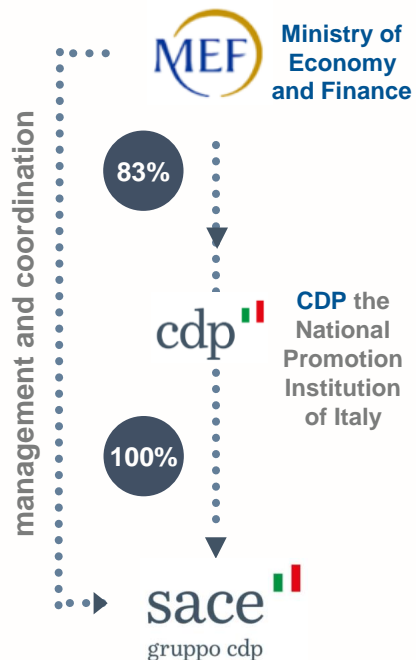


SACE the Italian ECA: Export Credit and Push Strategy

SACE Mumbai Office – India & South Asia

SACE: the Internationalisation Partner of Italian Companies



- SACE is the official **Export Credit Agency (ECA)** of Italy, ultimately owned, through Cassa Depositi e Prestiti (CDP) but directly managed by the Italian Ministry of Economy and Finance (MEF)
- Offers **insurance and financial services** and integrated solutions to support **Italian export and FDI**s
- SACE medium-long term **tied/multi-tied** and **untied facilities** represent an **innovative, flexible and competitive instrument of funds raising for foreign companies**
- Provides **easy access to business opportunities activating strategic partnerships**
- Has a **deep knowledge of Italian industries and supply chains**

Experience
40+ years
of providing
risk
management
solutions

Financial Soundness

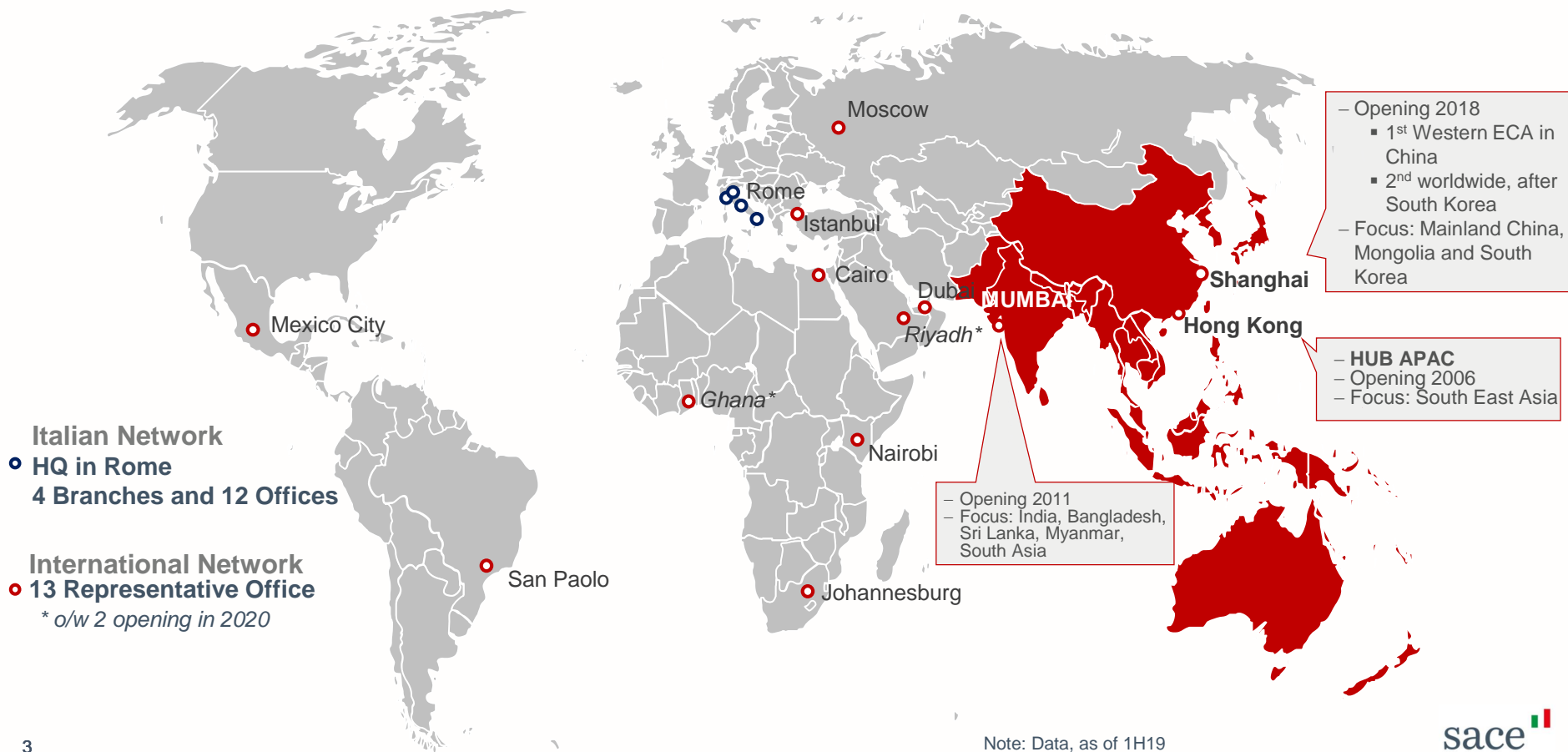
€ 5.6 BILLION
Shareholders' equity
and **BBB** credit
rating (Fitch)

