amortised cost or at fair value through other comprehensive income (IFRS 9, paragraph 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, paragraph 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, paragraph 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, paragraph B4.1.5).

Financial liabilities at fair value through profit or loss

This item includes financial liabilities measured at fair value through profit or loss as defined by IFRS 7, paragraph 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, paragraph 4.2.1, as established by IFRS 7, paragraph 8(g).
In particular, the item includes investment contracts without elements of discretionary participation not falling within the scope of application of IFRS 17, deposits received from reinsurers, the financial component present in insurance contracts and implicit payables in leasing contracts payable by a tenant.

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).

Other financial assets

The item includes financial assets not included in the item "Investments", such as derivative margins.

Other assets

Non-current assets and liabilities or those of a disposal group held for sale

The item includes assets relating to a disposal group settled and regulated by IFRS 5.

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. Those posts are recorded based upon Italian national 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 to permit use of these.

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 expenses (income) are the total of current and deferred tax included in the determination of the net profit or loss for the year. Current taxes are recorded with a balancing entry in the Income Statement.

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 17 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 recorded the exchange rate prevailing at the end of the year.

Equity attributable to the owners of the parent

This section includes equity instruments forming the equity of the Group, 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 Company, constitute its share capital. Share capital (subscribed and paid up) is stated at face value.

Retained earnings and other equity reserves

The item includes:

a the reserve comprising gains (losses) arising from first-time adoption of IAS/IFRS as per IFRS 1;
b other reserves required by the Italian Civil Code and previous insurance legislation;
c consolidation reserves.

Valuation reserves

This item reflects the net balance of the changes recorded directly against equity. In this specific case, the item includes gains and losses deriving from the valuation of Staff Severance Pay in accordance with the provisions of IAS 19 and valuation reserves relating to insurance contracts issued and transfers to reinsurance as envisaged by IFRS 17.

Provisions for risks and charges

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.

Insurance liabilities

Insurance contracts issued that constitute liabilities

This item includes insurance contracts, including reinsurance contracts, issued, settled and regulated by IFRS 17, belonging to portfolios of insurance contracts issued that constitute, based upon the closing balance figure, liabilities.

Transfers to reinsurance that constitute liabilities

This item includes reinsurance transfer contracts settled and regulated by IFRS 17, belonging to portfolios of reinsurance transfer contracts that constitute, based upon the closing balance figure, liabilities..

Accounts payable

The item reflects the liability towards employees for termination benefits .
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 Laws 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 through 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, according to the contributions due each year.

Other liabilities

This category includes:

Liabilities of a disposal group held for sale

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 includes:

a transitory reinsurance accounts;

b any accruals and deferred income that could not be allocated to specific items.

Items of the Income Statement

Result of insurance services

The macro item includes insurance income and expenses for insurance services deriving from insurance contracts issued or from transfers to reinsurance.

Insurance revenues deriving from insurance contracts issued

The item records revenues connected with insurance contracts issued which reflect the share of fee received from the policyholder which the insurer is required to record in the income statement against the services provided during the financial year (cf. IFRS 17, paragraphs 83, 85 and B120-127).

Expenses for insurance services deriving from insurance contracts issued

The item records the expenses connected to insurance contracts issued such as, for example: claims occurring during the financial year (excluding investment components, other directly attributable expenses, losses against groups of onerous insurance contracts and amortisation of expenses for the acquisition of insurance contracts issued (cf. IFRS 17, paragraphs 84, 85 and 103, letter b)). Any balance, positive or negative, between the other technical expenses and the other technical income connected with insurance contracts issued, for the part of those expenses and income not included in the cash flows of fulfilment should also be included.

Insurance revenues deriving from transfer to reinsurance

This item records the amount recovered from reinsurers (cf. IFRS 17, paragraph 86) such as, for example, the amount of losses recovered on the underlying insurance contracts (cf. IFRS 17 paragraphs 66, letter c(i)-(ii), 66A, 66B and 86, letter ba)). The positive balance between write-backs and value adjustments connected with expected losses deriving from the risk of non-fulfilment of the reinsurer should also be included (cf. IFRS 17, paragraphs 63, BC307 – BC309). The allocation of premiums paid in the financial year does not reduce this item (cf. IFRS 17, paragraph 86, letter c)).

Expenses for insurance services deriving from transfers to reinsurance

The item includes the allocation of premiums paid in the financial year (cf. IFRS 17, paragraph 86) net of the sums expected to be received from the reinsurers that are not connected with claims relating to the underlying insurance contracts such as, for example, some types of transfer fees (cf. IFRS 17, paragraph 86, letter b)). The following should also be included: i) the negative balance between write-backs and value adjustments connected with expected losses deriving from the risk of non-fulfilment of the reinsurer (cf. IFRS 17, paragraphs 63, BC307 – BC309); ii) any balance, positive or negative, between the other technical expenses and other technical income connected with transfers to reinsurance, for the part of those expenses and income not inserted in the cash flows of fulfilment.

Income and expenses from financial assets and liabilities measured at fair value recorded in the Income Statement

This item includes realised gains and losses and changes in the carrying amount of assets and liabilities at fair value through profit or loss.

Income and expenses of equity investments in associates and joint ventures

The item includes the balance, positive or negative, between the income and expenses relating to equity investments in associated companies and joint ventures valued in equity. Furthermore, it also includes the gain or loss from the sale of equity investments in subsidiaries.

Income and expenses deriving from other financial assets and liabilities and from investment property

These items include income and expense on investment property and financial instruments not at fair value through profit or loss.

Specifically, they include:

a interest income and expense (recognised on financial instruments using the effective interest method);

b 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);

c realised gains and losses (including those resulting from the derecognition of a financial asset/liability or investment property);

d valuation 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).

Net financial result

The net financial result consists of the result of investments, expenses/income of financial nature relating to insurance contracts issued and income/expenses of financial nature relating to transfers to reinsurance.

Net expenses and income of financial nature relating to insurance contracts issued

The item records the balance, positive or negative, of changes in the financial statements value of insurance contracts issued connected with the effects and variations of the time value of money, as well as the effects and variations of the financial risks associated with the cash flows of the insurance contracts issued, other than those connected to the comprehensive income statement (cf. IFRS 17 paragraphs 87, letters a) and b), 88-90, B130-B136).

Net income and expenses of financial nature relating to transfers to reinsurance

The item records the balance, positive or negative, of changes in the financial statements value of transfers to reinsurance connected with the effects and variations of the time value of money, as well as the effects and variations of the financial risks associated with the cash flows of transfers to reinsurance, other than those connected to the comprehensive income statement (cf. IFRS 17 paragraphs 87, letters a) and b), 88,90, B130-B133).

Other revenue and Other costs

These items include, respectively:

a revenue from services other than insurance services and lease of property, plant and equipment and intangible assets or other assets belonging to the company, as required by IFRS 15;

b the release to the income statement of deferred commission income and expenses with contracts not falling within the scope of application of IFRS 17;

c foreign exchange differences to be allocated to the Income Statement indicated in IAS 21;

d capital gains and losses relating to non-current assets and disposal groups held for sale, other than those relating to discontinued operations.

Operating expenses

The item includes:

a 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;

b other administration expenses, including general expenses and expenses for personnel not falling within the calculation of insurance liabilities and assets and not allocated to acquisition expenses of insurance contracts and to investment management costs.

Net accruals to the provisions for risks and charges

The item includes the balance, positive or negative, of accruals and any releases to the income statement of funds considered surplus, in relation to the provisions indicated in item 2 "Provisions for risks and charges" of the liabilities of the statement of financial position.

Net value adjustments and write-backs on tangible assets

This item indicates the balance, positive or negative, of impairment losses, amortisations and write-backs relating to tangible assets, other than those relating to real estate investments or attributable to item 8.5 "Valuation gains/losses", including those relating to assets granted on operating lease and rights of use acquired with leases and relating to the use of tangible assets. It also includes, conventionally, the results of valuations, made in accordance with IFRS 5, of tangible assets classified as "Non-current assets or of a disposal group available for sale" (cf. IFRS 5, paragraph 37).

Net value adjustments and write-backs on intangible assets

This item indicates the balance, positive or negative, of impairment losses, amortisations and write-backs relating to intangible assets, including those relating to assets granted on operating lease and rights of use acquired with leases and relating to the use of intangible assets. It also includes, conventionally, the results of valuations, made in accordance with IFRS 5, of intangible assets classified as "Non-current assets or of a disposal group available for sale".

Other operating expenses/income

The item includes expenses and income not attributable to the other elements that make up the item "Financial year profit (Loss) before taxes".

Current taxes

The item includes income taxes calculated according to national legislation.

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 fiscal 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.

The financial statements' posts in foreign currency are measured as follows at the closure of the financial statements or interim situation:

a cash items are converted at the exchange rate at the closing date;

b non-cash items measured at historical cost are converted at the exchange rate in force on the transaction date;

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 for the period in which 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.

Operations introduced from 2020

In relation to the new operations introduced from 2020 (by the Liquidity, Re-launch, Simplifications and Aid Decrees), connoted by full mitigation of the risks for SACE realised through the endowment of an MEF hedging fund, it is specified that SACE records in its income statement the net revenues relating to the repayment of the management costs incurred. The capital and economic situation includes the cash and cash equivalents in the current account held by SACE, amounting to Euro 31 billion, and relating to the Fund established by Art. 1, paragraph 14 of the Liquidity Decree, to cover the State commitments connected to the granting of guarantees referring to SACE's new operations, recorded with a balancing entry in the item various liabilities. The fees collected and relating to the guarantees issued are recorded with separate accounting, as envisaged by the Laws of reference, and registered in a payable entry to the MEF, with balancing entry being the item other technical expenses.

Furthermore, from 2021, based upon what was established by the Liquidity Decree, the commitments were underwritten by SACE and by the State by way of a coinsurance scheme in an amount equal respectively to ten and to ninety per cent of the underwritten commitments.

Risk management

SACE regularly assesses its exposure to 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 instruments used for this purpose are mainly forward and swap contracts. 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 translated into euros using the following exchange rates:

	31 december 2023	31 december 2022	31 december 2021
US dollar	1.1050	1.0666	1.1326
GB pound	0.86905	0.88693	0.8403
Swiss franc	0.9260	0.9847	1.0331

Information by operating sectors

Pursuant to the provisions of IVASS Regulation no. 7/2007, it is noted that the SACE Group operates in the following segments:

- non-life business insurance (SACE S.p.A., SACE BT S.p.A.)
- other operations (SACE Fct S.p.A., Export Development Fund).

Balance Sheet by business sector

(in € thousands)

		Non-Life Business		Life Business		Other businesses		Elimination between sectors		Total	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	**INTANGIBLE ASSETS**	**10,632**	**10,034**			**1,952**	**1,399**			**12,584**	**11,433**
2	**TANGIBLE ASSETS**	**70,183**	**57,591**			**2,847**	**2,086**			**73,031**	**59,677**
3	**INSURANCE ASSETS**	**3,465,858**	**4,216,648**							**3,465,858**	**4,216,648**
3.1	Insurance contracts that are assets		-								
3.2	Reinsurance contracts that are assets	3,465,858	4,216,648							3,465,858	4,216,648
4	**INVESTIMENTS**	**8,186,786**	**7,502,271**			**1,948,746**	**1,759,426**	**(851,638)**	**(852,949)**	**9,283,894**	**8,408,748**
4.1	Land and buildings (investment properties)	12,306	12,289							12,306	12,289
4.2	Investments in subsidiaries, associated companies and joint ventures	11,873	11,193							11,873	11,193
4.3	Financial assets at amortised cost	5,047,261	5,701,680			1,897,068	1,643,890	(846,023)	(851,060)	6,098,306	6,494,510
4.4	Financial assets at fair value through other comprehensive income										
4.5	Financial assets at fair value through profit or loss	3,115,346	1,777,108			51,678	115,536	(5,615)	(1,889)	3,161,409	1,890,755
5	**OTHER FINANCIAL ASSETS**	**155,707**	**163,549**						**(10,063)**	**155,707**	**153,486**
6	**OTHER ASSETS**	**677,089**	**560,817**			**29,055**	**23,262**	**(16,668)**		**689,476**	**584,079**
7	**CASH AND CASH EQUIVALENTS**	**31,995,432**	**32,048,292**			**157,876**	**130,664**			**32,153,308**	**32,178,956**
	TOTAL ASSETS	**44,561,687**	**44,559,203**			**2,140,475**	**1,916,836**	**(868,306)**	**(863,012)**	**45,833,857**	**45,613,026**
1	**SHAREHOLDERS' EQUITY**									**5,799,257**	**5,350,254**
2	**OTHER PROVISIONS**	**23,026**	**22,240**			**7,536**	**6,006**			**30,562**	**28,246**
3	**INSURANCE PROVISIONS**	**4,503,617**	**5,434,034**					**(13)**	**(40)**	**4,503,604**	**5,433,994**
3.1	Insurance contracts that are labilities	4,503,617	5,434,007					(13)	(13)	4,503,604	5,433,994
3.2	Reinsurance contracts that are llablities		26						(26)		
4	**FINANCIAL LIABILITIES**	**681,539**	**660,768**			**1,918,825**	**1,660,389**	**(851,638)**	**(852,985)**	**1,748,726**	**1,468,173**
4.1	Financial liabilities at fair value through profit or loss	118,287	89,340							118,287	89,340
4.2	Financial liabilities at amortized cost	563,252	571,428			1,918,825	1,660,389	(851,638)	(852,985)	1,630,439	1,378,832
5	**PAYBLES**	**33,219,029**	**32,944,713**			**49,614**	**43,203**	**(11,178)**	**(9,864)**	**33,257,465**	**32,978,052**
6	**OTHER LIABILITIES**	**472,065**	**345,758**			**4,697**	**4,254**	**17,481**	**4,295**	**494,243**	**354,307**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES							-		**45,833,858**	**45,613,026**

