sace simest
gruppo cdp

Gli strumenti SACE-SIMEST a supporto dell’internazionalizzazione

CDP Group: we promote the future

WE FINANCE
public investments, support international cooperation, and drive the development of Italy's infrastructure

WE CONTRIBUTE
to the growth of the Italian real estate market as the main social and affordable housing player, restoring strategic areas.

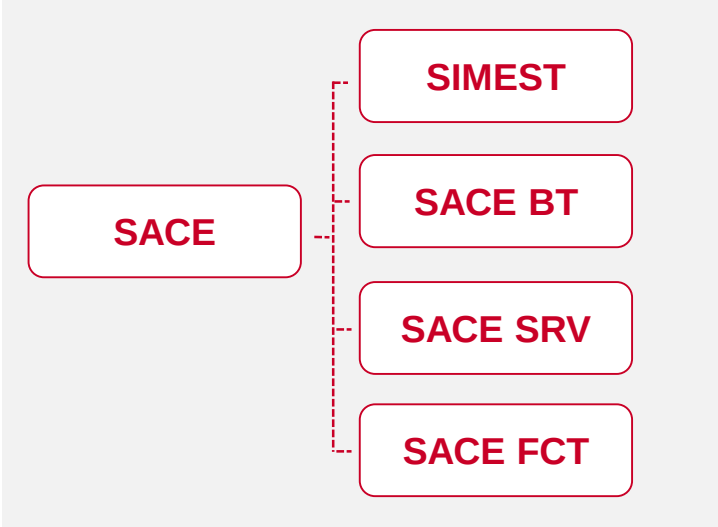
cdp
cassa depositi e prestiti

«National Promotion Institute»

WE WORK WITH
companies throughout their life cycle, fostering the creation of start-ups and innovation, investing in nationally important businesses

WE SUPPORT
exports and internationalisation as competitive factors of Italy's industry and growth drivers for its economy

Italian Export and Internationalization Hub of CDP Group



We support companies' competitiveness

SACE is a joint-stock company fully owned by Cassa Depositi e Prestiti and operates in the field of export credit, credit insurance, investment protection, financial guarantees, sureties and factoring. An offer that is enriched with SIMEST products, ranging from investments in equity capital of companies to subsidised loans and export credit.

We offer solutions for the integrated management of commercial and political risks:

- Export credit and project finance
- Protection of foreign investments
- Soft loans and equity investments
- Financial guarantees
- Credit insurance
- Surety and construction risks
- Factoring

EXPERIENCE

40 year

of providing risk management solutions

Financial Soundness

€ 5.3 BILLION
Shareholders' equity and **BBB+** credit rating (Fitch)

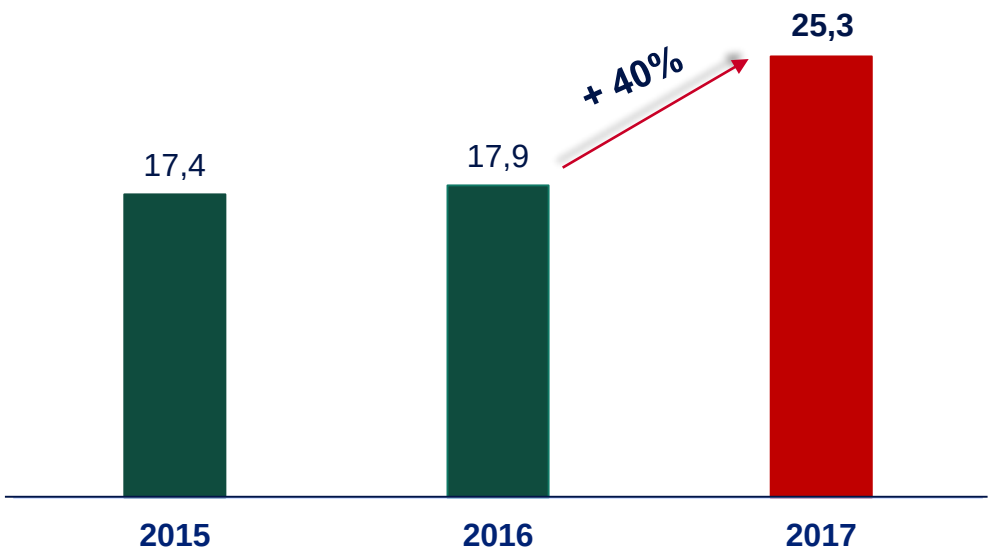
Flexibility

Assisting over **25,000** SMEs and large corporations in **198 countries**

Mobilized Resources

MOBILIZED RESOURCES TO SUPPORT THE EXPORTS AND INTERNATIONALISATION OF ITALIAN COMPANIES

SACE Group (euro - bln)