Flexibility

Assisting over
20,000 SMEs
and large corporations
in **198** countries

SACE global portfolio:
€ 60 Bn

SACE Global Network and Focus on APAC Region



Note: Data, as of 1H19

ITALY is a leader in many industries



Machinery and automation

2nd country in the World for export value (after Germany)



Ceramics industry

First producer of ceramics tiles in Europe (85% of revenues from export)



Aerospace and defence

3rd country in the World for export of helicopters



Fashion industry

1/3 of all value added of the sector in the EU is Italian (4 times France and 3 times Germany)



Agri-Food

value added (€68.1bn) 2 times automotive of Fr. & Sp. and double of Fr, Ger, UK aerospace sector



Furnitures

2nd globally as trade surplus and **1st in Europe as export value**



Cosmetics

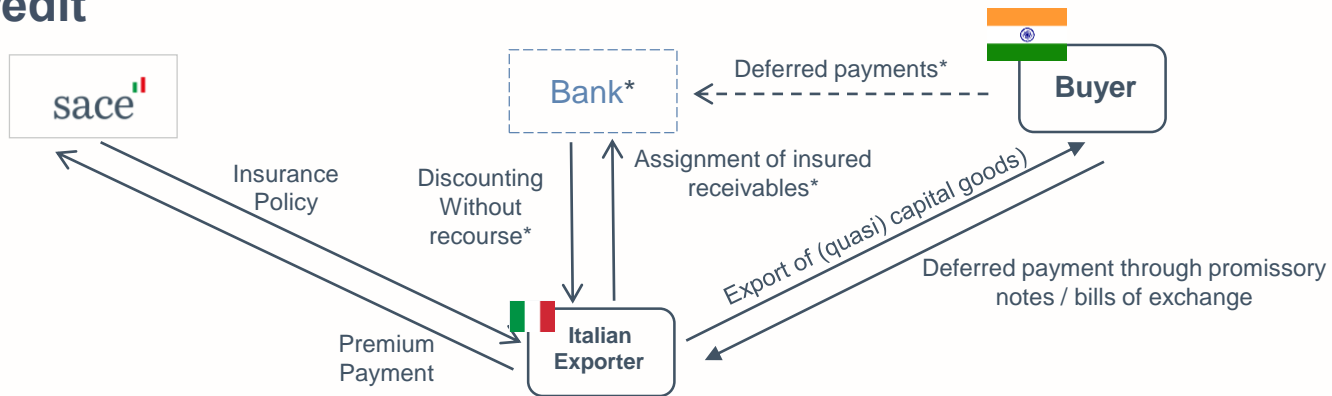
1st country in the World for make-up production (55% of global market)