Income statement by business sector

(in € thousands)

		Non-Life Business		Life Business		Other businesses		Elimination between sectors		Total	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	Insurance revenue from insurance contracts issued	1,228,374	530,547					(3,783)	(4,456)	1,224,591	526,091
2	Insurance service expenses from insurance contracts issued	(175,685)	(2,405,817)					9	5,865	(175,676)	(2,399,953)
3	Insurance revenue from reinsurance contracts held	470,205	1,731,377						4	470,205	1,731,381
4	Insurance service expenses from reinsurance contracts held	(1,210,292)	(141,330)					95	21	(1,210,197)	(141,310)
5	**Insurance service result**	**312,602**	**(285,223)**					**(3,679)**	**1,433**	**308,923**	**(283,791)**
6	Income/ expenses from financial assets and liabilities at fair value through profit or loss	92,956	(19,721)			(1,024)	(1,251)			91,932	(20,972)
7	Income/ expenses from investmets in subsidiaries, associated companies and joint ventures	884	1,282							884	1,282
8	Income/ expenses from other financial assets and liabilities and investments properties	163,135	202,070			26,382	23,956	(284)	(2,996)	189,233	223,030
9	**Result of investments**	**256,975**	**183,631**			**25,359**	**22,705**	**(284)**	**(2,996)**	**282,049**	**203,340**
10	Net finance income/expenses relates to insurance contracts issued	(9,901)	(23,616)							(9,901)	(23,616)
11	Net finance income/expenses relates to reinsurance contracts held	13,074	(351)							13,074	(351)
12	**Net finance result**	**260,147**	**159,664**			**25,359**	**22,705**	**(284)**	**(2,996)**	**285,222**	**179,373**
13	Other income/expenses	164,498	30,810			19,246	29,135	(9,711)	(6,768)	174,032	53,177
14	Acquisition and administration costs	(104,245)	(89,289)			(17,526)	(25,770)	14,089	8,232	(107,682)	(106,827)
15	Net provisions for risk and charges	(11,257)	8,760							(11,257)	8,760
16	Net impairment on tangible assets	(2,158)	(1,692)							(2,158)	(1,692)
17	Net impairment on intangible assets	(2,335)	(2,323)							(2,335)	(2,323)
18	Other income/charges	1,203	876			(16,304)	(16,239)			(15,102)	(15,364)
	PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	**618,455**	**(178,417)**			**10,774**	**9,830**	**415**	**(99)**	**629,644**	**(168,686)**

Notes to the consolidated balance sheet

1. Intangible assets (Item 1)

TABLE 1

Intangible assets

(in € thousands)	Net amount at 31/12/2023	Net amount at 31/12/2022
Goodwill	92	92
Start-up and expansion costs	167	9
Other intangible assets	12,325	11,332
TOTAL	**12,584**	**11,433**

The item "Goodwill" amounts to Euro 92,000 and refers to the goodwill of 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. The amortisation periods reflect the useful life of capitalised costs.

TABLE 2

(amounts in € thousands)	Net amount
Opening balances	11,433
Increases	5,123
Decreases	(3,972)
TOTAL	**12,584**

Further details are provided in Annexes 1 and 2.

2. Property and equipment (Item 2)

The item tangible assets amounts in total to Euro 73,031 thousand.
Changes in the original carrying amounts and accumulated depreciation for the period are set forth below:

TABLE 3

Property, plant and equipment

(amounts in € thousands))	Amount
Opening balances	54,870
Increases and purchases	16,876
Decreases	(2,001)
Depreciation	(2,165)
CLOSING BALANCE	**67,580**

The carrying amount of the building located in Rome, Piazza Poli 37/42, owned by SACE S.p.A. and used by the parent to operate, is equal to Euro 49,800 thousand. The fair value of this building exceeds its carrying amount. No title or ownership restrictions exist on property and equipment and no assets have been pledged to guarantee liabilities.

TABLE 4

Other property, plant and equipment

(amounts in € thousands)	Amount
Opening balances	4,807
Increases and purchases	3,781
Decreases	(1,624)
Depreciation	(1,513)
CLOSING BALANCE	**5,451**

Further details are provided in Annexes 3 and 4.

3. Insurance contract assets (Item 3)

The detail is as follows:

TABLE 5

Breakdown

(amounts in € thousands)		31 december 2023	31 december 2022
3.1	Insurance contracts that are assets		
3.2	Reinsurance contracts that are assets	3,465,858	4,216,648
	TOTAL	**3,465,858**	**4,216,648**

Details of the item are reported in Annexes 11 and 12.

4. Investments (Item 4)

The detail is as follows:

TABLE 6

Breakdown

(amounts in € thousands)			31 december 2023	31 december 2022
4.1	Land and buildings (investment properties)		12,306	12,289
4.2	Investments in subsidiaries, associated companies and joint ventures		11,873	11,193
4.3	Financial assets at amortised cost		6,098,306	6,494,510
4.4	Financial assets at fair value through other comprehensive income			
4.5	Financial assets at fair value through profit or loss:		3,161,409	1,890,755
	a	*Financial assets held for trading*	3,106,642	1,836,254
	b	*Financial assets designated at fair value*		
	c	*Financial assets mandatorily at fair value through profit or loss*	54,768	54,502
TOTAL			**9,283,894**	**8,408,748**

4.1 Investment property

The item "Investment property" (Item 4.1) refers to properties granted on lease 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 Annexes 5 and 6.

4.2 Equity investments in associates and joint ventures

Equity investments: information on investment relationships

Name	Country of place of business(1)	Country of head office	Activity vità(2)	Relationship type(3)	% Direct investment	% Total interest(4)	% Availability of votes in ordinary shareholders' meeting(5)
Joint venture							
Associated companies							
SACE BT		Italy	1	b	100%	100%	
SACE FCT		Italy	11	b	100%	100%	
SACE SRV		Italy	11	b	0%	100%	
SACE Do Brasil		Brazil	11	b	99.9997%	100%	
EXPORT DEVELOPMENT FUND		Italy	11	b	100%	100%	
AFRICAN TRADE INSURANCE AGENCY		Kenya	3	b	2.68%	2.68%	

(1) This information should be provided only if the country of the place of business is different from the country of the head office.

(2) 1=Italian ins; 2=EU ins; 3=third country ins; 4= insurance holding company; 4.1. mixed financial investment enterprises; 5= EU reins; 6=third country reins; 7= banks; 8= asset management company; 9= various holding companies; 10= property; 11= other.

(3) a=a=subsidiary (only for the individual financial statements); b= associate; c= joint venture; indicate with an asterisk (*) the companies classified as owned for the sale in conformity with IFRS 5 and indicate the legend at the bottom of the table.

(4) The product of the investment relationships relating to all companies that, positioned along the shareholding chain, are interposed between the company that prepares the consolidated financial statements and the company in question. If the latter is invested directly by several subsidiaries, add together the individual products.

(5) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual votes and potential votes. The availability of votes should onlv be indicated if different from the share of investment.

Major equity investments: book value, fair value and dividends received

(amounts in € thousands)

Name	Relationship type (1)	Carrying amount	Fair Value	Dividends received
Joint venture				
Associated companies				
African Trade Insurance Agency	b	11,873		204
Subsidiaries				
TOTAL		**11,873**		**204**

In the IAS/IERS financial statements the name of the sub-item is: "Eauitv investments in subsidiaries, associates and ioint ventures"A=subsidiaries (only for the IAS/FRS financial statements): b= associates: c= ioint ventures

4.3 Financial assets at amortised cost

The detail is as follows:

TABLE 7

Breakdown (amounts in € thousands)	31 december 2023	31 december 2022
Government bonds	2,789,436	2,880,393
Other listed securities	1,029,356	772,016
Other	2,279,514	2,841,964
TOTAL	**6,098,306**	**6,494,373**

The item "Other" includes receivables and loans of the subsidiary company SACE Fct S.p.A. for Euro 1,894,032 thousand and time deposits with bank counterparties for Euro 355,946 thousand.

The 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 Annexes 7, 8 and 9.

4.4 Financial assets measured at fair value through other comprehensive income

This item includes the financial assets covered by IFRS 7.8(h).

4.5 Financial assets measured at fair value through profit or loss

This item includes the financial assets covered by 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).

a Financial assets held for trading

TABLE 8

Breakdown (amounts in € thousands)	31 december 2023	31 december2022
Government bonds	2,350,843	1,236,013
Listed bonds	661,762	380,932
Unlisted bonds	48,596	113,249
Listed shares	10,265	8,668
Equity instruments	14,610	24,781
Forward contracts	223	16
UCITS	10,416	3,542
Other	9,927	69,053
TOTAL	**3,106,642**	**1,836,254**

b Other financial assets mandatorily measured at fair value

This item includes 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 9

Breakdown (amounts in € thousands)	31 december 2023	31 december 2022
Government bonds	54,768	54,502
TOTAL	**54,768**	**54,502**

The information indicated in IFRS 13.93 letter b) regarding the classification according to hierarchy values of the fair value envisaged by IFRS 13.92 is provided in the table "Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels". Level 1 includes financial instruments listed on regulated markets, level 2 includes unlisted securities and derivatives 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.
The information indicated in IFRS 13.93 letters e) and f) relating to the reconciliation between opening and closing balances and the breakdown of changes in the financial year of assets and liabilities measured at fair value on a recurring basis, classified at hierarchical level 3, is provided in the table "Annual variations of level 3 financial assets and liabilities measured at fair value on a recurring basis".

Further details are provided in Annex 10.

Fair value measured on a recurring basis

The following table shows separately by fair value hierarchical level the comparison between the financial statements' assets and liabilities measured at fair value respectively at the date of 31 December 2023 and 31 December 2022.

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(amounts in € thousands)		Level 1		Level 2		Level 3		Total	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Financial assets and liabilities measured at fair value									
financial assets measured at fair value through other comprenensive incom									
Financial assets at fair value through profit or loss	Financial assets held for trading	3,033,288	1,629,153	10,149	104,762	63,205	102,339	3.106,642	1,836,254
	Financial assets measured at fair value								
	Other financial assets mandatorily measured at fair value	54,768	54,502					54,768	54,502
Invastment propert									
Pronerty and equioment									
Intangigle assets									
Total		**3,088,056**	**1,683,655**	**10,149**	**104,762**	**63,205**	**102,339**	**3,161,409**	**1,890,755**
Financial liabilities at fair value through profit or loss	Financial liabilities held for trading			118,288	89,340			118,288	89,340
	Financial liabilities measured at fair value								
Total				**118,288**	**89,340**			**118,288**	**89,340**

Change in level 3 assets and liabilities measured at fair value on a recurring basis

(amounts in € thousands)		Financial assets meacured a fair valle through other comprenensive income	Financial assets measured at fair value through profit or loss			Investment property	Property and equipment	Intangible assets	Financial liabilities at fair value urouan oroi oross	
			Financial assets held for trading	Financial assets measured at fair value	Other financial assets mandatorily measured atfair value				Financial liabilities held for trading	Passività finanziarie designate al fair value
1	**Opening balance**		**102,339**							
2	**Increases**		**82**							
2.1	Purchases									
2.2	Gains allocated to:									
2.2.1	Profit or loss									
	of which gains		23							
	of which losses									
2.2.2	Other comprehensive income									
2.3	Transfer to other levels									
2.4	Other increases		59							
3	**Decreases**		**(39,216)**							
3.1	Sales		(29,038)							
3.2	Reimbursements									
3.3.	Losses allocated to:									
3.3.1	Profit or loss									
	of which losses		(10,173)							
	of which gains									
3.3.2	Other comprehensive income									
3.4	Transfer to other levels									
3.5	Other decreases		(4)							
4	**Closing balance**		**63,205**							

5 Other financial assets (Item 5)

The item "Other financial assets" amounting to Euro 155,707 thousand refers mainly to margins on financial transactions (Euro 145,470 thousand).

6 Other assets (Item 6)

TABLE 10

Breakdown

(in € thousands)		31 december 2023	31 december 2022
6.1	Non-current assets or disposal group classified ad held for sale		
6.2	Tax assets	349,214	327,818
a	current	52,993	42,599
b	deferred	296,221	285,219
6.3	Other assets	340,262	256,261
TOTAL		**689,476**	**584,079**

Current tax assets include receivables due from companies included in the tax consolidation scheme. Deferred tax assets reflect those arising from the ordinary financial statements of consolidated companies and taxes relating to IFRS adjustments to the consolidated financial statements pursuant to IAS 12.

The item "Other assets" mainly includes receivables from co-insurers for commissions on premiums collected and indemnities paid for Euro 146,156 thousand, Euro 34,231 thousand referring to receivables for commissions relating to "Garanzia Italia" and Euro 96,240 thousand referring to "Garanzia Green".

7 Cash and cash equivalents (Item 7)

TABLE 11

Breakdown

(amounts in € thousands)	31 december 2023	31 december 2022
Bank and Post Office demand deposits	32,153,303	32,178,948
Cash in hand	5	8
TOTAL	**32,153,308**	**32,178,956**

This item includes Euro 31 billion paid by the MEF to the bank account held by SACE opened at the Central Treasury (Bank of Italy) and dedicated to operations pursuant to the Liquidity Decree.