First Export Credit Agency worldwide in 2017

SACE is the 1st ECA worldwide according to business volumes

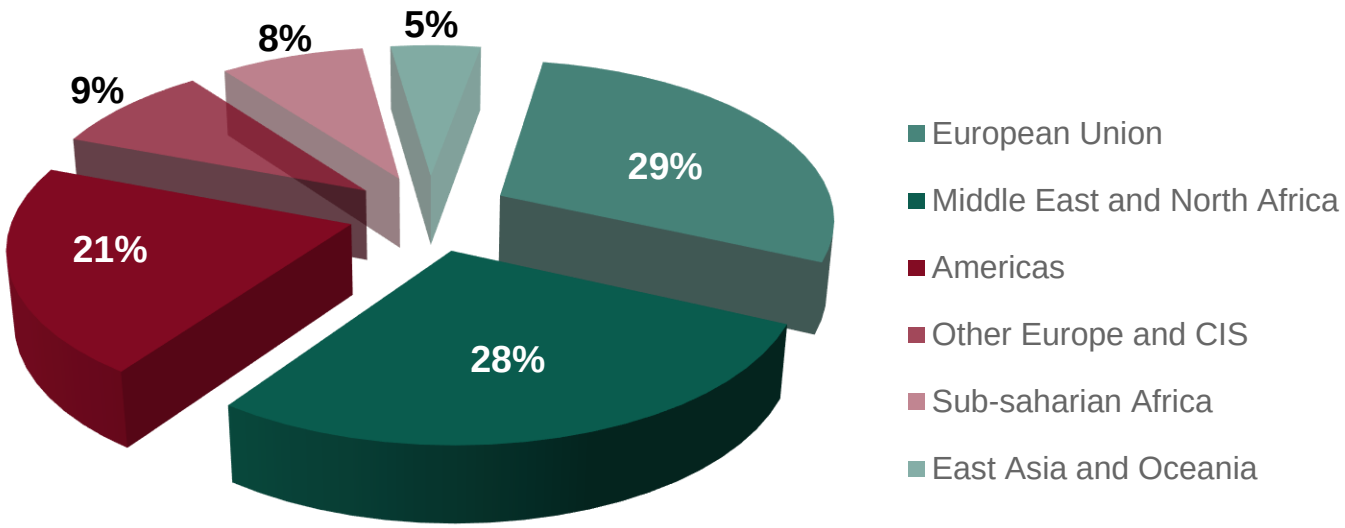
- According to TXF's Export Finance Reporting, SACE has topped the ECA export finance table of the year 2017 for mobilized resources.
- MLT resources mobilized in relation to export of investment goods (9,3%)

SACE's export support vs main *peers*

Country	Position in TXF table for MLT resources mobilized (2017)	Influence MLT resources mobilized on export of investiment goods (2017)
Italia (SACE)	**#1**	**9,3%**
Francia	#5	8,7%
Germania	#7	1,5%
Regno Unito	#9	0,7%
Giappone	#2	3,6%
Canada	n/a	4,0%
Spagna	n/a	1,2%

