



# **An Introduction to SACE**

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Head of SACE Central and Eastern Europe Office



A LEADING ITALIAN CREDIT MANAGEMENT COMPANY

Offering solutions for the integrated management  
of payment risks resulting from  
commercial and political difficulties

### EXPERIENCE

- **Over 30 years** of providing risk management solutions to small and medium-sized businesses and large corporations

### FINANCIAL SOUNDNESS

- SACE is a joint stock company **100% owned by the Italian Ministry of Finance and Economy**

Shareholders' equity: € 6.3 Billion

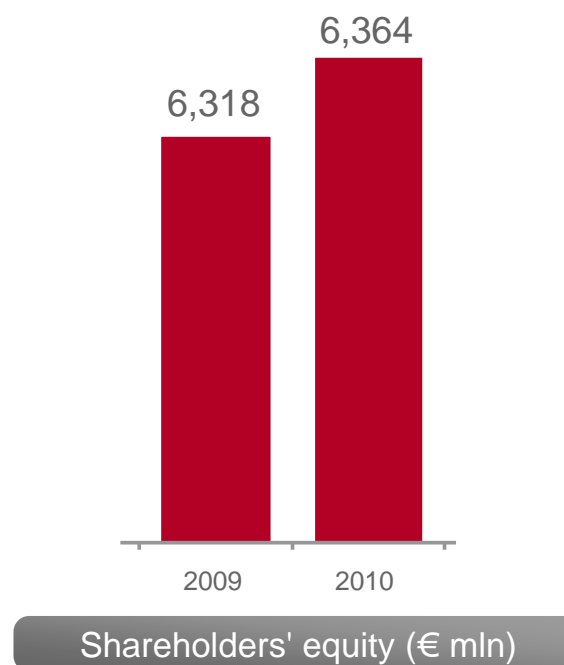
**Aa2 credit rating (Moody's) and Aa- (Fitch)**

### RELIABILITY

- **Outstanding commitments for € 33 Billion** to insure commercial and financial transactions in over **180 countries**

<b>Gross written premiums</b>	€ 532.8 mln
<b>Outstanding commitments</b>	€ 32,774 mln
<b>Net profit</b>	€ 409.8 mln
<b>Equity</b>	€ 6,364 mln
<b>Rating (Moody's)</b>	Aa2
<b>Employees</b>	656

Key figures 2010



- Our **core business** is described as that of an **Export Credit Agency**.
- **We do not provide direct lending...**
- ... but our products **facilitate the raising of financing** and the **trade on an open account credit basis**.
- [www.sace.it](http://www.sace.it)



## Our Target Market

- **Italian Exporters** and their foreign subsidiaries.
- **Italian contractors** – for bid, performance, retention or advance payment guarantees.
- **Italian subsidiaries or affiliates** – for investment or working capital loans
- **Importers of Italian products or services (public or private entities)**
- **Beneficiaries of construction works executed by Italian companies.**
- **Banks financing trade activities** involving Italian companies.
- **Project Finance structures involving Italian companies** or equipment purchased from Italy.

**TARGET**

Corporate

Banks

**PRODUCTS**

- Supplier Credit
- Civil Works
- Sureties
- Political Risk Insurance
- Internationalization
  
- Buyer Credit
- L/Cs Confirmation
- Structured and Project Finance
- Internationalization

- ▶ **Risk partner:** acting as a risk taker SACE decreases the risk
- ▶ **Flexibility:** new national-interest programme widely extends the range of SACE eligible operations
- ▶ **High visibility:** SACE's support is fully backed by the Italian Government
- ▶ **Competitiveness:** longer tenors and attractive all-in cost of funding



## SACE Support: Key Benefits

### For the Banks

- ❖ Zero Risk Weight : SACE guaranteed assets are 0% weighted under Basel I and under Basel II (fully guaranteed by the Italian State)
- ❖ Risk Partner: Acting as a risk taker SACE decreases the syndication risks

### For the Exporter

- ❖ Safety: Insuring against non-payment for the goods or services supplied
- ❖ Competitiveness: Attract new customers with longer payment terms
- ❖ Liquidity : Cash in your credits earlier by transferring insured credits to financial institutions

### For the Importer

- ❖ Competitiveness: Longer term financings and attractive all-in cost of funding
- ❖ Additional Capacity and Liquidity Provider: Preservation of current bank credit lines
- ❖ Stability: Improvement of balance sheet composition (diversification of funding sources)

### Structure



Supplier Credit Policy protects against the non-payment risk by a foreign customer.