8. Equity (Item 1)

The total equity at 31 December 2023 amounts to Euro 5,799,257 thousand and is broken down as follows:

TABLE 12

Breakdown

(in € thousands)		31 december 2023	31 december 2022
SHAREHOLDERS' EQUITY		**5,799,257**	**5,350,254**
I	**Group interest**	**5,799,257**	**5,350,254**
	Share capital	3,730,324	3,730,324
	Capital reserves	43,305	43,305
	Revenue reserve and other equity reserves	1,377,288	1,576,212
	Valutation reserves	174,568	129,337
	Group interest in the profit (loss) for the year	473,773	(128,923)
II	**Minority interest**		
	Share capital and reserves		
	Gains (losses) taken directly to equity		
	Minority interest in the profit (loss) for the year		

The share capital consists of 1,053,428 ordinary shares and is fully paid in. The item "Retained earnings and other Equity Reserves" includes gains and losses arising on first-time adoption of international accounting standards (IFRS 1) and Reserves envisaged by the Italian Civil Code and special legislation prior to the adoption of the international accounting standards (reserves deriving from waivers of valuation criteria and also reserves deriving from the result of foreign exchange management).

9. Provisions for risks and charges (Item 2)

A breakdown of the provisions to cover the legal or constructive obligations to which SACE is exposed in exercising its business is given below:

TABLE 13

Breakdown

(in € thousands)	31 december 2023	31 december 2022
Provision for credit risk - financial commitments and guarantees issued	278	279
Provisions for amounts due to policyholders	977	982
Provision for legal disputes	7,587	5,684
Provision for payments to agents	4,055	3,206
Other provisions	17,665	18,094
TOTAL	**30,562**	**28,245**

The Provision for credit risk - financial commitments and guarantees issued relates to commitments to grant funds to SACE Fct S.p.A. for formal non-recourse financing.

The item "Other provisions" includes Euro 5,563 thousand for agreements being finalised with policyholders and Euro 2,826 thousand attributable to provisioning for redundancies to the "Inter-sectoral solidarity fund to provide income support and to support employment and professional retaining of employees of insurance and service companies" established at INPS, in accordance with Italian Ministerial Decree no. 78459 of January 17, 2014.

Movements of the provisions for the year 2023 are presented below:

TABLE 14

Description (in € thousands)	Amount
Opening balance	28,246
Provisions	14,508
Utilisations	(12,192)
CLOSING BALANCE	**30,562**

10 Insurance contract liabilities (Item 3)

TABLE 15

Breakdown (in € thousands)		31 december 2023	31 december 2022
3.1	Insurance contracts that are liabilities	4,503,604	5,433,994
3.2	Reinsurance contracts that are liabilities		
TOTAL		**4,503,604**	**5,433,994**

Further details are provided in Annexes 16 and 17.

11. Financial liabilities (Item 4)

The breakdown is as follows:

TABLE 16

Description (amounts in € thousands)			31 december 2023	31 december 2022
4.1		Financial liabilities at fair value through profit or loss:	118,287	89,340
	a	*Financial liabilities held for trading*	118,287	89,340
	b	*Financial liabilities designated at fair value*		
4.2		Financial liabilities at amortized cost	1,630,439	1,378,833
TOTAL			**1,748,726**	**1,468,173**

The item "Financial liabilities held for trading" includes the valuation of the derivative financial instruments in the portfolio.

The "Financial liabilities at amortised cost" includes:

- Euro 493.5 million relating to the subordinated loan, listed on the Luxembourg Stock Exchange, issued by the Parent Company SACE S.p.A.. SACE repurchased its bonds for a total of Euro 6.5 million;
- Euro 1,047 million relating to loans obtained by the subsidiary SACE Fct S.p.A. from banks and from customers, not yet repaid at 31 December 2023.

Further details are provided in Annexes 21 and 22.

12. Liabilities (Item 5)

TABLE 17

Description (amounts in € thousands)	31 december 2023	31 december 2022
Amounts due to suppliers	28,302	22,500
Provision for termination benefits	3,263	3,393
Payables for financial margins	8,300	61,550
Other payables	32,217,600	32,890,609
TOTAL	**32,257,465**	**32,978,052**

The item "Other payables" includes the balancing entry related to the deposit paid by the MEF to the bank account held by SACE at the central treasury for Euro 31 billion (recorded in the equity assets in the item Cash and cash equivalents), the payable to the MEF for the coinsurance operations for Euro 639,303 thousand, the payable, net of management costs incurred, for commissions on "Garanzia Italia" transactions paid at 31 December 2023 for Euro 526,793 thousand, on reinsurance of short-term trade receivables for Euro 213,612 thousand, on "Garanzia Green" for Euro 102,796 thousand and receipts to be attributed to debtors relating to the factoring activities for Euro 37,465 thousand.

13. Other liabilities (Item 6)

The breakdown of this item is as follows:

TABLE 18

Breakdown

(amounts in € thousands)			31 december 2023	31 december 2022
6.1	Group's disposal liabilities held for sale			
6.2	Tax liabilities		462,277	333,998
	a	Current tax liabilities	129,892	51,476
	b	Deferred tax liabilities	332,385	282,522
6.4	Other liabilities		31,966	20,309
TOTAL			**494,243**	**354,307**

The item relating to deferred tax liabilities, amounting to Euro 332,385 thousand, refers mainly to taxes calculated on the reversal for IFRS purposes of the equalisation reserve for Euro 118,816 thousand and to tax calculated on the financial assets valued at amortised cost and on the financial assets measured at fair value for Euro 136,950 thousand. The total amount takes account, in addition, for Euro 50,775 thousand, of deferred taxes calculated on the foreign exchange components of receivables and payables.

"Other liabilities" mainly refer to commissions on co-insurance premiums.

Notes to the consolidated income statement

14. Insurance service result (Item 5)

TABLE 19

Breakdown

(amounts in € thousands)	31 december 2023	31 december 2022
Insurance revenue from insurance contracts issued (Item 1)	1,224,591	526,091
Insurance service expenses from insurance contracts issued (Item 2)	(175,676)	(2,399,953)
Insurance revenue from reinsurance contracts held (Item 3)	470,205	1,731,381
Insurance service expenses from reinsurance contracts held (Item 4)	(1,210,197)	(141,310)
INSURANCE SERVICE RESULT (ITEM 5)	**308,923**	**(283,791)**

The result of insurance services is positive for Euro 308.9 million and is determined by:

- Insurance revenues for Euro 1,224.6 million which include i) Premiums issued for the period of Euro 531.3 million, adjusted by the expected flows in the same period of Euro 530.3 million, ii) release of expected claims flows for Euro 974.1 million, iii) release of risk adjustment for Euro 107.6 million iv) release of CSM for Euro 87 million, v) other technical components for Euro 54.9 million.
- Insurance service expenses of Euro 175.7 million which include i) liquidated claims, including liquidation expenses, for Euro 342.1 million, ii) variation of LIC for Euro 10.4 million, iii) release of the loss component for Euro 88.7 million, iv) revenues deriving from recoveries for Euro 133 million, other technical expenses for Euro 44.9 million.
- Insurance revenues deriving from reinsurance amounting to Euro 470.2 million referring to i) liquidated claims borne by reinsurers for Euro 116.9 million ii) release of LIC borne by reinsurers amounting to Euro 33.7 million iii) loss component borne by reinsurers for Euro 311.5 million, other technical income for Euro 8.1 million.
- Insurance costs deriving from reinsurance for Euro 1,210.2 million which include i) premiums transferred to reinsurers for Euro 253.1 million, adjusted by the release of expected flows in the same period for Euro 275.3 million, ii) provisioning to the reinsured flows for Euro 1,342.1 million, iii) net gain/loss release for Euro 275.8 million.

Further details are provided in Annexes 23 and 24.

15. Income and expense from financial assets and liabilities measured at fair value through profit or loss (Item 6)

The positive item amounting to Euro 91,932 thousand includes the realised gains and losses and the positive and negative changes of fair value financial assets and liabilities recorded in the income statement. In particular, the item includes the valuation of financial instruments in foreign currency and the result of operations relating to asset swaps (negative for Euro 3,866 thousand) and interest and income on securities (positive for Euro 93,765 thousand).

16. Income and expense from other financial assets and liabilities and from investment property (Item 8)

The positive item amounting to Euro 189,233 thousand includes income and expenses deriving from investment property and from financial instruments not measured at fair value in the income statement. In particular, it consists of interest income on state securities and bonds for Euro 117,297 thousand, on bank deposits for Euro 30,071 thousand, on receivables from subrogation for Euro 16,349 thousand and interest on receivables from customers of SACE Fct for Euro 66,078 thousand. It also includes interest expenses on the subordinated bond loan issued by SACE S.p.A. for Euro 19,262 thousand and Euro 25,888 thousand on loans obtained by SACE Fct from customers and banks.

17. Net financial income/expense from insurance contracts issued

TABLE 20

Breakdown

(amounts in € thousands)	31 december 2023	31 december 2022
Net finance income/expenses relating to insurance contracts issued	(9,901)	(23,616)
Net finance income/expenses relating to reinsurance contracts held	13,074	(351)
NET RESULT	**3,173**	**23,967**

Details of the item financial expenses/income from insurance contracts issued are provided in Annexes 26 and 27.

18. Other income/expense (Item 13)

The item is positive and amounts to Euro 174,032 thousand (positive and amounting to Euro 53,177 thousand at 31 December 2022) and includes the foreign exchange difference to be allocated to the income statement, positive and amounting to Euro 29,304 thousand (negative and amounting to Euro 75,597 thousand at 31 December 2022) of which Euro 38,328 thousand relating to foreign exchange differences from positive valuation (negative and amounting to Euro 39,394 thousand at 31 December 2022). It also includes the reimbursement of management costs on finalised transactions referring to the new operations introduced in 2020 by the government decrees for Euro 8,715 thousand and commissions on premiums collected by way of coinsurance for Euro 111,773 thousand.

19. Operating expenses (Item 14)

Investment management expenses (Item 14.1)

This item includes overheads and personnel expenses relating to the management of financial instruments, investment property and equity investments.

Other administrative expenses (Item 14.2)

The item includes general expenses and personnel expenses not allocated to claims expenses, acquisition costs in respect of insurance contracts or investment management expenses.

20. Income taxes (Item 20)

Against a pre-tax economic result of Euro 629,644 thousand, taxes were recorded for the period in the amount of Euro 155,871 thousand.

Other Information

Intercompany transactions and transactions with related parties

- 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 intragroup transactions are settled at arm's length and regarded the following:
- services rendered under specific agreements that do not constitute the company's core business;
- costs for lease of offices;
- reinsurance transactions and non-recurring deposits with SACE BT S.p.A.;
- non-recurring deposits for SACE Fct S.p.A.;
- personnel seconded to the group companies (SACE Fct, SACE BT, and SACE SRV). (The amount reflects the reimbursement of the costs incurred by the seconding company for remuneration and related costs.)

During 2023, the transfer operation from SACE SRV to the Parent Company SACE of the business branch constituted by activities relating to restructuring and recovery of distressed exposures, as well as those relating to customer care, was finalised.

Amount of fees paid to Managers with strategic responsibility

The fees paid in 2023 amount to Euro 3,633 thousand.

Other information

With regard to interventions in the social sphere, SACE has supported the association D.i.Re, which deals with preventing and combating gender violence and the Turkish civil protection AFAD, through the cash payment of a total of Euro 20 thousand.

Independent auditors' fees

In accordance with Italian Legislative Decree no. 39 of 27 January 2010, the fees for the accounts audit performed in the 2023 financial year amount to Euro 375 thousand.

"Garanzia SupportItalia", Short-term credit insurance and Green New Deal

In the period from 1 January 2023 to 31 December 2023, in view of applications received via the dedicated portal "Supportitalia", 4,237 guarantees were issued for a total financing amount of Euro 17,397 million and a maximum guaranteed amount[17] of Euro 16,555 million. The management costs for the "Garanzia Supportitalia" schemeamount to Euro 8.0 million, as expenses incurred by SACE S.p.A. for the issuance of the contracts received, the controls carried out and the information flows.

The SACE-Reinsured Agreement in accordance with Article 35 of Italian Decree Law no. 34 of 19 May 2020 entered into force on 5 November 2020. Since the start of the operations, the premiums paid by the reinsured companies, net of commissions, amount to Euro 286.0 million. The indemnities paid amount in total to Euro 77.2 million (gross of recoveries for Euro 7.5 million). The management costs incurred by SACE in 2023 for the control of management and accounting information flows received and the verification and credit recovery activities amounted to Euro 0.5 million.

As to the Green operations, in accordance with Article 64 of Italian Decree Law 76 of 16 July 2020, in the period from 1 January 2023 until 31 December 2023 SACE resolved to issue 260 guarantees relating to transactions for a total financing amount of Euro 4,335.8 million and a guaranteed commitment (principal and interest) of Euro 2,272.37 million. 298 guarantees were issued (mobilised resources) during 2023 for a total financing amount of Euro 4,335.3 million and a guaranteed commitment (principal and interest) of Euro 2,446.4 million. In 2023 the premiums agreed amount to Euro 31 million.

Events after the reporting date

Nothing to report.