Risks insured by geographical area

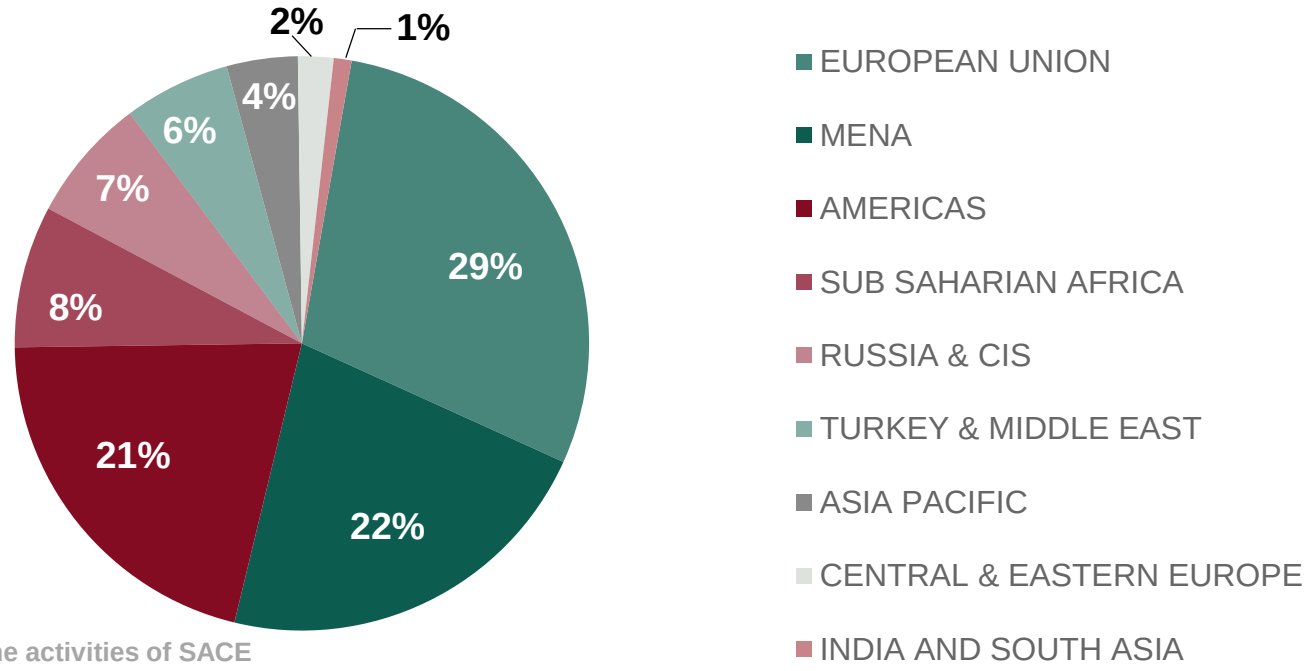
SACE Outstanding Guarantees[1] by geo-economic area as at 31.12.2017



1.Total exposure for the activities of SACE

Risks insured by geographical area

SACE Outstanding Guarantees[1] by geo-economic area as at 31.12.2017



1.Total exposure for the activities of SACE

Our products

EXPORTING AT FAVOURABLE PAYMENT TERMS?

Export credit and project finance

LOOKING TO INVEST ABROAD?

Soft loans and equity investments, protection of foreign investments (high-risk countries)

DIFFICULTY IN GETTING ACCESS TO DOMESTIC CREDIT?

Financial guarantees

NEED TO GRANT EXTENDED PAYMENT TERMS?

Credit insurance

BIDDING FOR CONTRACTS IN ITALY AND ABROAD?

Sureties and construction risks

NEED TO UNFREEZE CREDITS?

Factoring and credit recovery

Export credit and project finance

OFFER COMPETITIVE TERMS OF PAYMENT

Export credit for supplies and projects using credit lines granted at competitive rates, also for project & structured finance transactions

ADVANTAGES FOR EXPORTERS

- Longer repayment schedules
- Credit is protected, even in emerging countries
- Help with finding the best financial structure
- Possibility of obtaining an interest subsidy

We insure against the risk of non-payment of loans

Low-interest loans for internationalization

Instruments (1/2)

ITALIAN COMPANIES OF ANY SIZE

- **Programs to enter non-EU markets** to open a stable sales office and distribute their brands and/or products in a non-EU country
- **Feasibility studies** for a preliminary evaluation of investment opportunities in new non-EU markets
- **Technical assistance programs** to train personnel involved in the investment initiatives in non-EU countries

SMEs

- **Capitalization of SME exporters** to consolidate the capital of SME corporations for which exports have accounted for at least 35% of sales in the past three years
- **Participation in trade shows and exhibitions** abroad, even in the same country, for greater visibility of the SME brand with sector buyers

We support companies in all phases of growth abroad

Low-interest loans for internationalization

Advantages (2/2)

GREATER FACILITATIONS FOR COMPANIES DUE TO NEW LEGISLATION

- Reduced facilitated interest rate (10% of EU reference rate)
- Increase in lending amounts
- Extension of types of expense allowed
- Reduction in guarantee requirements (programs for entry into non-EU markets and capitalization of exporting SMEs includes access to the Fund for Sustainable Growth to reduce the guarantees required for access to financing)
- Special consideration for specific categories of companies

SIMPLIFIED AND ONLINE LOAN APPROVAL PROCEDURE

- Shorter loan approval times
- Reduction in required documentation
- Completely paperless

Equity participation

INVESTING ABROAD WITH A SOLID PARTNER

Direct investment. SIMEST supports companies with a temporary minority investment in foreign and Italian companies. The investment may be contemplated in the incorporation phase, a capital increase, or in case of the acquisition of third parties, and may reach 49% of the capital of the investee company.