### Target Clients

Italian Companies and/or their Foreign Subsidiaries exporting goods and services, which are interested in granting their clients short/medium/long term deferred payments

### Main Features

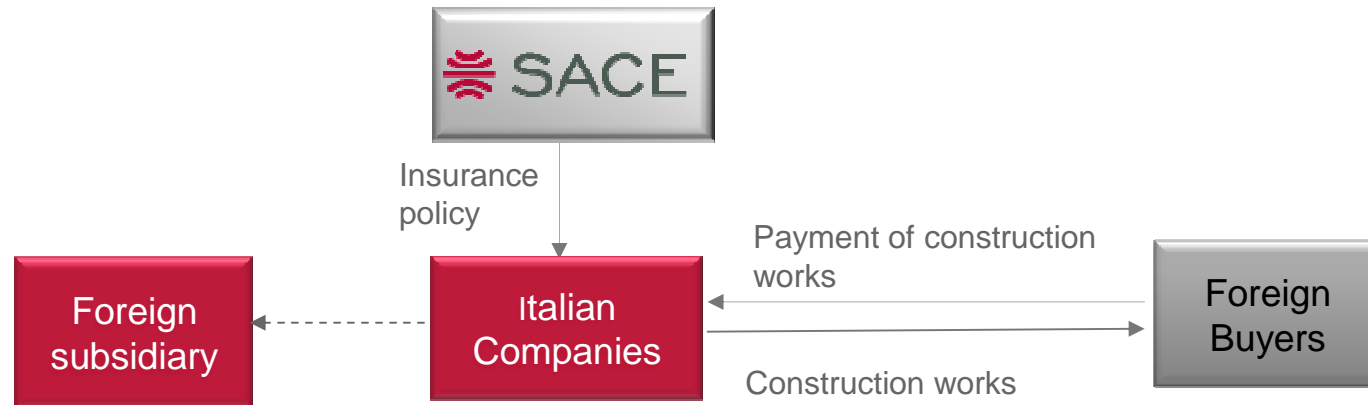
- Buyer: foreign governments, banks, public and private entities
- Risk: non-payment, due to political or commercial events
- Coverage: up to 85% of the export amount
- The exporter has the possibility to cash in the export immediately through assignment of the insurance policy and P/Notes to a financing institution

### On Line

[www.exportplus.it](http://www.exportplus.it)

- BASIC – insurance policies for deals up to € 500k and deferred payment of up to 3 years
- PLUS ONE – insurance policies for deals up to € 5 mln and deferred payment up to 5 years

### Structure



Civil Works Policy keeps the Italian company indemnified against the non-payment risks that could arise during the execution of construction works or plant engineering projects or during the credit period, due to political and/or commercial events.

### Target Clients

Italian construction or engineering companies or their Foreign Subsidiaries carrying out works abroad paid according to production advancement or Milestones