17 The guaranteed amount is the principal plus ancillary charges and interest, net of the percentage cover, upon issuing of the guarantee

Annex to the notes to the financial statements

ANNEXES TO THE NOTES

(ISVAP Regulation no. 7/2007 as amended)

STATEMENT OF FINANCIAL POSITION - ASSETS

Annex 1
Intangible assets, breakdown

	(in euro thousands)	Total 31/12/2023		Total 31/12/2022	
	Assets/Amounts	Finite Life	Indefinite Life	Finite Life	Indefinite Life
A.1	**Goodwill**		**92**		**92**
A.1.1	attributable to the owners of the parent		92		92
A.1.2	attributable to non-controlling interests				
A.2	**A Other intangible assets**	**12,325**	**167**	**11,332**	**9**
A.2.1	Assets measured at cost	12,325	167	11,332	9
a)	Intangible assets developed internally	6,623		6,584	
b)	Other assets	5,702	167	4,749	9
A.2.2	Assets restated				
a)	Intangible assets developed internally				
b)	Other assets				
	TOTAL	12,325	259	11,332	101

Annex 2
Intangible assets: annual changes

	(In euro thousands)	31/12/2023 Goodwill	Other intangible assets: generated internally		Other intangible assets:		TOTAL	31/12/2022 Goodwill	Other intangible assets:		Other intangible assets:		TOTAL
			Definite	Indefinite	Definite	Indefinite			Definite	Indefinite	Definite	Indefinite	
A.	**Initial amount**	92	6,584		4,749	9	11,433	92	6,834		3,198		10,124
A.1	Net total decreases in value												
A.2	**Net initial amounts**	92	6,584		4,749	9	11,433	92	6,834		3,198		10,124
B.	**Increases**		1,578		3,376	168	5,123		1,230		4,010	9	5,249
B.1	Purchases		1,578		3,376	168	5,123		1,230		4,010	9	5,249
B.2	Increases of internal intangible assets												
B.3	Write-backs												
B.4	Positive changes of redetermined value												
	- in the comprehensive income statement												
	- in the income statement												
B.5	Positive foreign exchange differences												
B.6	Other changes												
C.	**Decreases**		(1,539)		(2,423)	(10)	(3,972)		(1,480)		(2,460)		(3,940)
C.1	Sales												
C.2	Value adjustements				(1,710)	(10)	(1,720)				(2,232)		(2,232)
	-amortisation and depreciation												
	- write downs												
	+ in the comprehensive income statement												
	+ in the income statement												
C.3	Negative changes of redetermined value												
	- in the comprehensive income statement												
	- in the income statement												
C.4	Transfers to non-current assets held for sale												
C.5	Negative foreign exchange differences												
C.6	Other changes		(1,539)		(713)		(2,252)		(1,480)		(228)		(1,708)
D.	**Net final inventories**	92	6,623		5,702	167	12,584	92	6,584		4,748	9	11,433
D.1	Net total value adjustments												
E.	**Gross final inventories**	92	6,623		5,702	167	12,584	92	6,584		4,748	9	11,433
F.	Cost valuations												

Annex 3
Property and equipment, breakdown

	(in € thousands)	Own use				Inventories IAS 2	
		At cost		Restated			
		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	**Own Use**	**52,044**	**52,360**				
a)	land	49,800	49,800				
b)	buildings						
c)	office furniture and machinery	2,074	2,313				
d)	equipment	102	179				
e)	other assets	68	68				
2	**Right-of-use assets**	**20,987**	**7,316**				
a)	land						
b)	buildings	20,299	6,716				
c)	office furniture and machinery						
d)	equipment						
e)	other assets	688	600				
	TOTAL	73,031	59,677				

Annex 4
Tangible assets for own use: annual changes

	(in € thousands)	Land	Buildings	Office furniture and Machines	Plant and equipment	Other tangible assets	TOTAL
A	**Gross initial amounts**	**49,800**	**18,194**	**8,194**	**918**	**2,940**	**80,046**
A.1	Amortisation and depreciation provision and for value reductions		(11,478)	(5,881)	(739)	(2,271)	(20,369)
A.2	**Net initial amounts**	**49,800**	**6,716**	**2,313**	**179**	**669**	**59,677**
A.2.a	Initial balances adjustment						
B.	**Increases**		**18,840**	**450**	**2**	**477**	**19,769**
B.1	Purchases		15,812	441		423	16,677
B.2	Capitalised improvement expenses						
B.3	Write-backs						
B.4	Positive changes of redetermined value allocated to						
a)	comprehensive income statement						
b)	income statement						
B.5	Positive foreign exchange differences						
B.6	Transfers from investment property						
B.7	Other changes		3,028	9	2	54	3,093
C.	**Reductions**		**(5,257)**	**(689)**	**(79)**	**(390)**	**(6,416)**
C.1	Sales				(6)		(6)
C.2	Amortisation and depreciation		(3,671)	(687)	(73)	(359)	(4,791)
C.3	Value adjustments from deterioration allocated to						
a)	comprehensive income statement						
b)	income statement						
C.4	Negative changes of redetermined value allocated to						
a)	comprehensive income statement						
b)	income statement						
C.5	Negative foreign exchange differences						
C.6	Transfers to:						
a)	investment property						
b)	non-current assets or those of a disposal group held for sale						
C.7	Other changes		(1,586)	(2)		(31)	(1,619)
D.	**Net final inventories**	**49,800**	**20,299**	**2,074**	**102**	**755**	**73,030**
D.1	Amortisation and depreciation provision and for value reductions						
D.2	**Gross final inventories**	**49,800**	**20,299**	**2,074**	**102**	**755**	**73,031**
E.	Cost valuation						

Annex 5
Investment property, breakdown

(in € thousands)		At cost		At fair value	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	**Own use**	**12,306**	**12,289**		
a)	land	4,255	4,255		
b)	buildings	8,051	8,034		
2	**Right-of-use assets**				
a)	land				
b)	buildings				
	TOTAL	**12,306**	**12,289**		

Annex 6
Investment property, annual changes

	(in € thousands)	Land	Buildings	TOTAL
A	**Gross initial assets**	**4,255**	**8,034**	**12,289**
A.1	Amortisation and depreciation provision and for value reductions			
A.2	**Net initial assets**	**4,255**	**8,034**	**12,289**
A.2.a	Initial balances adjustment			
B.	**Increases**		**16**	**16**
B.1	Purchases			
B.2	Capitalised improvement expenses			
B.3	Positive fair value changes			
B.4	Write-backs			
B.5	Positive foreign exchange differences		16	16
B.6	Transfers from properties for own use			
B.7	Other changes			
C.	**Reductions**			
C.1	Sales			
C.2	Amortisation and depreciation			
C.3	Negative fair value changes			
C.4	Value adjustments from deterioration			
C.5	Negative foreign exchange differences			
C.6	Transfers to:			
a)	properties for own use			
b)	non-current assets or those of a disposal group held for sale			
C.7	Other changes			
D.	**Net final inventories**	**4,255**	**8,051**	**12,306**
D.1	Amortisation and depreciation provision and for value reductions			
D.2	**Gross final inventories**	**4,255**	**8,051**	**12,306**
E.	Fair value valuation			

Annex 7
Financial assets at amortised cost, breakdown by type, percentage and fair value hierarchy

	(in € thousands)	31/12/2023						31/12/2022					
	Items/Amounts	Carrying amount	% invest.	L1	L2	L3	Total Fair value	Carrying amount	Comp %	L1	L2	L3	Total Fair value
1	Debt securities	3,818,792	63	3,807,680			3,807,680	3,652,410	56	3,477,707			3,477,707
	Government bonds	2,789,436						2,880,394					
a)	listed	2,789,436						2,880,394					
b)	unlisted												
	Other debt securities	1,029,356						772,016					
a)	listed	1,029,356						772,016					
b)	not listed												
2	Loans and receivables	2,279,514	37		355,946	1,897,769	2,253,715	2,842,100	44	27,234	1,169,906	1,644,961	2,842,100
	TOTAL	**6,098,306**		**3,807,680**	**355,946**	**1,897,769**	**6,061,396**	**6,494,510**		**3,504,940**	**1,169,905**	**1,644,961**	**6,319,807**

Legend:
Comp. % = Percentage Composition
L1 = level 1
L2 = level 2
L3 = level 3
X indicates that no information is necessary

Annex 8
Financial assets at amortised cost, breakdown by type and credit risk stage

	(in € thousands)	Balance value 31/12/2023			Balance value 31/12/2022		
		stage 1	stage 2	stage 3	stage 1	stage 2	stage 3
	Government bonds	2,789,436			2,880,394		
	Other debt securities	1,029,356			772,016		
	Loans and receivables:	1,976,463	189,807	113,244	2,404,504	340,647	96,950
a)	banks	27,327	1,509		1,193,245	2,504	
b)	custumers	1,949,136	188,298	113,244	1,211,259	338,143	96,950
	mortgage loans	672			1,041		
	loans on policies						
	other loans and receivables	1,948,463	188,298	113,244	1,210,218	338,143	96,950
	TOTAL	**5,795,255**	**189,807**	**113,244**	**6,056,913**	**340,647**	**96,950**

Annex 9
Financial assets measured at amortised cost: gross value and overall value adjustments

(in € thousands)	Gross value				Overall value adjustments				TOTAL 31/12/2023	TOTAL 31/12/2022
	stage 1	of which: Assets with low credit risk	stage 2	stage 3	stage 1	of which: Assets with low credit risk	stage 2	stage 3		
Government bonds	2,788,294				1,142				2,789,436	2,880,394
Other debt securities	1,029,916				(560)				1,029,356	772,016
Loans and receivables:	1,985,216		191,232	157,631	(8,752)		(1,425)	(44,388)	2,279,514	2,842,101
— from banks	27,337		1,511		(10)		(2)		28,836	1,288,947
— from custumers	1,957,879		189,721	157,631	(8,742)		(1,423)	(44,388)	2,250,678	1,553,153
TOTAL 31/12/2023	**5,803,427**		**191,232**	**157,631**	**(8,171)**		**(1,425)**	**(44,388)**	**6,098,306**	
TOTAL 31/12/2022	**6,072,491**		**345,036**	**153,328**	**(15,576)**		**(4,389)**	**(56,379)**		**6,494,510**

Annex 10
Financial assets measured at fair value through profit or loss: breakdown by type and investment percentage

		Financial assets held for trading				Financial assets designated at fair value				Other financial assets mandatorily measured at fair value			
	(in € thousands)	31/12/2023		31/12/2022		31/12/2023		31/12/2022		31/12/2023		31/12/2022	
	Items/Amounts	Carrying amount	% invest.	Carrying amount	% invest.	Carrying amount	% invest.	Carrying amount	% invest.	Carrying amount	% invest.	Carrying amount	% invest.
	Equity instruments	24,875	1	33,449	2								
a)	listed	10,265		8,668									
b)	unlisted	14,610		24,781									
	Treasury shares												
	Own financial liabilities												
	Debt securities	3,061,201	99	1,730,193	94					54,768	100	54,502	100
a)	listed	3,012,605		1,616,944						54,768		54,502	100
b)	unlisted	48,596		113,249									
	Units of UCITS	10,416		3,542									
	Non-hedging derivatives	10,149		69,069	4								
	Hedging derivatives												
	Other financial instruments												
	Total	**3,106,642**		**1,836,254**						**54,768**		**54,502**	

Annex 11
VItems 3.2 of the assets and 3.2 of the liabilities – Reinsurance contract that are assets and liabilities

Movements in reinsurance contracts - GMM - assets for remaining coverage and for incurred claims

Aggregation basis 1
Aggregation basis 2

	(in € thousands) Items/Breakdown of book value	Assets for remaining coverage 31/12/2023		Assets for incurred claims 31/12/2023	Total 31/12/2023	Assets for remaining coverage 31/12/2022		Assets for incurred claims 31/12/2022	Total 31/12/2022
		Net of the losses recovery component	Losses recovery component			Net of the losses recovery component	Losses recovery component		
A.	**Opening balance**								
1.	Reinsurance contracts that are assets	20,479	4,107	39,496	64,082	28,489	2,962	37,496	68,947
2.	Reinsurance contracts that are liabilities	1,678,120	1,931,724	542,723	4,152,567	1,343,487	350,989	541,265	2,235,740
3.	Net opening balance at January 1st.	1,698,599	1,935,831	582,219	4,216,649	1,371,975	353,951	578,761	2,304,687
B.	Net result from reinsurance contracts held								
1.	Reinsurance service expenses	(1,220,780)			(1,220,780)	(161,949)			(161,949)
2.	Claims and other recovered costs	20,863		99,036	119,899	31,386		76,900	108,286
3.	Changes of assets for incurred claims	15,523		33,717	49,240	14,737		59,519	74,257
4.	Loss recovery on onerous contracts		311,507		311,507		1,569,697		1,569,697
4.1	Loss recovery from initial recognition of onerous contracts		2,645		2,645		2,831		2,831
4.2	Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held		(273,208)		(273,208)		(197,013)		(197,013)
4.3	Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts		582,070		582,070		1,763,880		1,763,880
5.	Changes in the risk of non-performance of the reinsurer	(89)		(30)	(119)	12		(99)	(87)
6.	**Total**	**(1,184,482)**	**311,507**	**132,723**	**(740,252)**	**(115,814)**	**1,569,697**	**136,320**	**1,590,204**
C.	**Insurance service result (total B)**	**(1,184,482)**	**311,507**	**132,723**	**(740,252)**	**(115,814)**	**1,569,697**	**136,320**	**1,590,204**
D.	**Net financial income/expenses**								
1.	Related to reinsurance contracts held	(85,869)	52	8,735	(77,082)	(379,617)	(17)	(72,184)	(451,818)
1.1.	Recognised in the income statement	10,503	52	2,519	13,074	(486)	(17)	152	(351)
1.2.	Recognised in the other comprehensive income statement	(96,372)		6,216	(90,156)	(379,131)		(72,336)	(451,467)
2.	**Effects of movement in exchange rates**	**(32,473)**	**(20,045)**	**(8,311)**	**(60,829)**	**57,600**	**12,199**	**16,263**	**86,062**
3.	**Total**	**(118,342)**	**(19,993)**	**424**	**(137,911)**	**(322,017)**	**12,182**	**(55,921)**	**(365,756)**
E.	**Investment components**								
F.	**Overall amount registered in the income statement and in the comprehensive income statement (C+ D+E)**	**(1,302,825)**	**291,514**	**133,147**	**(878,164)**				
G.	**Other changes**								
H.	**Cash flows**								
1.	Premiums paid net of recoveries from reinsurance	361,634			361,634	797,307			797,307
2.	Amounts recovered from reinsurers.	(15,523)		(96,021)	(111,544)	(32,852)		(76,941)	(109,792)
3.	**Total**	**346,111**		**(96,021)**	**250,090**	**764,455**		**(76,941)**	**687,514**
I.	**Net balance at 31 December (A.3+F+G+H.3)**	**741,886**	**2,227,345**	**619,345**	**3,588,576**	**2,136,430**	**353,951**	**501,820**	**2,992,201**
L.	**Closing balance**								
1.	Reinsurance contracts that are assets	16,176	2,189	57,371	75,737	20,479	4,107	39,496	64,082
2.	Reinsurance contracts that are liabilities	602,991	2,225,156	561,974	3,390,121	1,678,120	1,931,724	542,723	4,152,567
3.	**Net closing balance at 31 December**	**619,167**	**2,227,345**	**619,345**	**3,465,858**	**1,698,599**	**1,935,831**	**582,219**	**4,216,649**

