



SACE a strong global partner for your insurance and financial needs

Torino, 1 June 2012

WORKSHOP AUTONET - SERBIA

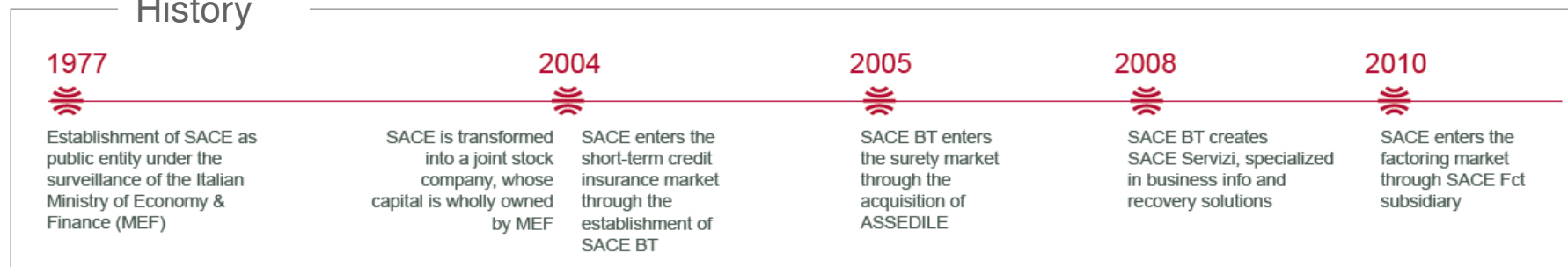
DRIVING YOUR AMBITIONS