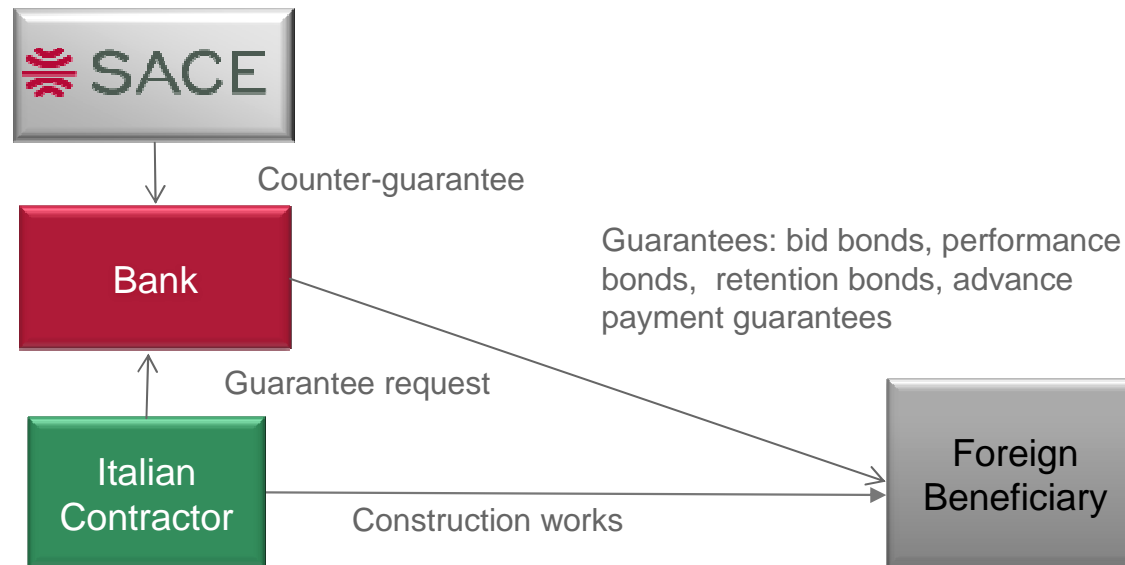
### Main Features

- Risks: non-payment of credit



## Sureties for construction

### Structure



### Target Clients

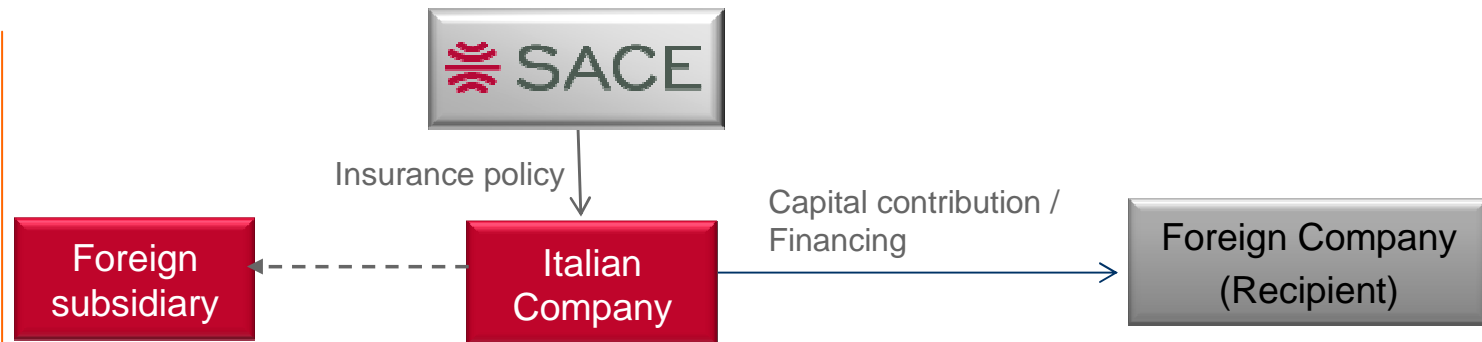
SACE can counter-guarantee the banks issuing the contractual guarantees (Italian/foreign/local banks) or can even issue the guarantees directly.

Italian construction/ engineering companies or their Foreign Subsidiaries or Joint Ventures of Italian contractors

### Main Features

Cover: up to 100%

## Structure



Financial support to protect overseas investment against political risk

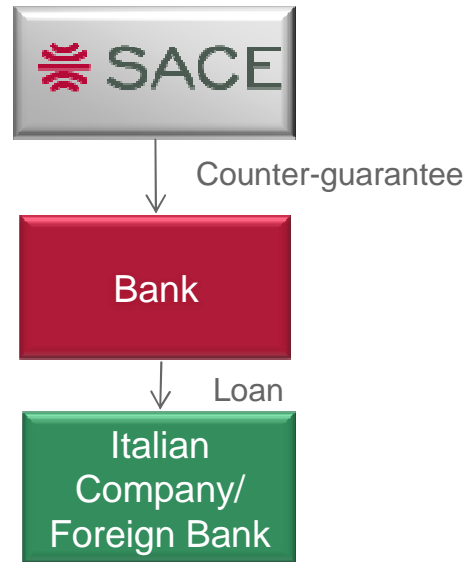
## Target Clients

Italian Companies and/or their Foreign Subsidiaries holding a stake in foreign company.