Interest subsidy. In the case of equity holdings in companies in non-EU countries, the companies may benefit from low-interest bank financing for the acquisition of their own shareholding.

Venture Capital Fund. If the investment is in geographic areas of strategic interest, companies may benefit from the Venture Capital Fund (FVC): the investment of the FVC in the foreign company is additional to the share of SIMEST direct investment, and they may jointly subscribe up to 49% of the capital of the foreign company without exceeding the shareholding of the promoting Italian company.

ADVANTAGES FOR THE COMPANY

- Additional financial resources
- Stronger ownership structure for the foreign companies due to the presence of an institutional partner
- Reduced financing cost of the direct share of investment due to the interest subsidy.

We are partners in your investment initiatives abroad

Financial guarantees for SMEs and large corporations

EASIER ACCESS TO CREDIT

For **SMEs**: insurance cover for funding of activities to promote growth in international markets granted under framework agreements with leading financial intermediaries

For **Large Corporations**: insurance cover for loans earmarked for specific investments abroad or to cover requirements for working capital in connection with international contracts

ADVANTAGES FOR THE COMPANY THAT RECEIVES THE LOAN

- Availability of favourable credit terms
- Access to loans with longer payment schedules

We facilitate access to credit by guaranteeing bank loans to companies

Financial guarantees for infrastructure and renewable energy sources

FUNDING FOR INVESTMENT PROJECTS

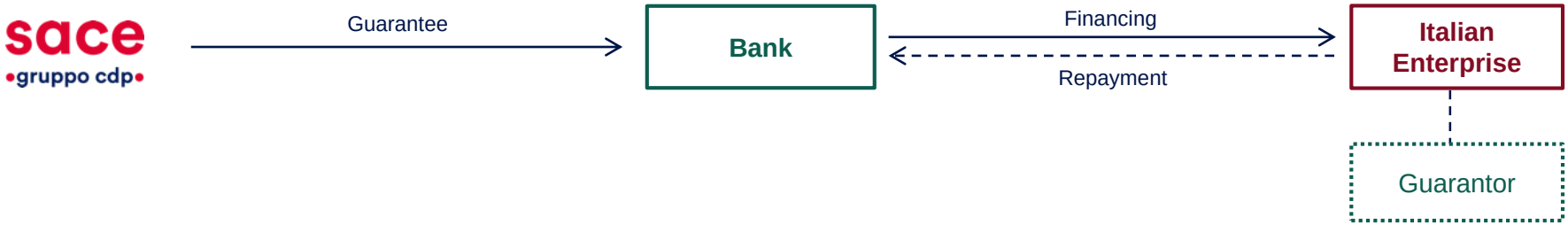
- Insurance cover for funding to develop infrastructure to expand the national transport system, improve telecommunications networks or promote the diversification of energy sources
- Insurance cover for funding of projects in each stage of the renewable energy chain: from research and development to the production of raw materials and machinery and building of power production plants

ADVANTAGES FOR THE COMPANY THAT RECEIVES THE LOAN

- Availability of favourable credit terms
- Access to loans with longer payment schedules

We foster the development of projects of strategic importance for the Italian economy

Focus on Financial Guarantees



HOW IT WORKS

Sace guarantees loans provided by banks in order to:

- support Italian SMEs in foreign investment, working capital needs, strategic investment in Italy, such as R&D, infrastructure, energy
- Foreign companies who want to realize strategic investments in Italy
- Italian or foreign banks in order to support the trade exchange with Italian SMEs and allow credit access

BENEFITS FOR COMPANY X

- Extended terms of payment at competitive interest rates
- The guarantee does not impact credit lines available at the banking system for the portion of the loan covered by SACE
- First-demand guarantee, irrevocable and unconditional in favour of the lending bank
- Sharing with the bank the risk of non-repayment of the loan granted, in principal and interest (limited to the cost of funding), with coverage up to [80]%
- For the portion guaranteed by SACE, assimilation for prudential purposes of the exposure towards the company financed with zero weighting in the calculation of the capital ratios as required by the Basel II agreements

HOW TO ENGAGE

- Provide us with your **latest financial statements** in order to carry a **preliminary feasibility assessment**
- Other **«off the shelf»** documents (i.e. company information, business plan) **are welcome**
- If available, **commercial contracts** and details on **procurement needs**