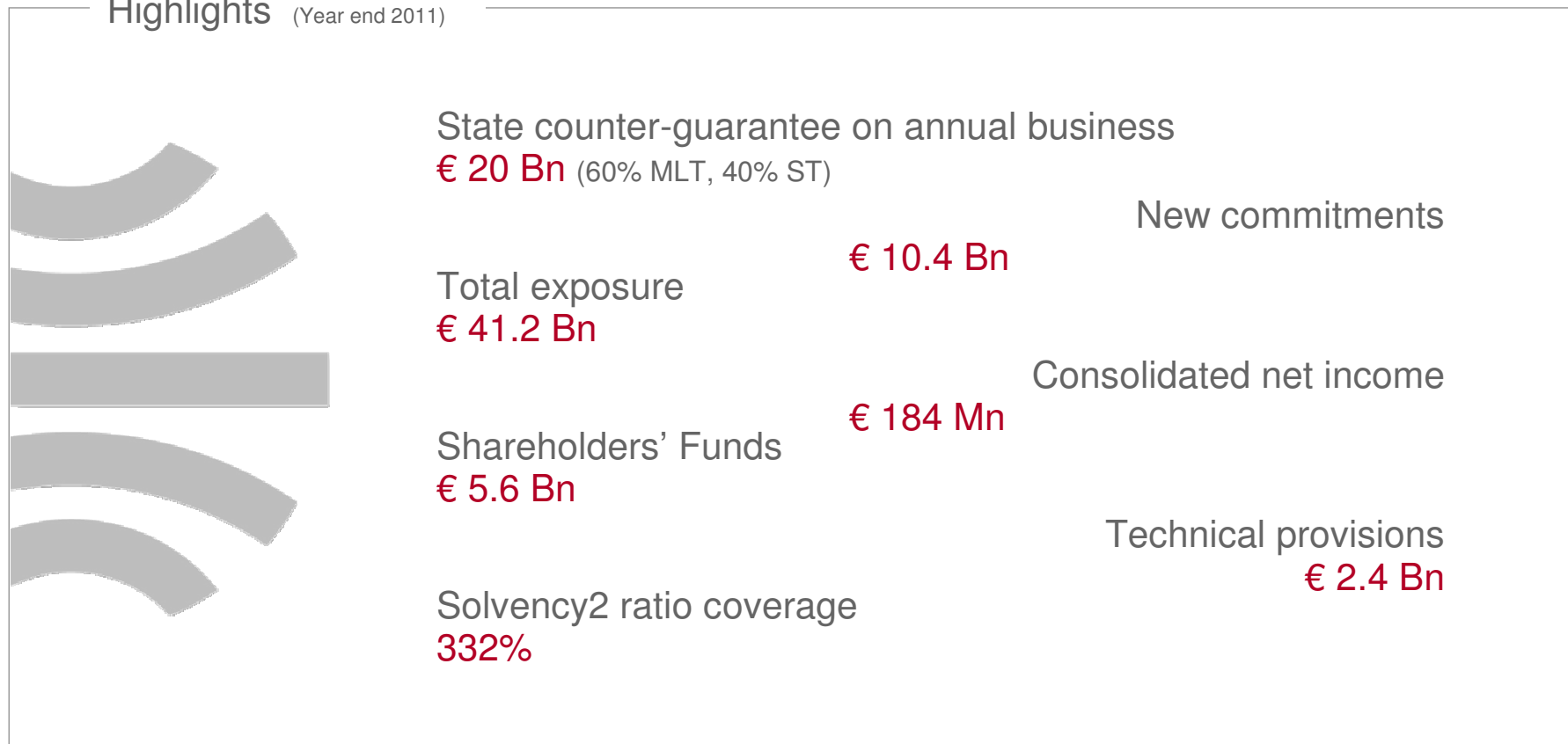
The Group



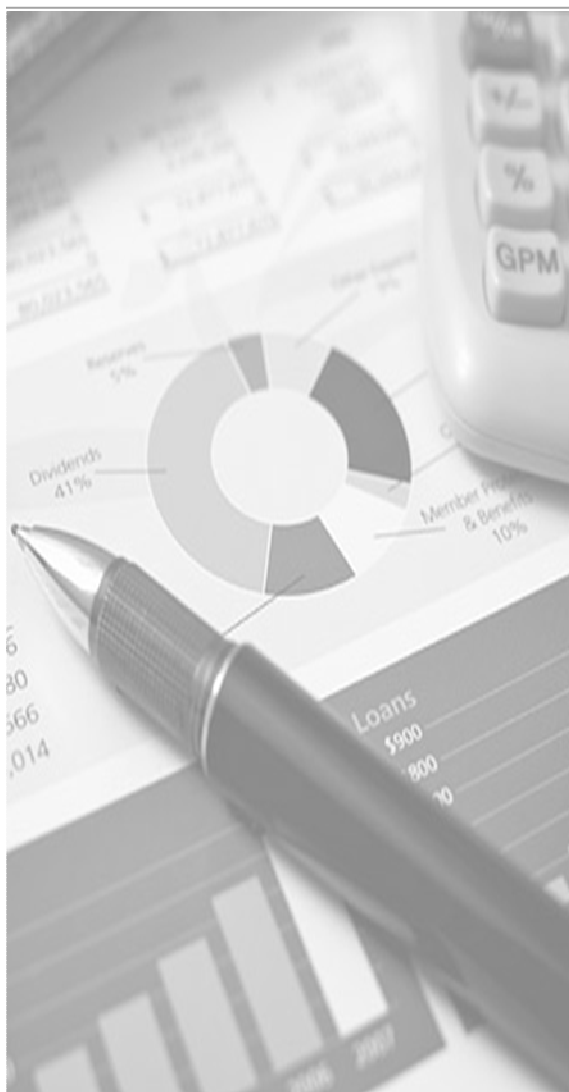
History



Highlights (Year end 2011)



We enjoy sizeable financial resources acting as a cushion to financial/economic shocks