## Main Features

- Risk: losses of equity or shareholders loans, due to political events (e.g. nationalisation, confiscation of goods, embargo, civil disorder, transfer risk).
- Coverage: up to 100%

### Structure



SACE covers the financing (through bank loans or bond issuance) for:

- investments of Italian companies (or their subsidiaries) abroad: joint ventures, mergers and acquisitions, capital injections or setting up production facilities.
- working capital needs for exports and civil works abroad
- loans granted by Italian banks to foreign banks with the scope of supporting Italian exports/ investments

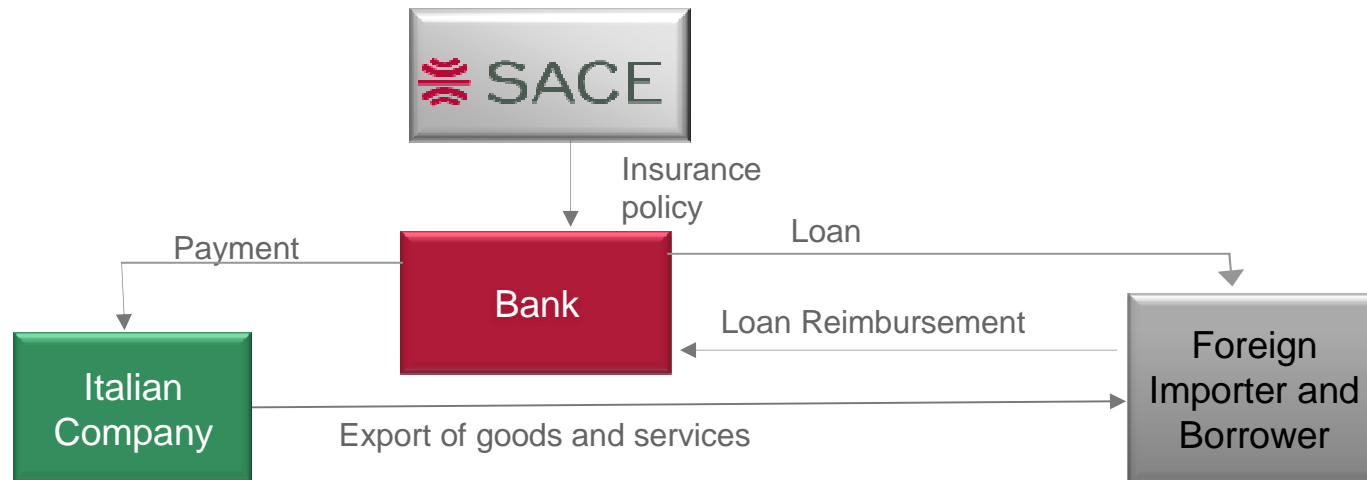
### Target Clients

Italian companies (large or SMEs) and their Foreign Subsidiaries  
Italian banks

### Main Features

Cover: maximum 80%

### Structure



Buyer Credit protects the bank against the credit risk in respect of a loan made available to a borrower, for the payment of export contracts with Italian companies. Refinancing is also eligible for cover, only if proceeds are used to reimburse payments already made

### Target Clients

Italian or foreign banks involved in the financing of imports of goods and/or services, planning & execution of civil works abroad, carried out by Italian companies and their foreign subsidiaries.

### Main Features

- Debtor: governments, banks, public and private entities, including vehicles used in structured project finance transactions
- Financing: up to 85% of export value

### Structure



Confirmation of letters of credit against the risk of non reimbursement by the foreign bank, in respect of payments for supplies of goods or services.