Yachts

1st country in the World with over 40% of world orders

Supplier's Credit



HOW IT WORKS

- Sace issues to the Italian Exporter an **Insurance Policy** covering up to 85% of the export contract value (min 15% down payment), from as low as € 50,000
- The policy covers up to 95-100% for non-payment, caused by political and commercial events
- Italian Supplier can obtain liquidity through **discounting receivables** without recourse upon assignment of them to the bank, together with the SACE insurance policy

BENEFITS FOR BUYERS

- A competitive financing solution that supports Indian buyers in getting access to deferred payment contracts when purchasing capital goods from Italy. Alternative option to the conventional L/C
- No impact on existing credit lines already available with banks
- Extended terms of payment up to 3 years with repayment by semi-annual regular instalments

HOW TO ENGAGE

- The buyer provides its **latest financial statements** together with some additional info (e.g. details on the transaction, company profile) for credit evaluation
- Subject to SACE credit approval, the buyer and the Italian exporter will negotiate deferred payment terms

**Policy assignment to bank and discounting of insured amount are NOT mandatory. Deferred payment can be made directly to Italian exporter*

Deals Executed in India & South Asia - Highlights



SHRIRAM
Transport Finance Company Limited

A WINNING RELATIONSHIP

EUR 125 Mn
Guarantee

Untied / Push Strategy

2019 India



JSW Steel

USD 97 Mn
Guarantee

Multi Tied Buyer's Credit

2019 India



Reliance
Industries Limited
Growth is Life

USD 500 Mn
Guarantee

Untied / Push Strategy

2018 India



SREI | **25**
Celebrating 25 Years
Together We Make Sustainable Progress

EUR 53 Mn
Guarantee

Untied / Push Strategy

2016 - 2018 India



DESHAMANDHU GROUP
দেশ এ জলদানের বন্ধু

EUR 4 Mn
Insurance Policy
Supplier's Credit

2018 Bangladesh



Biman
BANGLADESH AIRLINES

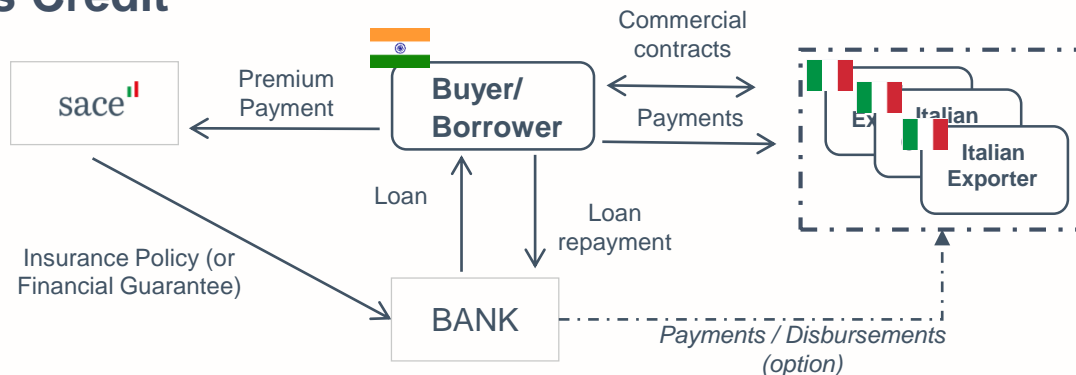
USD 250 Mn
Guarantee

Aircraft Financing

2018 Bangladesh

Annexure: Other Products

(Multi-tied) Buyer's Credit



Subject to OECD
Consensus for
Export Credit

HOW IT WORKS

- **Facility amount can reach up to 85% of the Italian eligible Export Contract Value** (plus additional 30% of ECV for local costs). Mandatory 15% down payment of ECV.
- **SACE guarantees up to 95-100% of the facility amount** against political and commercial risks
- **SACE premium can be entirely financed**
- Possible refinancing of export contracts (< 24 months old) which have been already completely executed and suppliers have been paid in full