 **Italy**

Fitch: **A-**

Standard & Poor's: **BBB+**

Moody's: **A-**

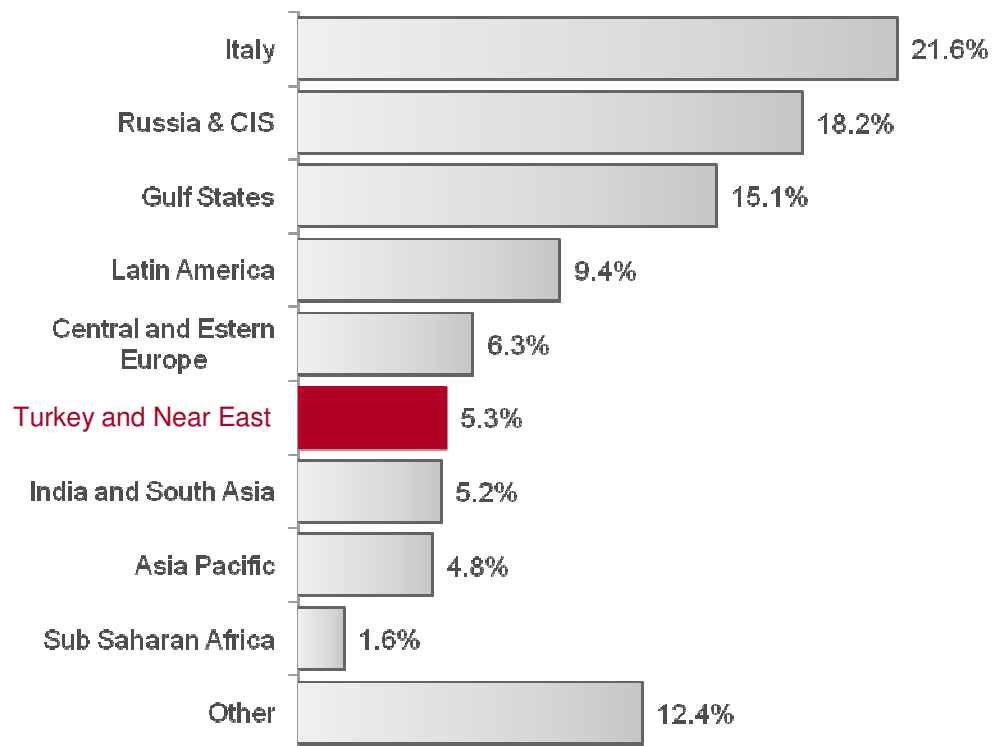
 **SACE**

Fitch: **A-**

SACE's standalone rating is equal to A-, a statement of the company's financial stability and soundness.

SACE's Portfolio

(Year end 2011)



Top Five Countries

(Excluding Italy)