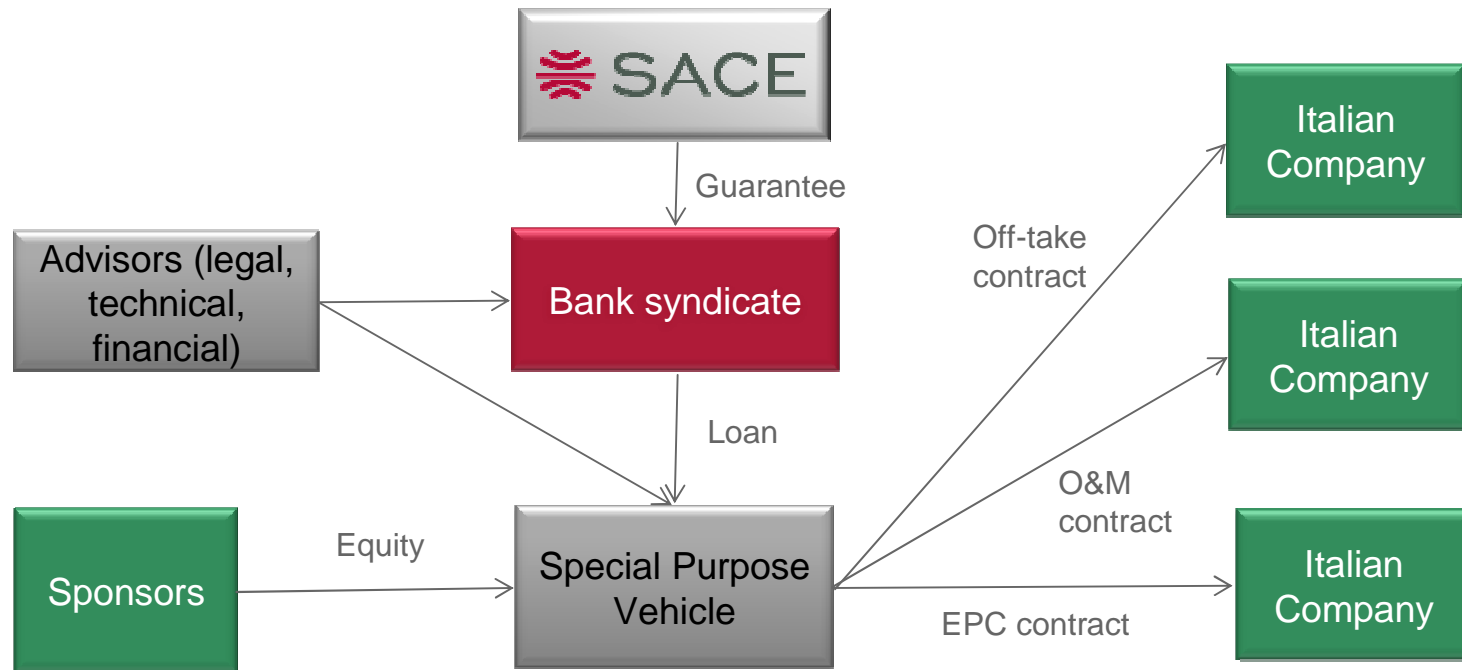
### Target Clients

Italian or non – Italian foreign bank involved in a documentary credit facility linked to any export or related activities performed by an Italian company.

### Main Features

- Risk: credit risk of the foreign bank (L/C issuing or opening bank)
- Nature of Risk: political and commercial
- Coverage: up to a maximum of 100% of the L/C amount
- Advantages: increasing banks' volumes in L/C confirmation business and encouraging foreign banks to issue L/Cs for the benefit of Italian exporters

## Structure



## Target Clients

Large Italian companies, acting as Sponsors or involved in the EPC/ O&M/ Off-take contracts.

## Main Features

- Very complex, large-value transactions, such as construction of very large projects (e.g. industrial facilities, transportation and telecommunication infrastructure, utilities, etc) and acquisition of companies.
- Debtor: private and/or public entity
- Project assessment is based on the cash generating capacity of the project, not the balance sheet of the Sponsors