Annex 12
Performance of reinsurance contracts by underlying items

Aggregation basis 1
Aggregation basis 2

	(in € thousands)	Elements underlying the measurement of the carrying amount of reinsurance contracts							
		Present value of cash flows 31/12/2023	Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Present value of cash flows 31/12/2022	Adjustment for non- financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A.	**Opening balance**								
1.	Reinsurance contracts that are assets	3,903,390	512,468	(199,209)	4,216,649	51,272	2,737	14,938	68,947
2.	Reinsurance contracts that are liabilities					1,966,934	329,103	(60,297)	2,235,740
3.	Balance at° January 1	3,903,390	512,468	(199,209)	4,216,649	2,018,205	331,840	(45,359)	2,304,687
B.	**Changes that relate to present service**								
1.	Contractual Service Margin recognized in the income statement			275,845	275,845			212,049	212,049
2.	Change for non-financial risk for risk expired		(154,746)		(154,746)		(27,369)		(27,369)
3.	Experience adjustments	(1,343,977)		14,796	(1,329,181)	(136,220)		(87,416)	(223,636)
4.	**Total**	**(1,343,977)**	**(154,746)**	**290,641**	**(1,208,082)**	**(136,220)**	**(27,369)**	**124,633**	**(38,956)**
C.	**Changes that relate to future services**								
1.	Changes in estimates that adjust the contractual service margin	510,939	90,138	(601,077)		1,593,114	238,761	(1,831,875)	
2.	Effects of contracts initially recognized in the period	(17,152)	1,915	15,237		2,398	4,186	(6,584)	
3.	Adjustment of the contractual service margin due to recoveries related to the initial recognition of onerous underlying insurance contracts			2,645	2,645			2,831	2,831
4.	Releases of the loss component other than that from changes in the cash flows of reinsurance contracts			(273,208)	(273,208)			(197,013)	(197,013)
5.	Changes in the cash flows from reinsurance contracts from onerous underlying insurance contracts			582,070	582,070			1,763,880	1,763,880
6.	**Total**	**493,788**	**92,052**	**(274,333)**	**311,507**	**1,595,512**	**242,947**	**(268,761)**	**1,569,698**
D.	**Changes that relate to past services**								
1.	adjustments to the incurred claims	30,319	3,396		33,715	55,117	4,394		59,511
E.	**Changes in the risk of non-performance of the reinsurer**	**(110)**			**(110)**	**(49)**			**(49)**
F.	**Insurance service result (B+C+D+E)**	**(819,981)**	**(59,298)**	**16,309**	**(862,970)**	**1,514,361**	**219,972**	**(144,128)**	**1,590,204**
G.	**Financial income/expenses**								
1.	From reinsurance contracts	(60,029)	(8,484)	(8,569)	(77,082)	(401,768)	(48,468)	(1,583)	(451,818)
1.1.	Recognised in profit or loss	19,320	2,323	(8,569)	13,074	1,252	(20)	(1,583)	(351)
1.2.	Recognised in comprehensive income	(79,349)	(10,807)		(90,156)	(403,019)	(48,448)		(451,467)
2.	Effects related to changes in exchange rates	(61,666)	(6,408)	7,245	(60,829)	85,078	9,123	(8,139)	86,062
3.	**Total**	**(121,695)**	**(14,892)**	**(1,324)**	**(137,911)**	**(316,690)**	**(39,344)**	**(9,721)**	**(365,756)**
H.	**Total amount recognised in profit or loss and in comprehensive income (F+G)**	**(941,676)**	**(74,190)**	**14,984**	**(1,000,881)**	**1,197,670**	**180,627**	**(153,850)**	**1,224,448**
I.	**Other changes**								
L.	**Cash flows**								
1.	**Premiums paid net of recoveries from reinsurance**	**364,649**			**364,649**	**797,265**			**797,265**
2.	Amounts recovered from reinsurers	(114,559)			(114,559)	(109,751)			(109,751)
3.	Total	250,090			250,090	687,514			687,514
M.	**Net balance at December 31 (A.3+H+I+L.3)**	**3,211,804**	**438,278**	**(184,224)**	**3,465,858**	**3,903,390**	**512,468**	**(199,209)**	**4,216,649**
N.	**Closing balance**								
1.	Reinsurance contracts that are assets	46,368	4,652	24,717	75,737	37,379	2,988	23,715	64,082
2.	Reinsurance contracts that are liabilities	3,165,436	433,626	(208,941)	3,390,121	3,866,011	509,480	(222,924)	4,152,567
3.	**Balance at December 31**	**3,211,804**	**438,278**	**(184,224)**	**3,465,858**	**3,903,390**	**512,468**	**(199,209)**	**4,216,649**

Annex 13
Movements in contractual service margin of reinsurance contracts broken down based upon the contracts existing at the time of the transition to IFRS 17

Aggregation basis 1

Aggregation basis 2

(in € thousands)	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retroactive application method	Contracts measured at the transition date with the modified retroactive application method	Contracts measured at the transition date with the fair value method	Contracts subject to carve-out	Total	New contracts and contracts measured at the transition date with the full retroactive application method	Contracts measured at the transition date with the modified retroactive application method	Contracts measured at the transition date with the fair value method	Contracts subject to carve-out	Total
Contractual services margin - opening balance	**492,794**		**(223,392,750)**		**(222,899,957)**			**(60,281,719)**		**(60,281,719)**
Changes referring to current services	**(13,273)**		**297,207,014**		**297,193,742**	**(1,307)**		**23,236,313**		**23,235,006**
Contractual services margin recorded in the income statement to reflect the services received	(13,273)		297,207,014		297,193,742	(1,307)		23,236,313		23,235,006
Changes referring to future services	**15,900**		**(281,547,344)**		**(281,531,445)**	**494,501**		**(176,666,042)**		**(176,171,541)**
Changes of estimates that modify the contractual services margin	(1,982)		(281,547,344)		(281,549,327)	16,757		(176,666,042)		(176,649,285)
Effects of contracts initially recorded in the financial year of reference	17,882				17,882	477,744				477,744
Financial income/expenses										
1. From reinsurance contracts	(5,913)		(8,917,873)		(8,923,786)	(400)		(1,542,406)		(1,542,806)
2. Effects related to changes in exchange rates			7,244,996		7,244,996			(8,138,896)		(8,138,896)
3. Total	**(5,913)**		**(1,672,877)**		**(1,678,790)**	**(400)**		**(9,681,303)**		**(9,681,703)**
Total changes recorded in the income statement and in the comprehensive income statement	**(3,286)**		**13,986,793**		**13,983,507**	**492,794**		**(163,111,031)**		**(162,618,238)**
Contractual services margin - closing balance	**489,508**		**(209,405,958)**		**(208,916,450)**	**492,794**		**(223,392,750)**		**(222,899,957)**

Legend:

Aggregation basis 1 = Life business

Aggregation basis 2 = Non-lifebusiness

Annex 14
Elements underlying the measurement of reinsurance contracts registered in the financial year

Aggregation basis 1 - Aggregation basis 2

(in € thousands) Items/Groups of contracts	Originated contracts 31/12/2023			Contracts acquired in business aggregation operations 31/12/2023			Contracts transferred from third parties 31/12/2023		
	Contracts without loss recovery component	Contracts with loss recovery component	Total	Cpmtracts without loss recovery component	Cpmtracts with loss recovery component	Total	Contracts without loss recovery component	Contracts with loss recovery component	Total
A. Estimate of present value of future cash outflows of which: Cash flows connected with the acquisition of insurance contracts	(42,762)	(2,591)	**(45,353)**						
B. Estimate of present value ofiture cash intows	(24,779)	(3,423)	**(28,202)**						
C. Estimate of net present value of future cash flows (A-B)	(17,984)	832	**(17,152)**						
D. Estimate of adjustment for non-financial risks	1,446	468	**1,915**						
E. Accounting elimination of cash flows already recorded									
F. Contractual services margin	16,537	1,345	**17,882**						
G. Increase in assets for reinsurance contracts recorded in the financial year due to the registration of new contracts (C+D+E+F)		2,645	**2,645**						

Items/Groups of contracts	Originated contracts 31/12/2022			Contratti acquisiti in operazioni di aggregazione di imprese 31/12/2022			Contracts transferred from third parties 31/12/2022		
	Contracts without loss recovery component	Contracts with loss recovery component	Total	Cpmtracts without loss recovery component	Cpmtracts with loss recovery component	Total	Contracts without loss recovery component	Contracts with loss recovery component	Total
A. Estimate of present value of future cash outflows of which: Cash flows connected with the acquisition of insurance contracts	(38,540)	(8,601)	**(47,141)**						
B. Estmate of present value of future cash infews	(38,898)	(10,943)	**(49,841)**						
C. Estimate of net present value of future cash flows (A-B)	358	2,342	**2,700**						
D. Estimate of adjustment for non-financial risks	2,509	1,506	**4,015**						
E. Accounting elimination of cash flows already recorded									
F. Contractual services margin	(2,867)	(1,367)	**(4,234)**						
G. Increase in assets for reinsurance contracts recorded in the financial year due to the registration of new contracts (C+D+E+F)		2,480	**2,480**						

Legend:

Aggregation basis 1 = Life business

Aggregation basis 2 = Non-lifebusiness

BALANCE SHEET - EQUITY AND LIABILITIES

Annex 15

Item 1. Equity Capital - Number of shares of the parent company: annual

(in € thousands)

	Items/Types	Ordinary	Other
A.	**Shares existing at the start of the financial year**		
	fully paid-up		
	not fully paid-up		
A.1	Treasury shares (-)		
A.2	**Outstanding shares: initial amounts**	**1,053,428**	
	Changes of initial amounts	1,053,428	
B	**Increases**		
B.1	New issuances		
	paid		
	business aggregation operations		
	bond conversion		
	exercise of warrants		
	other		
	free of charge		
	in favour of employees		
	in favour of directors		
	- others		
B.2	Sale of treasury shares		
B.3	Other changes		
C.	**Decreases**		
C.1	Cancellation		
C.2	Purchase of treasury shares		
C.3	Business transfer operations		
C.4	Other changes		
D	**Outstanding shares: final inventories**	**1,053,428**	
D.1	Treasury shares (+)		
D.2	Shares existing at year-end		
	fully paid-up		
	not fully paid-up		

Annex 16

Items 3.1 of the liabilities and 3.1 of the assets - insurance contracts issued which constitute liabilities and

Movements in Insurance Contracts issued - GMM or VFA - liabilities for remaining converage and liabilities for incurred