Russia
€ 6.4 Bn

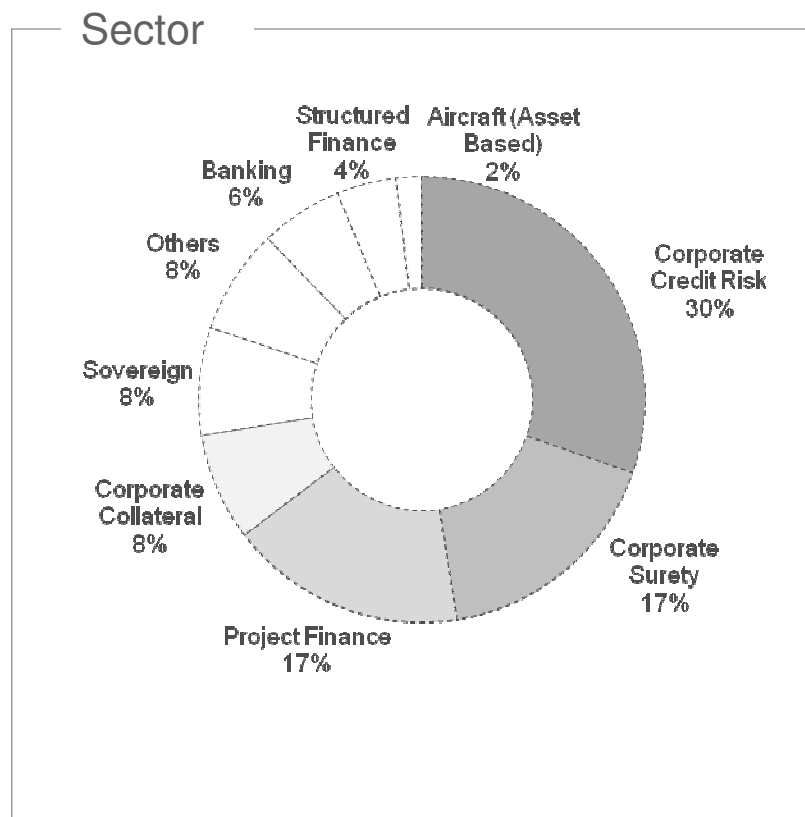
Qatar
€ 2.1 Bn

Turkey
€ 1.8 Bn

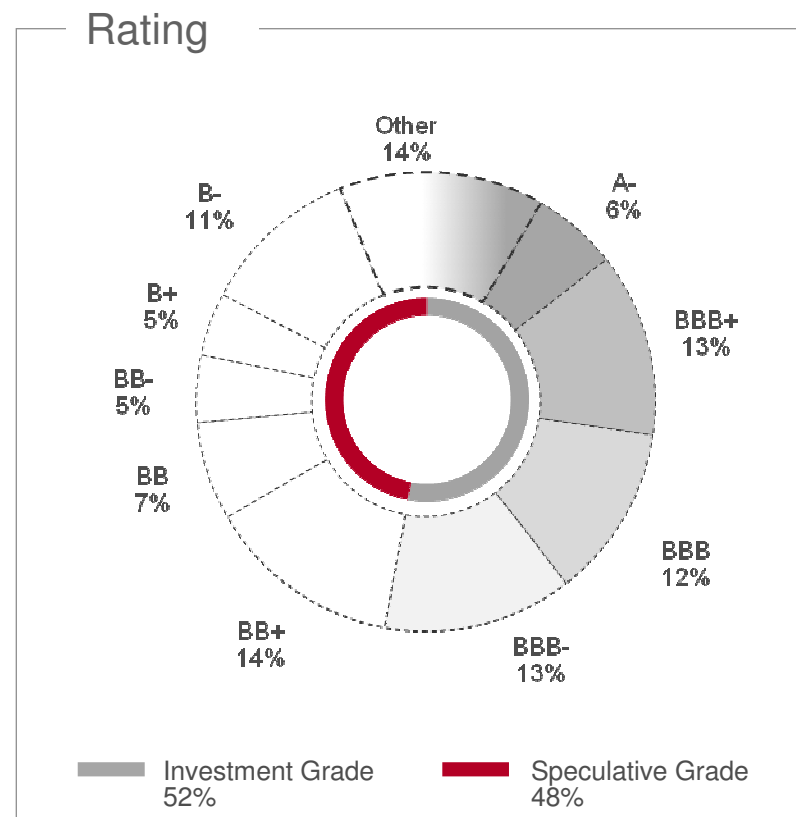
United Kingdom
€ 1.8 Bn

Saudi Arabia
€ 1.7 Bn

SACE's Total Exposure: € 41.2 Bn



Our main risks are for productive assets



The largest exposure is towards Investment Grade counterparties

Traditional Business

Objective: support contracts and investments carried out by Italian companies

Export Credit

Political Risk Insurance

Traditional Business with non marketable conditions, tied to Consensus rules.

Internationally non - regulated Activities: guarantees and insurances regarding foreign investment transactions.

New Business

Objective: support Italian companies internationalisation and Italy's strategic interests.

Internationalisation

Market Window

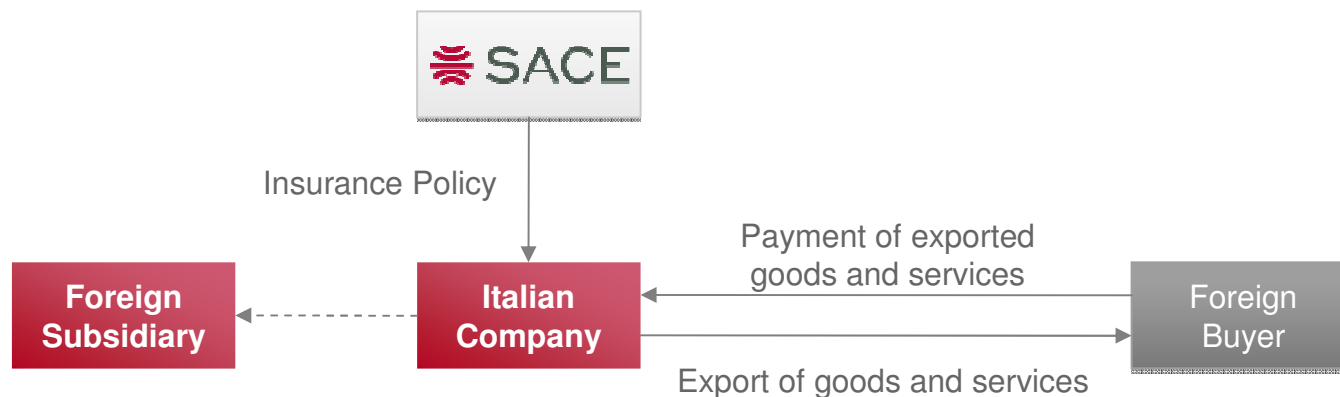
- Non export - related financial guarantees, issued in favour of Italian companies and/or their foreign subsidiaries and affiliates.