**€ 20 Mn**  
Performance Bond

Warsaw's second metro line

2009 Poland



**€ 0.7 Mn**  
Supplier Credit

Refrigerated cabinets for supermarkets

2010 Serbia



**€ 2.2 Mn**  
Supplier Credit

Lines for paper conversion

2010 Romania



**€ 2.2 Mn**  
Financial Guarantee

Plant expansion

2010 Hungary



**€ 0.4 Mn**  
Supplier Credit

Molds for automotive industry

2010 Slovakia



**€ 0.5 Mn**  
Supplier Credit

Combine harvesters

2010 Romania



**€ 0.4 Mn**  
Supplier Credit

Tanks for wine storage

2010 Moldova



SALVATORE MATARRESE S.p.A  
Impresa di costruzioni

**€ 5.5 Mn**  
Bond + WC Guarantee

Construction of a road

2010 Albania



**€ 25 Mn**  
Financial Guarantee

Expansion of the industrial area of Slatina

2009 Romania



L'Arte del Bottai®

**€ 0.6 Mn**  
Supplier Credit

Export of containers

2009 Croatia

 <p><b>€ 27.6 Mn</b> Project Finance</p> <p>Geopower wind farm</p> <p>2010 Italy</p>	 <p><b>€ 0.8 Mn</b> Supplier Credit</p> <p>Furniture and equipment for shopping malls</p> <p>2010 Kenya</p>	 <p><b>□ 130 Mn</b> Financial Guarantee</p> <p>Industrial facilities in Nanjing</p> <p>2010 China</p>	 <p><b>€ 2.6 Mn</b> Supplier Credit</p> <p>Drilling unit</p> <p>2010 Colombia</p>	 <p><b>€ 56.5 Mn</b> Surety Bond</p> <p>Turbines and compressors for platforms</p> <p>2010 Brazil</p>	 <p><b>US\$ 410 Mn</b> Buyer Credit</p> <p>Plants and supplies from Saipem and Nuovo Pignone</p> <p>2010 Mexico</p>
 <p><b>US\$ 686 Mn</b> Buyer Credit</p> <p>Propylene and polypropylene plant</p> <p>2010 Russia</p>	 <p><b>US\$ 45 Mn</b> Project Finance</p> <p>ATR 75-500 for Vietnam Airlines Leasing Company</p> <p>2010 Vietnam</p>	 <p><b>€ 1.6 Mn</b> Supplier Credit</p> <p>Concrete batching plants</p> <p>2010 Malaysia</p>	 <p><b>US\$ 500 Mn</b> Buyer Credit</p> <p>Rolling mill</p> <p>2010 UAE</p>	 <p><b>€ 17 Mn</b> Financial Guarantee</p> <p>Plant for the production of paper tissues</p> <p>2010 Azerbaijan</p>	 <p><b>€ 6.2 Mn</b> LC Confirmation</p> <p>Production facilities for industrial prefabrication</p> <p>2010 Belarus</p>

## AWARDS 2009

 <p><b>€ 27 mln</b> Project &amp; structured finance</p> <p>Photovoltaic plant</p> <p>2009 Italy</p>	 <p><b>USD 100 mln</b> Project &amp; structured finance</p> <p>Oil platform</p> <p>2009 Nigeria</p>	 <p><b>USD 300 mln</b> Guarantee</p> <p>Water treatment plant</p> <p>2009 United Arab Emirates</p>	 <p><b>€ 384 mln</b> Project &amp; structured finance</p> <p>Steelmaking for flat products</p> <p>2009 Turkey</p>	 <p><b>€ 500 mln</b> Project &amp; structured finance</p> <p>Offshore gas pipeline</p> <p>2009 Russia</p>	 <p><b>USD 900 mln</b> Project &amp; structured finance</p> <p>PNG LNG plant</p> <p>2009 Papua New Guinea</p>
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### Italian network

- 4 branches and 4 offices
- 53 agents\*
- 123 brokers\*



### Overseas network

- 6 representative offices serving the emerging economies

\* Credit insurance, surety and construction risk businesses only

We support enterprises looking to go far



## Head office

### Rome

Piazza Poli 37/42 • 00187 Rome  
Tel +39 06 67361  
Fax +39 06 6736225

## Customer care

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info@sace.it

## Local branches

### Bari

Via Amendola, 172/5 • 70126 Bari  
Tel +39 080 5467763 - Fax +39 080 5467764

### Lucca

Via Dante Alighieri, 167 • 55100 Lucca  
Tel +39 0583 400 71 - Fax +39 0583 400 790

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Tel +39 02 434499701 - Fax +39 02 434499749

### Modena

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