Aggregation basis 1; Aggregation basis 2; Aggregation basis 5

	(in € thousands)	Liabilities for remaininig converage 31/12/2023		Liabilities for incurred claims	Total 31/12/2023	Liabilities for remaininig converage 31/12/2022		Liabilities for incurred claims	Total 31/12/2022
		Net of the loss	Loss			Net of the loss	Loss		
A.	**Opening balance**								
1.	Insurance contracts that are liabilities	(2,195,584)	(2,605,739)	(632,671)	(5,433,994)	(2,478,800)	(471,711)	(719,806)	(3,670,317)
2.	Insurance contracts that are assets								
3.	**Net opening balance at January 1st.**	**(2,195,584)**	**(2,605,739)**	**(632,671)**	**(5,433,994)**	**(2,478,800)**	**(471,711)**	**(719,806)**	**(3,670,317)**
B.	**Ricavi assicurativi**	**1,228,374**			**1,228,374**	**643,179**			**643,179**
C.	**Costi per servizi assicurativi**								
1.	Incurred claims and other directly attributable expenses	(13,091)		(220,591)	(233,682)	(6,241)		(194,698)	(200,939)
2.	Adjustment to liability for incurred claims			(11,053)	(11,053)			(54,096)	(54,096)
3.	Losses and related recoveries on onerous contracts		88,666		88,666		(2,118,032)		(2,118,032)
4.	Amortisation of contract's acquisition costs	(19,616)			(19,616)	(20,861)			(20,861)
5.	**Total**	**(32,707)**	**88,666**	**(231,644)**	**(175,685)**	**(27,102)**	**(2,118,032)**	**(248,794)**	**(2,393,928)**
D.	**Insurance service result (B+C)**	**1,195,667**	**88,666**	**(231,644)**	**1,052,689**	**616,076**	**(2,118,032)**	**(248,794)**	**(1,750,750)**
E.	Financial net income/expenses								
1.	Related to insurance contracts issued	115,434	(10,915)	(11,546)	92,973	485,304	238	92,269	577,811
1.1	Recognized in the income statement	(14,078)	(10,915)	(2,968)	(27,961)	284	238	94	616
1.2	Recognized in the other comprehensive income	129,512		(8,578)	120,934	485,020		92,175	577,195
2.	Effects of movements in exchange rates	39,199	29,901	10,317	79,417	(73,120)	(16,234)	(20,939)	(110,293)
3.	**Total**	**154,633**	**18,986**	**(1,229)**	**172,390**	**412,184**	**(15,996)**	**71,330**	**467,518**
F.	**Investment components**								
G.	**Total amount recognized in the income statement and in the other comprehensive income statement (D+E+F)**	**1,350,300**	**107,652**	**(232,873)**	**1,225,080**	**1,028,260**	**(2,134,028)**	**(177,464)**	**(1,283,232)**
H.	**Other changes**								
I.	**Cash flows**								
1.	Premiums received	(542,716)			(542,716)	(786,444)			(786,444)
2.	Payments related to insurance acquisition cash flows	42,699			42,699	38,397			38,397
3.	Claims paid and other cash outflows	6,795		198,533	205,328	3,003		264,599	267,602
4.	**Total**	**(493,222)**		**198,533**	**(294,690)**	**(745,044)**		**264,599**	**(480,445)**
L.	**Net balance at 31 December(A.3+-G+H+I.4)**	**(1,338,506)**	**(2,498,087)**	**(667,011)**	**(4,503,604)**	**(2,195,584)**	**(2,605,739)**	**(632,671)**	**(5,433,994)**
M.	**Closing balance**								
1.	Insurance contracts that are liabilities	(1,336,253)	(2,500,340)	(667,011)	(4,503,604)	(2,195,584)	(2,605,739)	(632,671)	(5,433,994)
2.	Insurance contracts that are assets								
3.	**Net closing balance at 31 December**	**(1,336,253)**	**(2,500,340)**	**(667,011)**	**(4,503,604)**	**(2,195,584)**	**(2,605,739)**	**(632,671)**	**(5,433,994)**

Legend:
Aggregation basis 1 = Insurance contracts issued with direct participation features - Life business
Aggregation basis 2 = Insurance contracts issued without direct participation features - Life business
Aggregation basis 3 = Insurance contracts issued without direct participation features - Motor insurance business
Aggregation basis 4 = Insurance contracts issued without direct participation features - Non-motor insurance business
Aggregation basis 5 = Insurance contracts issued with discretionary participation features - Life

Annex 17
Performance of insurance contracts issued by underlying items

Aggregation basis 1; Aggregation basis 2; BAggregation basis 5

	(in € thousands)	Elements underlying the measurement of the carrying amount of insurance contracts							
	Items/Underlying elements	Present value of cash flows	Adjustment for non-financial risks	Contractual service-margin	Total 31/12/2023	Present value of cash flows	Adjustment for non- financial risks	Contractual service margin	Total 31/12/2022
A.	**Opening balance**								
1.	Insurance contract assets that are liabilities	(4,575,497)	(650,861)	(207,637)	(5,433,994)	(2,948,225)	(438,606)	(283,487)	(3,670,317)
2.	Insurance contract assets that are assets								
3.	**Net opening balance at January 1st**	**(4,575,497)**	**(650,861)**	**(207,637)**	**(5,433,994)**	**(2,948,225)**	**(438,606)**	**(283,487)**	**(3,670,317)**
B.	**Changes that relate to current service**								
1.	Contractual Service Margin recognized in the income statement			87,084	87,084			76,803	76,803
2.	Change in risk adjustment for expired non-financial risks		107,560		107,560		31,340		31,340
3.	Changes related to experience adjust-ments	15,071		1,395	16,466	56,193		(21,269)	34,925
4.	**Total**	**15,071**	**107,560**	**88,479**	**211,110**	**56,193**	**31,340**	**55,534**	**143,067**
C.	**Changes that relate to future service**								
1.	Changes in estimates that adjust the contractual service margin	43,421	2,875	(46,589)	(293)	(31,746)	(6,994)	38,199	(541)
2.	Losses and reversal of losses on onerous contracts	142,369	(32,134)		110,235	(1,840,273)	(273,230)		(2,113,503)
3.	Effects of contracts initially recognised in the period	35,336	(18,770)	(40,388)	(23,822)	24,341	(13,629)	(15,242)	(4,529)
4.	**Total**	**221,125**	**(48,029)**	**(86,976)**	**86,120**	**(1,847,677)**	**(293,853)**	**22,957**	**(2,118,573)**
D.	**Changes that relate to past services**								
1.	Adjustments to liability for incurred claims	(10,853)	(200)		(11,053)	(52,735)	(1,361)		(54,096)
2.	Changes related to experience	764,260			764,260	278,852			278,852
3.	**Total**	**753,407**	**(200)**		**753,206**	**226,117**	**(1,361)**		**224,756**
E.	**Insurance service result (B+C+D)**	**989,603**	**59,331**	**1,502**	**1,050,437**	**(1,565,367)**	**(263,874)**	**78,491**	**(1,750,750)**
F.	**Financial income/expenses**								
1.	Related to insurance contracts issued	(20,741)	9,567	(1,012)	(12,186)	514,107	62,967	738	577,811
1.1	Recognized in the income statement	(23,572)	(3,377)	(1,012)	(27,961)	(227)	105	738	616
1.2	Recognized in the other comprehensive income statement	2,831	12,944		15,775	514,334	62,862		577,195
2.	Effects of movements in exchange rates	69,429	9,227	761	79,417	(95,567)	(11,348)	(3,379)	(110,293)
3.	**Total**	**48,688**	**18,794**	**(251)**	**67,231**	**418,540**	**51,619**	**(2,641)**	**467,518**
G.	**Total amount recognized in the income statement and in the other comprehen-sive income statement (E+F)**	**1,038,291**	**78,125**	**1,252**	**1,117,668**	**(1,146,827)**	**(212,255)**	**75,850**	**(1,283,232)**
H.	**Other changes**								
I.	**Cash flows**								
1.	Premiums received	(541,956)			(541,956)	(779,813)			(779,813)
2.	Payments related to insurance acquisi-tion cash flows	42,699			42,699	38,294			38,294
3.	Claims paid and other cash outflows	204,568			204,568	261,074			261,074
4.	**Total**	**(294,690)**			**(294,690)**	**(480,445)**			**(480,445)**
L.	**Net balance at December 31 (A.3+-G+H+1.4)**	**(3,831,896)**	**(572,736)**	**(206,385)**	**(4,611,016)**	**(4,575,497)**	**(650,861)**	**(207,637)**	**(5,433,994)**
M.	**Closing balance**								
1.	Insurance contract assets that are liabilities	(126,236)	(572,736)	(206,385)	(905,356)	(4,575,497)	(650,861)	(207,637)	(5,433,994)
2.	Insurance contract assets that are assets	(3,703,407)			(3,703,407)				
3.	**Balance at December 31**	**(3,829,643)**	**(572,736)**	**(206,385)**	**(4,608,764)**	**(4,575,497)**	**(650,861)**	**(207,637)**	**(5,433,994)**

Key:
Aggregation basis 1 = Insurance contracts issued with direct participation features - Life business
Aggregation basis 2 = Insurance contracts issued without direct participation features - Life business
Aggregation basis 3 = Insurance contracts issued without direct participation features - Motor insurance business
Aggregation basis 4 = Insurance contracts issued without direct participation features - Non-motor insurance business
Aggregation basis 5 = Insurance contracts issued with discretionary participation features - Life business

Annex 18
Movements in insurance revenues and contractual services margin of insurance contracts issued broken down based upon the contracts existing at the time of the transition to IFS 17

Aggregation Basis 1; Aggregation Basis 2; Aggregation Basis 5

	(in € thousands)	31/12/2023					31/12/2022				
		New contracts and contracts measured at the transition date with the full retroactive applica-tion method	Contracts measured at the transition date with the modified re-troactive application method	Contracts measured at the transition date with the fair value method	Contracts subjectto carve-out	Total	New contracts and contracts measured at the transition date with the full retro-active application method	Contracts measured at the transition date with the modified retroactive	Contracts measured at the transition date with the fair value method	Contracts subject to carve out	Total
	Insurance revenues	**88,683**		**1,141,944**		**1,230,627**	**1,014**		**523,371**		**524,384**
	Contractual services margin - Opening balance	**(20,833)**		**(186,803)**		**(207,637)**			**(219,511)**		**(219,511)**
	changes referring to current services	**15,770**		**61,355**		**77,125**	**19**		**39,611**		**39,630**
	Contractual services margin recorded in the income statement reflect the service provided	15,770		61,355		77,125	19		39,611		39,630
	Changes referring to future services	**(60,300)**		**(15,323)**		**(75,623)**	**(1,600)**		**53,124**		**51,524**
	Changes of estimates that modify the contractual services margin	(19,912)		(15,323)		(35,235)	3,501		53,124		56,625
	Effects of contracts initially recorded in the financial year of reference	(40,388)				(40,388)	(5,101)				(5,101)
	Financial income/expenses										
1.	Related to insurance contracts issued	(938)		(74)		(1,012)	(10)		471		461
2.	Effects related to changes in exchange rates	84		677		761	(72)		(3,307)		(3,379)
3.	Total	(854)		603		(251)	(82)		(2,835)		(2,917)
	Total changes recorded in the Income stadement and in the comprehensive income statement	**(44,529)**		**46,032**		**1,502**	**(1,581)**		**92,734**		**91,153**
	Contractual services margin - Closing balance	**(66,216)**		**(140,168)**		**(206,385)**	**(1,663)**		**(129,612)**		**(131,275)**

Legend:
Aggregation basis 1 = Insurance contracts issued with direct participation features - Life business
Aggregation basis 2 = Insurance contracts issued without direct participation features - Life business
Aggregation basis 3 = Insurance contracts issued without direct participation features - Motor insurance business
Aggregation basis 4 = Insurance contracts issued without direct participation features - Non-motor insurance business
Aggregation basis 5 = Insurance contracts issued with discretionary participation features - Life business

Annex 19
Elements underlying the measurement of insurance contracts issued and registered in the financial year

Aggregation Basis 1; Aggregation Basis 2; Aggregation Basis 5

(in € thousands)

	Items/Groups of contracts	Originated contracts 31 December 2023			Contracts acquired in business aggregation operations 31 December 2023			Contracts transferred from third parties 31/12/2023		
		Onerous contracts	Non onerous contracts	Total	Onerous contracts	Non onerous contracts	Total	Onerous contracts	Non onerous contracts	Total
A.	**Estimate of current value of future cash outflows**									
1.	Contract acquisition costs	(880)	(28,094)	(28,974)						
2.	Amount of claims and other directly attributable costs	63,439	(35,335)	28,104						
3.	Total	62,560	(63,430)	(870)						
B.	**Estimate of current value of future cash inflows**	**59,589**	**(102,227)**	**(42,638)**						
C.	**Estimate of net current value of future cash flows (A-B)**	**2,970**	**38,797**	**41,768**						
D.	**Estimate the adjustement for non-financial risks**	**5,735**	**(5,809)**	**(74)**						
E.	**Accounting elimination of assets already registered against cash flows connected with insurance contracts issued**									
F.	**Contractual services margin**		**(32,989)**	**(32,989)**						
G.	**Increase included in the liabilities for insurance contracts issued in the financial year (C+D+E+ F)**	**8,705**		**8,705**						

	Items/Groups of contracts	Originated contracts 31/12/2022			Contracts acquired in business aggregation operations 31/12/2022			Contracts transferred from third parties 31/12/2022		
		Onerous contracts	Non onerous contracts	Total	Onerous contracts	Non onerous contracts	Total	Onerous contracts	Non onerous contracts	Total
A.	**Estimate of current value of future cash outflows**									
1.	Contract acquisition costs	(2,750)	(32,771)	(35,521)						
2.	Amount of claims and other directly attributable costs	44,183	(25,547)	18,635						
3.	Total	41,432	(58,318)	(16,886)						
B.	**Estimate of current value of future cash inflows**	**47,420**	**(68,640)**	**(21,220)**						
C.	**Estimate of net current value of future cash flows (A-B)**	**(5,988)**	**10,322**	**4,334**						
D.	**Estimate of adjustment for non-financial risks**	**2,249**	**(5,282)**	**(3,033)**						
E.	**Accounting elimination of assets already registered against cash flows connected with insurance contracts issued**									
F.	**Contractual services margin**		**(5,040)**	**(5,040)**						
G.	**Increase included in the liabilities for insurance contracts issued in the financial year (C+D+E+ F)**	**(3,739)**		**(3,739)**						

Legend:
Aggregation basis 1 = Insurance contracts issued with direct participation features - Life business
Aggregation basis 2 = Insurance contracts issued without direct participation features - Life business
Aggregation basis 3 = Insurance contracts issued without direct participation features - Motor insurance business
Aggregation basis 4 = Insurance contracts issued without direct participation features - Non-motor insurance business
Aggregation basis 5 = Insurance contracts issued with discretionary participation features - Life business