- Financial guarantees supporting deals implying Italy's strategic interest in terms of national safety, competitiveness and enhancement of productive and employment processes.
- New business in the field of renewable energies and

Single Financial Guarantees

Financial guarantees through framework agreement

Structure



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

Dedicated to

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

- Risks covered: non-payment, due to political or commercial events
- Coverage: up to 100% 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

Main advantages

- More competitive commercial offers thanks to deferred payment
- More liquidity thanks to the assignment of the policy and P/Notes to a financing institution

Insured Risks

The Supplier Credit Policy covers, on a stand alone basis or jointly, the following risks:

- Non payment of the credit (Rischio del Credito)
- Failure to recover pre-shipment costs (Rischio di Produzione)
- Destruction, requisition or confiscation of temporarily exported goods (Rischio di Distruzione - Danneggiamento e di Requisizione – Confisca)
- Undue calling of guarantees (Rischio di indebita escussione delle Fideiussioni)
- Unfair execution of money retentions (Rischio di mancata restituzione di Cauzioni - Depositi – Anticipazioni)

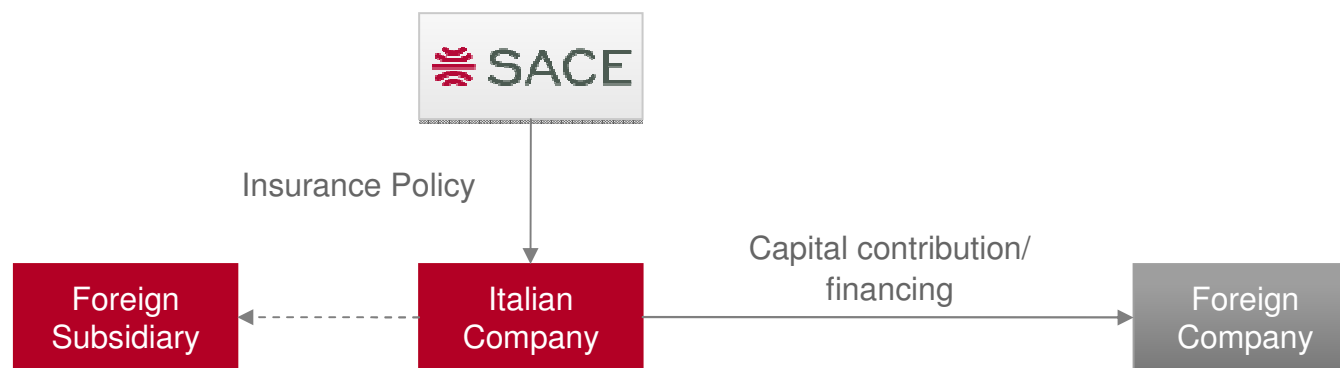
Nature of risks

Political and commercial

Percentage of cover

up to a maximum of 100% of the credit and the pre shipment costs and up to a maximum of 95% of other risks

Structure



Political Risk Insurance policy protects overseas investment against political risk which may result in the loss of the invested capital or damage to assets.

Dedicated to

Italian companies and/or their foreign subsidiaries holding a stake in foreign company

Main Features

- Risks covered: total or partial loss of the ownership, damage or destruction of tangible assets as well as the inability of the foreign company to carry on its activities

Main advantages

- Consolidate and expand business activities in high-potential markets, eliminating political risk factors from the overall risk of the investment
- Better terms and conditions for loans granted to the investors by transferring the benefits of the policy to the lending bank
- Deterring harmful action: as a public insurer acting on behalf of the Italian government, SACE can prevent and/or reduce losses
- Big capacity: we support Italian investors all over the world, regardless of size

Expropriation

Confiscation, expropriation, nationalisation (CEN), any other act by a governmental authority which direct or indirect effects are equivalent to expropriation. Regulatory risk is included provided that it is discriminatory. *Bona fide*, non discriminatory measures taken by the host government in the exercise of legitimate regulatory authority are not covered.