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Credit insurance

INSURANCE OF TURNOVER IN ITALY AND ABROAD

Total cover: insures the company's entire turnover with Italian and foreign buyers, or uniform segments of that turnover

Partial cover: insures turnover relating to recurrent transactions with a particular foreign customer or group of selected customers

ADVANTAGES FOR THE POLICYHOLDER

Improvement of overall credit management

Prior assessment of customers' solvency

Active risk management

We insure companies against the risk of non-payment

Surety and construction risk insurance

PEACE OF MIND WHEN EXECUTING LARGE OR SMALL WORKS

Surety: guarantees to cover contractual obligations (bid bonds, performance bonds, advance payment bonds, etc.) and performance of legal obligations (tax bonds, custom bonds, etc.), in connection with contracts undertaken in Italy and abroad

Construction risk: insurance against risks associated with the construction of plant and civil works for companies carrying out civil, industrial or infrastructure works in Italy or abroad under public or private contracts

ADVANTAGES FOR THE POLICYHOLDER

- More efficient financial management
- No need to use bank credit facilities

We boost the competitiveness of companies bidding for tenders in Italy and abroad

Foreign credits recovery

INCREASES THE LIQUIDITY OF THE COMPANY

- The service includes the management of all out-of-court and judicial activities and insolvency procedures for the recovery of outstanding debts, also not covered by insurance coverage, through a specialized team and a vast network of local correspondents all over the world.
- Judicial recovery activities are followed in partnership with law firms, present on site, without intermediaries, with advantages on costs and speed of action.
- The service is offered to companies in every sector and size that need a partner who is expert in managing the life cycle of credit.

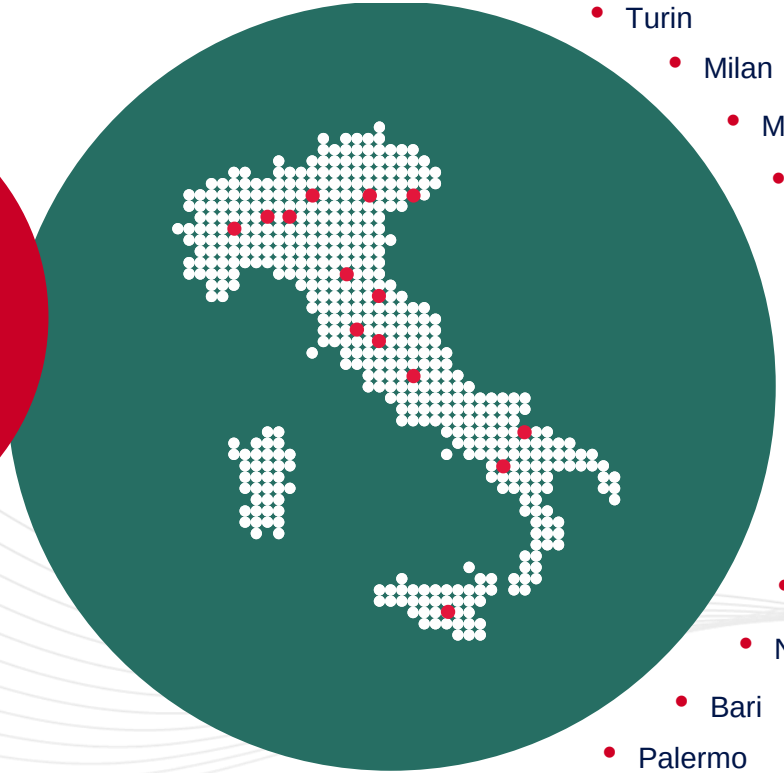
ADVANTAGES FOR THE COMPANY

- Network of 200 correspondents and local negotiators worldwide.
- Saving time and resources, thanks to a structured fee based on a success fee
- In the event of a negative outcome of the recovery action, recording in the financial statements any loss with the declaration of irrecoverability.
- Increased liquidity and reduced collection times

Italian Network

Italian Network

4 branches
10 offices
42 agents*



- Turin
- Milan
- Monza
- Brescia
- Verona
- Venice/Mestre
- Bologna
- Ancona
- Florence
- Lucca
- Rome
- Naples
- Bari
- Palermo

* Credit insurance, surety and construction risk businesses only

International Network

Overseas network

9 representative offices serving the emerging economies

- Hong Kong
- Mumbai
- Moscow
- Istanbul
- Dubai
- Nairobi
- Johannesburg
- Mexico City
- San Paolo

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