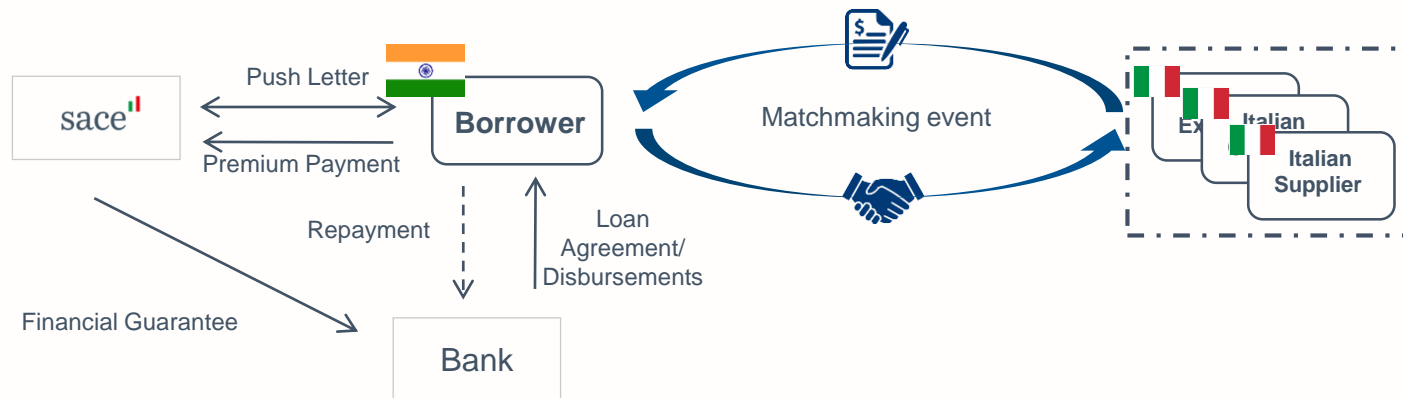
BENEFITS FOR BUYERS

- Support Indian buyer in getting access to **M/LT Financing of procurement of capital/semi-capital goods** from Italian exporters/contractors
- Possible to **include contracts still under negotiations**
- Borrower may also benefit from fixed interest rate through an interest make up agreement (fixed CIRR rate)

HOW TO ENGAGE

- The buyer provides **details of project / new contracts** to be financed, and refinanced (if any) and **latest financial statements**
- SACE and the Bank coordinate to verify eligible contracts, local costs (if any) and structure the facility
- **Buyer's credit can also be arranged in simpler form, financing one (or more) contract with only one Italian exporter**

Push Strategy



NOT subject to
OECD Consensus
for Export Credit

HOW IT WORKS

- **General purpose corporate loan (UNTIED)** aimed at encourage procurement from Italian suppliers
- **Borrower will sign with SACE the Push Letter**, an agreement regarding i) target amount of procurement from Italy to be reached, *on a best effort basis*, ii) **possible economic incentive** recognized by SACE to the Borrower in case the target amount is reached, iii) borrower's commitment to take part to matchmaking events

BENEFITS FOR BUYERS

- Medium-long term financing not linked to specific contracts (**untied**), which may be utilized also for working capital, capex, etc.
- Also non-capital / retail goods can be purchased through Push Strategy. Purchases from Italian suppliers outside Italy (Italian foreign subsidiaries) also eligible (Made IN Italy and Made BY Italy)
- Privileged access to potential new Italian suppliers through **matchmaking events** to meet the company's procurement needs and facilitate reaching of procurement target. Events will be arranged with support of SACE

HOW TO ENGAGE

- The borrower provides its **latest financial statements** together with some additional documents (i.e. info on past procurement from Italian suppliers, capex plans)
- SACE and the Bank joint coordination to assess the feasibility and to structure the transaction in terms and conditions acceptable to the borrower

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