Transfer Restrictions

Protects against losses arising from the investor's inability to convert or transfer amounts deposited with a local bank such as profits, dividends, proceeds from the sale of the investment. Currency devaluation is not covered

War and Political Violence

War, civil war, revolution, insurrection, sabotage

Breach of Contract

Additional cover with respect to standard risks. Available for binding commitments by government and/or sub sovereign entities. Arbitration award default as a condition for compensation

Equity
Investment

- Total or partial loss of ownership rights as well as the total inability of the foreign company to carry on all or part of its activities (we cover the shareholders equity value held in the balance sheet of the insured)
- Loss of the ownership, availability, possession of the total or part of the tangible assets
- Total or partial loss of sums relating to the foreign investments
- Damage to or destruction of tangible assets caused by War and Political Violence events
- Total inability of the foreign enterprise to carry on its activities as a consequence of a political violence event (we cover the net asset value of the foreign enterprise as recorded in its most recent accounts)

Shareholders'
Loans and
Guarantee

Principal plus interest

Traditional Business

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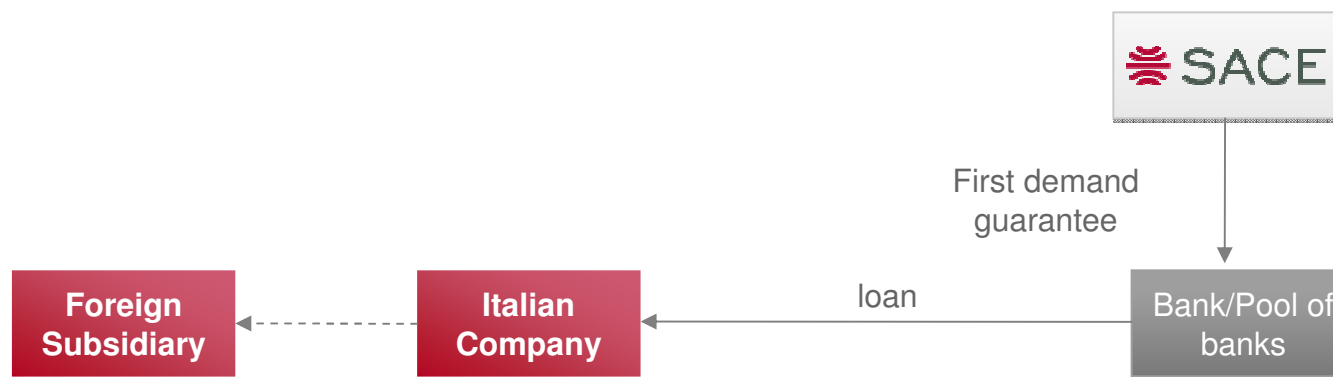
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Single Financial Guarantees

Financial guarantees through framework agreement

Structure



SACE provides financial guarantees in respect of loans granted to Italian companies – or to their foreign subsidiaries – by banks

Dedicated to

Italian Companies and/or their foreign subsidiaries exporting goods and services and investing abroad

Main Features

- The financial guarantee insures banks against the debtor non-payment risk. Moreover, SACE guarantee can be granted to a single bank or to a pool of banks.
- SACE guarantee can also be issued in respect of a counter-guarantee or a standby letter of credit in favour of a local bank in order to cover credit lines granted locally to foreign subsidiaries of the Italian company