Annex 20
Insurance contracts issued - Contractual services margin broken down by expected time of registration in the income statement

(in € thousands)

Year 2024	Year 2025	Year 2026	from 2027
(26,276)	(20,448)	(23,088)	(41,578)

Annex 21
Financial liabilities measured at fair value through profit or loss: breakdown by type and investment percentage

(in € thousands)	Financial liabilities held for trading				Financial liabilities designated at fair value				Total			
Items/Amounts	Carrying amount 31/12/2023	% invest.	Carrying amount 31/12/2022	% invest.	Carrying amount 31/12/2023	% invest.	Carrying amount 31/12/2022	% invest.	Carrying amount 31/12/2023	% invest.	Carrying amount 31/12/2022	% invest.
Investment contracts issued IFRS 9:												
a) contracts with performance pegged to indexes or units of UCITS												
b) pension funds												
c) other financial contracts issued												
Derivatives	7,949	7	3,956	4					7,949	7	3,956	4
Hedging derivatives	110,338	93	85,384	96					110,338	93	85,384	96
Other financial liabilities												
Total	**118,287**		**89,340**						**118,287**		**89,340**	

Legend:
Comp. % = Percentage Composition
Investment contracts issued IFRS 9 = Investment contracts issued without discretionary holding elements

Annex 22
Financial liabilities at amortised cost, breakdown by type, percentage and fair value hierarchy

(in € thousands)	31/12/2023						31/12/2022					
Items/Amounts	Carrying amount	% invest.	L1	L2	L3	Total Fair value	Carrying amount	% invest.	L1	L2	L3	Total Fair value
Participating financial instruments												
Subordinated liabilities	524,792	32	479,478	14,317		493,796	528,909	38	450,833			450,833
Debt securities issued												
Other loans obtained	1,105,647	68		28,420	1,077,226	1,105,647	849,923	62		31,976	832,243	864,219
from banks	860,569						651,661					
from customers	245,077						198,262					
Total	**1,630,439**		**479,478**	**42,738**	**1,077,226**	**1,599,442**	**1,378,832**		**450,833**	**31,976**	**832,243**	**1,315,052**

Legend:
Comp. % = Percentage Composition
L1 = level 1
L2 = level 2
L3 = level 3
X indicates that no information is necessary

Income Statement

Annex 23
Insurance revenue and expenses from reinsurance contracts - Breakdown

	(in € thousands) Item/Aggregation basis	A1 basis 31/12/2023	A2 basis 31/12/2023	Total 31/12/2023	A1 basis 31/12/2022	A2 basis 31/12/2022	Total 31/12/2022
A.	**Allocation of the premiums paid relating to reinsurance contracts measured under the GMM**						
A.1	**Changes related to the Asset for remaining converage**		**(1,210,147)**	**(1,210,147)**		**(141,349)**	**(141,349)**
1.	Expected claims and other expected expenses to be recovered		(1,432,132)	(1,432,132)		(305,600)	(305,600)
2.	Changes in risk adjustment for non-financial risks expired		(154,746)	(154,746)		(27,370)	(27,370)
3.	Contractual service margin recognized in the income STATEMENT		275,845	275,845		212,049	212,049
4.	Other amount		100,885	100,885		(20,428)	(20,428)
5.	**Total**		**(1,210,147)**	**(1,210,147)**		**(141,349)**	**(141,349)**
A.2	**Other expenses directly attributable to reinsurance contracts**						
A.3	**Allocation of premiums paid relating to reinsurance contracts measured under the PAA**						
B.	**Total expenses from reinsurance contracts (A.1+A.2+A.3)**		**(1,210,147)**	**(1,210,147)**		**(141,349)**	**(141,349)**
C.	**Changes in the risk of non-performance of the reinsurer**		**(112)**	**(112)**		**(51)**	**(51)**
D.	**Amount of claims and other recoveries**		**125,042**	**125,042**		**102,259**	**102,259**
E.	**Changes the relate to past incurred claims**		**33,717**	**33,717**		**59,515**	**59,515**
F.	**Other recoveries**		**311,508**	**311,508**		**1,569,698**	**1,569,698**
G.	**Total net revenue/expenses from reinsurance contracts (B+C+D+E+F)**		**(739,992)**	**(739,992)**		**1,590,071**	**1,590,071**

Key:
A.1 basis = Life business
A.2 basis.= Non-life business

Annex 24
Insurance revenue and expenses from insurance contracts issued - Breakdown

	(in € thousands) Item/Aggregation basis	31/12/2023 A1 basis	A2 basis	A4 basis	A5 basis	Total	31/12/2022 A1 basis	A2 basis	A4 basis	A5 basis	Total
A.	Insurance revenue from insurance contracts issued and measured under the GMM and the VFA										
A.1	Changes related to the Liability for remaining converage			1,204,984		1,204,984			505,230		505,230
1.	Incurred claims and other expenses for future service			988,323		988,323			353,194		353,194
2.	Changes in risk adjustment for expired non-financial risks			107,560		107,560			31,340		31,340
3.	Contractual service margin recognized in the incomestatement			87,084		87,084			76,803		76,803
4.	Other amounts			22,017		22,017			43,894		43,894
A.2	Recovery of insurance acquisition cash flows			(19,616)		(19,616)			(20,861)		(20,861)
A.3	Total insurance revenue from insurance contracts issued and measured under GMM and VFA			1,224,600		1,224,600			526,091		526,091
A.4	Total insurance revenue from insurance contracts issued and measured under the PAA										
	Life business										
	Non-life business - Motor										
	Life business - Non-motor										
A.5	Total insurance revenue from issued insurance contracts			1,224,600		1,224,600			526,091		526,091
B.	Insurance service expenses arising from insurance contracts issued - GMM and VFA			(175,685)		(175,685)			(2,399,953)		(2,399,953)
1.	Incurred claims and other directly attributable expenses			(235,116)		(235,116)			(200,837)		(200,837)
2.	Adjustment to liability for remaining incurred claims			(11,053)		(11,053)			(54,096)		(54,096)
3.	Losses and reversal losses on onerous contracts			88,666		88,666			(2,124,057)		(2,124,057)
4.	Amortisation of insurance acquisition cash flows			(18,182)		(18,182)			(20,963)		(20,963)
5.	Other amounts										
B.6	Total insurance service expenses arising from insurance contracts issued - GMM and VFA			(175,685)		(175,685)			(2,399,953)		(2,399,953)
B.7	Total insurance service expenses arising from insurance contracts issued and measured under the PAA										
	Life business										
	Non-life business - Motor										
	Life business - Non-motor										
C.	Insurance service result from insurance contracts issued (A.5+B.6+B.7)			1,048,915		1,048,915			(1,873,862)		(1,873,862)

Key:
Aggregation basis 1 = Insurance contracts issued with direct participation features - Life business
Aggregation basis 2 = Insurance contracts issued without direct participation features - Life business
Aggregation basis 3 = Insurance contracts issued without direct participation features - Motor insurance business
Aggregation basis 4 = Insurance contracts issued without direct participation features - Non-motor insurance business
Aggregation basis 5 = Insurance contracts issued with discretionary participation features - Life business
Xindicates that no information is necessary

Annex 25
Breakdown of costs for insurance and other services

(in € thousands)

Expenses / Aggregation basis	A1 basis - with DPF 31/12/2023	A2 basis - without DPF 31/12/2023	A1 basis + A2 basis 31/12/2023	A3 basis 31/12/2023	A4 basis 31/12/2023	A3 basis A4 basis 31/12/2023	Other 31/12/2023	A1 basis - with DPF 31/12/2022	A2 basis - without DPF 31/12/2022	A1 basis A2 basis 31/12/2022	A3 basis 31/12/2022	A4 basis 31/12/2022	A3 basis + A4 basis 31/12/2022	Other 31/12/2022
Expenses from insurance contract acquisition					42,699	42,699						39,724	39,724	
Other directly attributable expenses					23,246	23,246						17,317	17,317	
Investment management expenses							1,519							1,429
Other expenses							95,937							86,146
Total					65,945	65,945	97,455					57,042	57,042	87,575

Key:
A1 basis - with DPF = Insurance contracts issued with direct participation features- Life business
A2 basis - without DPF = Insurance contracts issued without direct participation features- Life business
A1 + A2 bases = Life business
A3 basis = Insurance contracts issued without direct participation features- Motor insurance business
A4 basis = Insurance contracts issued without direct participation features - - Non-motor insurance business
A3 + A4 basis = Non-life business
X indicates that no information is necessary

ITEM 10. – NET EXPENSES/INCOM OF FINANCIAL NATURE RELATING TO INSURANCE CONTRACTS ISSUED ITEM 11. – NET INCOME/EXPENSES OF FINANCIAL NATURE RELATING TO TRANSFERS TO REINSURANCE

Annex 26 - Item 10
Net financial expenses and income relating to insurance contracts issued

(in € thousands)

	Items Aggregation basis	A1 basis 31/12/2023	A2 basis 31/12/2023	A3 basis 31/12/2023	Total 31/12/2023	A1 basis 31/12/2022	A2 basis 31/12/2022	A3 basis 31/12/2022	Total 31/12/2022
1.	Interest accrued			(28,489)	(28,489)			(155)	(155)
2.	Effects of changes of interest rates and other financial assumptions							771	771
3.	Fair value changes of assets underlying contracts measured according to the VFA								
4.	Effects of exchange rate changes			79,417	79,417			(110,293)	(110,293)
5.	Other								
6.	Total net financial income/ expenses relating to insurance contracts issued and registe-red in the income statement			50,928	50,928			(109,678)	(109,678)

Legend:
A1 basis = Insurance contracts issued with direct participation features - VFA Life business
A2 basis = Insurance contracts issued without direct participation features - BBA Life business
A3 basis = Insurance contracts issued without direct participation features - BBA/PAA Non-Life

Annex 27 - Item 11
Net financial income and expenses relating to reinsurance contracts

(in € thousands)

	Items Aggregation basis	A1 basis 31/12/2023	A2 basis 31/12/2023	Total 31/12/2023	A1 basis 31/12/2022	A2 basis 31/12/2022	Total 31/12/2022
1.	Interest accrued		13,074	13,074		(351)	(351)
2.	Effects of changes of interest rates and other financial assumptions						
3.	Effects of exchange rate changes		(60,829)	(60,829)		86,062	86,062
4.	Other						
5.	Total net financial income/expenses of reinsurance contracts		(47,756)	(47,756)		85,711	85,711

Legend:
A1 basis = Life business
A2 basis = Non-Life business

Annex 28
Insurance operations - Net financial result of investments broken down by life business and non-life business

	(in € thousands)	Life Business		Non-Life Business	Total	Life Business		Non-Life Business	Total
	Operating Items/Businesses	31/12/2023	Of which DPF	31/12/2023	31/12/2023	31/12/2022	Of which DPF	31/12/2022	31/12/2022
A.	**NET FINANCIAL RESULT OF INVESTMENTS**			**281,252**	**281,252**			**201,448**	**201,448**
A.1	Interest income from financial assets measured at amortised cost and at fair value with an impact on overall profitability			187,226	187,226			231,091	231,091
A.2	Net gains/losses of assets measured at fair value recorded in the income statement			91,932	91,932			(20,972)	(20,972)
A.3	Net value adjustments/write-backs for credit risk			1,690	1,690			(9,073)	(9,073)
A.4	Other net income / expenses			404	404			402	402
A.5	Net capital gains/losses of financial assets measured at fair value with an impact on overall profitability								
B.	**NET CHANGE OF IFRS 9 INVESTMENT CONTRACTS ISSUED**								
C.	**TOTAL NET FINANCIAL RESULT OF INVESTMENTS**			**281,252**	**281,252**			**201,448**	**201,448**
	of which: registered in the income statement			281,252	281,252			201,448	201,448
	of which: registered in the comprehensive income statement								

Legend:
Of which: DPF = Insurance contracts issued with direct participation features
IFRS 9 investment contracts issued = Investment contracts issued without discretionary participation features

Annex 29
Insurance operations - Summary of economic results broken down by life business and non-life business

	(in € thousands)	31/12/2023			31/12/2022		
	Summary of results/Operating businesses	Life Business	Non Life Business	Total	Life Business	Non Life Business	Total
A.	**Financial results***						
A.1	**Amounts registered in income statement**						
1.	Total net financial result of investments		6,223	6,223			
2.	Net financial income/expenses of insurance contracts		3,701	3,701		23,967	23,967
3.	**Total**		**9,924**	**9,924**		**23,967**	**23,967**
A.2	**Amounts registered in comprehensive income statement**						
1.	Total net financial result of investments						
2.	Net financial income/expenses of insurance contracts		32,014	32,014		127,571	127,571
3.	**Total**		**32,014**	**32,014**		**127,571**	**127,571**
B.	Net insurance and financial result						
1.	Net result of insurance services		12,421	12,421			
2.	Total net financial result of investments		6,223	6,223			
3.	Net financial result of insurance contracts		35,715	35,715		151,537	151,537
4.	**Total**		**54,359**	**54,359**		**151,537**	**151,537**

*The insurance contracts issued also include investment contracts issued without discretionary participation features.