Financial guarantees- main features

- ☰ SACE guarantee is **at first demand, irrevocable, unconditioned** in favour of the financing bank
- ☰ SACE's support is fully backed by the Italian Republic guarantee
- ☰ Risk sharing with the financing bank which is insured up to 80% of the loan, with respect to non-payment risk of principal and interest (regarding the funding cost only).
- ☰ Payment of SACE Premium: retrocession (on a running basis) - from the financing bank to SACE or possibility to have upfront payment.
- ☰ A loan is eligible to obtain a SACE guarantee if it is granted to Italian firms (or to their foreign subsidiaries) and if it aims at:
 - Realizing financial investments abroad (M&A, JV, increase in capital stock of foreign subsidiaries, etc.);
 - Realizing industrial investments abroad;
 - Realizing strategic investments in Italy (infrastructures, renewable energies, telecommunications, logistics, etc.);
 - Financing working capital needs in order to supply goods and services abroad

SACE can insure loans which are issued in local currency

Scope

-  It's possible to intervene on a local currency loan if the following requirements are fulfilled:
 - Possibility to convert and transfer the currency
 - Accessibility/availability of local currency
 - Liquidity and depth of local financial markets
 - Compliance with regulation standards and possibility to adopt currency risk mitigation techniques (crystallization clause / conversion clause).

Deal examples

- **Guarantee on the local currency loan with the maximum insured amount and indemnity in local currency**
- **Guarantee on the local currency loan with the maximum insured amount and indemnity in euro**
- **Guarantee on the equivalent amount in euro and indemnity in euro**

Insured risks (in addition to credit risk)

SACE totally covers currency risk and in case of enforcement it also covers funding costs of the local currency

SACE covers currency risk only

SACE doesn't cover currency risk but allows the investor to receive the loan in local currency

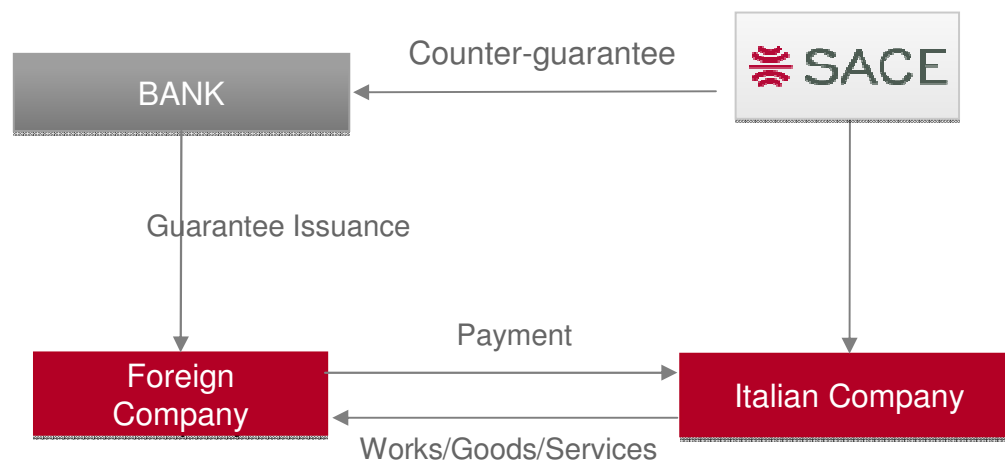


For the financing bank

- **Sharing of loan non-reimbursement risk**
- Zero-weighting of the quota guaranteed by SACE (considered as fully backed by the Italian Republic) under Basel II calculation of regulatory capital ratios
- With SACE guarantee, the bank is more likely to grant you a **medium/long-term financing** for higher amounts

For the financed company

- Possibility to finance:
 - **Foreign investments** carried out by Italian companies (M&A, JV, capital increase of controlled foreign companies, etc.)
 - The **working capital needs** related to foreign purchasers' orders
 - **Investments realised in Italy** aimed at enhancing companies competitiveness and their internationalisation process.
- Saving, for the portion of loan guaranteed by SACE, of the company's **credit line** with banking and insurance system
- Possibility to have access to **longer-term** loans
- Possibility to replace pool loans with bilateral loans, reducing **structural costs** for the company



Dedicated to
Main features

SACE guarantees Local Banks issuing bonds in favor of foreign companies (also public) as counterparts to Italian contractors for an amount of up to 100% of the bond value

Italian companies or their subsidiaries that export

- Counter-guarantee of issuing banks / direct issuance
- Eligible Bonds: Bid, Advance Payment, Performance, Money Retention, Material, etc.
- SACE fees calculated on the amount covered by SACE and to be negotiated with the Italian Company.

Main advantage

- Saving, for the portion of loan guaranteed by SACE, of the company's **credit line** with banking and insurance system

- SACE is partner of European Investment Bank and Cassa Depositi e Prestiti and collaborates with the main ECAs in the world



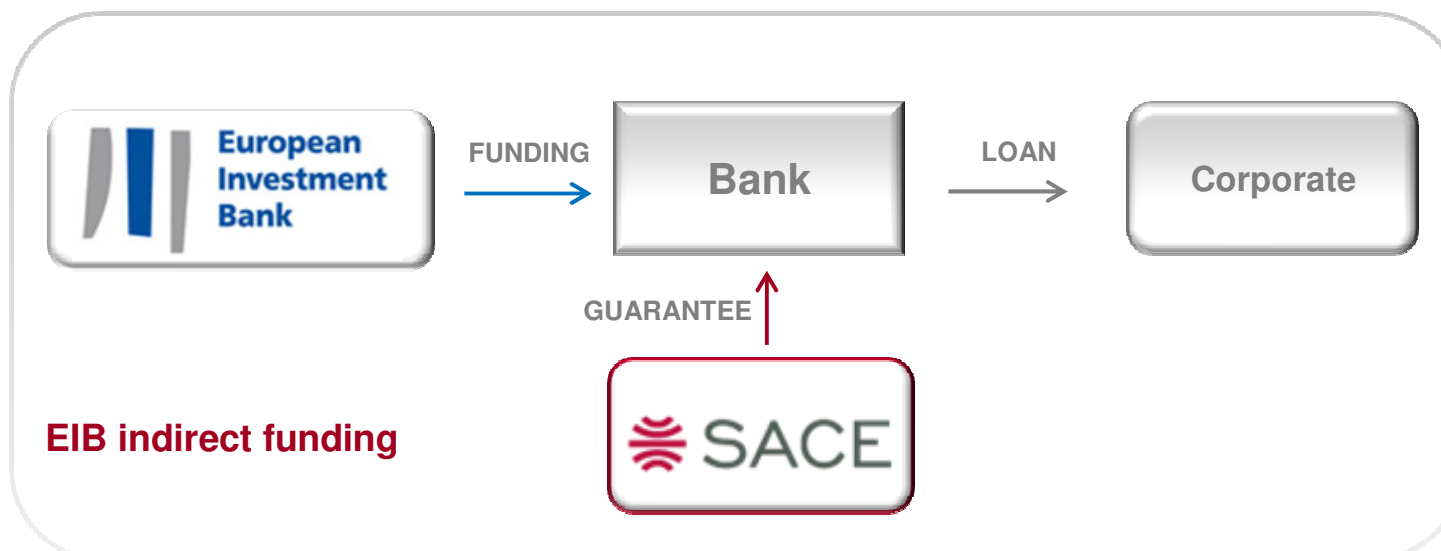
EXPORT BANCA





SACE-BEI: plafond of euro 1,5 bln

- In 2010 EIB granted euro 1,5 bln plafond to SACE in order to guarantee financial loans to italian companies





€ 1.000 mln
Corporate loan
50% Garanzia SACE
Ampliamento A14

2010 Italia



€ 250 mln
Asset based loan
35% Garanzia SACE
Ampliamento della flotta

2010 Italia



€ 50 mln
Corporate loan
50% Garanzia SACE
Ampliamento del polo industriale di Slatina

2010 Romania



€ 25 mln
Corporate Loan
50% Garanzia SACE
Acquisition Finance in Cina

2010 Italia



€ 80 mln
Corporate loan
50% Garanzia SACE
Working Capital Financing

2010 Italia



€ 500 mln
Corporate loan
40% Garanzia SACE
Investimento in infrastrutture autostradali

2011 Italia



€ 110 mln
Term/RCF/Bonding Facility
35% Garanzia SACE
Acquisition Finance in Giappone

2011 Italia



€ 40 mln
Corporate loan
45% Garanzia SACE
Investimenti all'estero

2010 Polonia



€ 500 mln
Corporate loan
40% Garanzia SACE
Investimento in Serbia

2011 Serbia



€ 300 mln
Term Facility
33% Garanzia SACE
Finanziamento BEI – R&S

2011 Italia



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