Annex 30
Adjustments/write-backs for credit risk

(in € thousands)	Value adjustments				Write-backs			
	Stage 1	of which: Asters with	Stage 2	Stage 3	Stage 1	of which: Assets with low credit risk	Stage 2	Stage 3
Government bonds					1,391			
Other debt securities	(560)							
Loans and receivables:	(2,203)		(757)	(9,294)	2,740		3,101	8,016
from banks	(6)		(2)		2		5	
from customers	(2,197)		(755)	(9,294)	2,738		3,096	8,016
Total 31-12-23	**(2,763)**		**(757)**	**(9,294)**	**4,130**		**3,101**	**8,016**

Annex 31
Breakdown of other comprehensive income

(in € thousands)

	Items	Total 31-12-2023	Total 31-12-22
1 .	**Profit (loss) for the period**	**473,773**	**(128,201)**
2.	**Other items, net of taxes, that may be not reclassified to profit and loss in future periods**	**422**	**814**
2.1	Share of valuation reserves of equity-accounted investments		
2.2	Revaluation reserve of intangible assets		
2.3	Revaluation reserve of property and equipment		
2.4	Financial income/expenses from insurance contracts issued		
2.5	Income or expenses from non-current assets or a disposal group held for sale		
2.6	Actuarial gains and losses and adjustments for defined benefit plans	532	937
2.7	Gains or losses on equity instruments designated as at fair value through other comprehensive income:		
a)	fair value changes		
b)	transfer to other equity items		
2.8	Reserve arising from change in own creditworthiness on financial liabilities designated at fair value through profit or loss:		
a)	fair value changes		
b)	transfer to other equity items		
2.9	Other items		
a)	fair value change (hedged instrument)		
b)	fair value change (hedging instrument)		
c)	other fair value changes		
2.10	Income tax relating to these items	(110)	(123)
3	**Other items, net of taxes, that may be reclassified to profit or loss in future periods**	**44,808**	**127,571**
3.1	Reserve for exchange differences:	(1,246)	(724)
a)	changes	(1,257)	(770)
b)	reclassification to profit or loss		
c)	other changes	11	46
3.2	Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income:		
a)	fair value changes		
b)	reclassification to profit or loss		
	Adjustments for credit risk		
	realised gains/losses		
c)	other changes		
3.3	Gains or losses on cash flow hedges	16,819	5,697
a)	fair value changes	16,819	5,697
b)	reclassification to profit or loss		
c)	other changes		
3.4	Gains or losses on hedges of net investments in foreign operations:		
a)	fair value changes		
b)	reclassification to profit or loss		
c)	other changes		
3.5	Share of valuation reserves of equity-accounted investments:		
a)	fair value changes		
b)	reclassification to profit or loss		
	impairment losses		
	realised gains/losses		
c)	other changes		
3.6	Financial income/expenses from insurance contracts issued	129,055	577,893
a)	fair value changes	129,055	577,893
b)	reclassification to profit or loss		
c)	other changes		
3.7	Financial income/expenses from reinsurance contracts	(95,783)	(453,927)
a)	fair value changes	(95,783)	(453,927)
b)	reclassification to profit or loss		
c)	other changes		
3.8	Income or expenses from non-current assets or a disposal group held for sale:		
a)	fair value changes		
b)	reclassification to profit or loss		
c)	other changes		
3.9	Other items:		
a)	changes		
b)	reclassification to profit or loss		
c)	other changes		
3.10	Income tax relating to these items	(4,037)	(1,367)
4.	**TOTAL OTHER COMPREHENSIVE INCOME (Sums of items from 2.1 to 3.10)**	**45,231**	**128,385**
5.	**TOTAL COMPREHENSIVE INCOME (Item 1+ 4)**	**519,003**	**184**
5.1	of which attributable to the owners of the parent company	519,003	(538)
5.2	of which attributable to minority interests		722

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

The legal representatives of the Company	
Ceo and General Director	Alessandra Ricci
The Statutory Auditors	Silvio Salini
	Giovanni Battista Lo Prejato
	Angela Salvini

Reserved for the stamp of the registry office to be applied at the time of filing the financial statements.

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, Alessandra Ricci, 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, 2023.

The adequacy of the administrative and accounting procedures used to prepare the consolidated financial statements for the year ended at December 31, 2023 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 December 31, 2023:
  - 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 management 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, March 26, 2024

Alessandra Ricci
CEO

Nicoletta Cassano
Manager responsible for preparing the company's financial reports

Indipendent auditor's report

Deloitte & Touche S.p.A.
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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, 2023, 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, 2023, 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.

First application of the international financial reporting standard IFRS17 – Insurance Contracts

Description of the key aspect of the audit	The new international financial reporting standard IFRS 17 "Insurance Contracts" came into effect for reporting periods beginning on or after January 1, 2023, replacing the previous standard IFRS 4. Under the new standard the Group measures the insurance contracts based on the General Model or Building Block Approach. In the Notes to the consolidated financial statements, in the paragraph "New standards" , the Group, as required by the international financial reporting standards, provides qualitative and quantitative information regarding the impacts that the implementation of this new accounting standard involved in the first reporting period of adoption, as well as the measurement choices made during the transition. In particular, net of the tax effect, the first application of IFRS 17 resulted in an overall negative effect on shareholders' equity equal to respectively Euro 125.2 million at the transition date, represented by January 1, 2022, and Euro 220.1 million as at December 31, 2022. It also determined for the 2022 financial year a negative effect on the net profit for the year equal to Euro 218.1 million. The disclosure provided by the Group in the consolidated financial statements as at December 31, 2023, aims to enable its users to understand the impacts resulting from the application of the new accounting standard. In consideration of the pervasive interpretative and operational complexities arising from the application of the new international financial reporting standard and the specific valuation method adopted during the transition, the discretionary component inherent in the estimation process of insurance assets and insurance liabilities, particularly the loss component, the loss recovery component and the contractual service margin, and the significance of the aforementioned effects, we considered the first-time adoption of the international financial reporting standard IFRS 17 a key audit matter of t he Group's consolidated financial statements as at December 31, 2023.
Audit procedures performed	In performing the procedures carried out as part of our audit work, also with the support of Deloitte network experts, we preliminary examined the implementation process carried out by the Group, focusing on the measurement choices made that are relevant to estimating the effects resulting from the first application of IFRS 17. The following main procedures were performed: • obtaining and examining the methodological notes prepared by the Group with reference to the models and evaluation approaches followed and any further documentation produced and made available, with particular reference to the interpretative areas, also through collection of information, interviews and in-depth analysis with the competent functions; • analysis of the documentation to support the application choices made by the Group for the identification of the groups of insurance contracts in relation to the provisions of the standard and consequent valuation models adopted at the transition date and for the determination of the loss component, the loss recovery component and the contractual services margin at that date;

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- Reasonableness analysis of the main technical and evolutionary methods and hypotheses on which the estimates of future cash flows and the adjustment for non-financial risk were based for the purposes of determining the impacts deriving from the first application of IFRS 17;

- Verification of the correct determination of the impacts deriving from the first application of the standard and related accounting representation;

- Verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the applicable international financial reporting standards.

Valuation of Insurance Assets and Provisions

Description of the key audit matter

As at December 31, 2023, the Group recognized in the consolidated financial statements in the item “Insurance provisions” a total amount of Euro 4,503.6 million and in the item “Insurance assets” a total amount of Euro 3,465.9 million. The Insurance provisions and Insurance assets are valued on the basis of the “General Model or Building Block Approach”
.
In the Notes to the consolidated financial statements, in the paragraph “New standards”
, the criteria and methodologies applied in determining the
Insurance provisions and Insurance assets by the Group are disclosed. In compliance with the provisions of the accounting standard IFRS 17, at the inception of an insurance contract or of a reinsurance transfer of the insurance contracts themselves, an insurance liability or an insurance asset is recognized, the amount of which is based on the sum of the fulfilment cash flows neces-sary
to fulfill the contract, on the determination of an adjustment to protect to non-financial risks (Risk Adjustment), and of the contractual service margin which will be released throughout the life of the insurance contract. In case of onerous contracts, for which the discounted outgoing cash flows, including the risk adjustment, are higher than the incoming cash flows, a loss component is recognized which, unlike the contractual service margin, is immediately recorded in the income statement. A loss recovery component relating to reinsurance contracts to cover these onerous contracts is also recognized.
As indicated by the Directors in the Notes to the consolidated financial statements in the paragraph “Use of estimates”
, the determination of
Insurance provisions and Insurance assets required the use of a significant extent of subjective assumptions in order to produce reliable estimates and hypotheses. For this purpose, the Directors made reference to historic experience, as well as to other factors considered reasonable for the circumstances in question, based upon all available information.
In consideration of the significance of the amount of the Insurance provisions and Insurance assets recorded in the consolidated financial statements and the discretionary component of the determination process which characterizes their evaluation, we considered the valuation of Insurance provisions and
4
Insurance assets a key audit matter of the Group’s consolidated financial statements as at December 31, 2023.

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Audit procedures performed

The main procedures carried out as part of our audit work, also with the support of Deloitte network experts, have included the following:

- Understanding the key measurement model adopted by the Group in the assessment of Insurance provisions and Insurance assets obtaining and analyzing methodological notes and conducting interviews with relevant business functions;
- Understanding the process of determining Insurance provisions and Insurance assets, which included knowledge of management, assumptive, and actuarial guidelines, of reinsurance risk transfer policy, as well as the processes for defining hypotheses and assumptions used by the Management;
- Identification of the key controls carried out by the Group in relation to the evaluation and determination process of the Insurance provisions and Insurance assets;
- Carrying out verification procedures in relation to the completeness and adequacy of the portfolios taken as reference and their underlying data;
- Understanding the calculation methodologies of Insurance provisions and Insurance assets and verification of the application of these methodologies in the actuarial calculation and projection models, which included, among others, the following main procedures;
- Verification of the reasonableness of the assumptions and technical hypotheses used in estimating expected cash flows;
o analyzing the economic scenarios used and checking the correctness of the applied discount rates and verification of the correctness of the discount curve applied and the determination of the component relating to the illiquidity risk premium;
- Verification of the correctness of the calculation of the present value of expected cash flows;
- Verification of correctness of the calculation of the Risk Adjustment percentage, for groups of insurance contracts and of the consistency with what defined in the methodological notes;
- Analysis of the consistency with what envisaged by the principle of the criterion identified for the release of the contractual service margin and verification of the correct determination of the coverage units for the purposes of using them for the definition of the release to the income statement;
- Verification of the reasonableness of the movements occurred during the period of the loss component relating to onerous contracts and of the loss recovery component relating to reinsurance contracts covering such onerous contracts;
- Verification of the correct recognition of economic and financial impacts related to the Insurance assets and provisions.
- Verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements wit

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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..

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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.

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- 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

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, the actions taken to eliminate the related risks or the safeguards applied.

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.

Deloitte.

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, 2023, 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, 2023 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, 2023 and are prepared in accordance with the law.
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.

Carlo Pilli

Carlo Pilli
Partner

Rome, April 12, 2024

SACE S.p.A. Report of the board of auditors

Consolidated financial statements at 31st December 2023

Dear Shareholder,

the scope of consolidation of SACE S.p.A., at 31st December 2023 is stated in the explanatory note of the financial statements.

At December 31st 2023 SACE S.p.A. does not hold any own shares; its subsidiaries do not hold any shares of their shareholder, either directly or through trust companies or through third parties.

The consolidated financial statements of SACE S.p.A. at 31st December 2023 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 and in accordance with the technical formats required under IVASS Regulation No. 7/2007, as amended by Provision No. 74 of 8 May 2018.

The measurement criteria and the basis of consolidation are described in the explanatory note of the consolidated financial statements.

The consolidated financial statements were audited by the independent auditor Deloitte & Touche S.p.A.

We acknowledge that the reports issued by each Statutory auditors of the SACE Group companies, do not reveal any irregularities, findings, issues or reserves.

Furthermore, within the framework of the duties assigned to us by law, we checked the following:

- the compliance with measurement criteria, principles of consolidation and other law requirements, with particular reference to the creation of the scope of consolidation, the data reference date and the consolidation regulations;
- 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 data provided in the consolidated financial statements.

On April 12th 2024 the independent auditor Deloitte & Touche S.p.A. issued their report on the consolidated financial statements at 31st December 2023, in accordance with the rules on statutory audits implemented with Legislative Decree No. 135/2016. Specifically, the independent auditor: 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 at and for the year ended 31st December 2023, in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union and with the Regulation issued in implementation of art. 90 of Legislative Decree No. 209/2005; ii) expressed their opinion on the consistency of the Report on operations and of specific data included in the Report on Corporate Governance and ownership structure set out in art. 123-bis, paragraph 4, of Legislative Decree No. 58/1998 with the consolidated financial statements of the SACE Group at 31st December 2023 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 2023, reference should be made to the Report to the financial statements of SACE S.p.A. which underlines the main aspects, whose activities continue to significantly affect the consolidated financial statements also throughout 2023.

In our opinion and based on that stated above, the consolidated financial statements of SACE Group for the year ended 31st December 2023 – recording a Group net income of 473.773 thousands of Euro, total assets for 45.833.858 thousands of Euro, total liabilities for 40.034.600 thousands of Euro and consolidated shareholders' equity for 5.799.257 thousands of Euro – which are the result of financial statements that generated no exceptions, recommendations, criticisms or reserves, give a true and fair view of the assets and financial position of the SACE Group at 31st December 2023, of its result and cash flows for the year ended at that date, in accordance with the aforesaid applicable laws concerning consolidated financial statements.

Rome, April 15th 2024

THE BOARD OF STATUTORY AUDITORS
Dr. Silvio Salini (Chairman)
Dr. Giovanni Battista Lo Prejato (Standing Auditor)
Dr.ssa Angela Salvini (Standing Auditor)

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