



ITALY – AZERBAIJAN BUSINESS FORUM

June 13 2016

Official Partner for
Italy's International Growth
EXPO
MILANO 2015

 **SACE**
IL MADE IN ITALY NON SI FERMA MAI

Agenda

- 1. Brief introduction to SACE**
- 2. Focus on Azerbaijan**
- 3. Beyond insurance services: SACE's
Frontiers Program**

Overview of SACE's products

Supplier Credit

Insurance cover on deferment of payment granted by the Italian exporter to its foreign counterparty for the supply of goods and services. The company can transfer the benefits of the policy to a bank or other financial intermediary to discount the underlying credit without recourse.

Buyer Credit

Guarantee on loans granted by the bank to foreign buyers, both on a corporate and Project Finance basis, within the scope of transactions involving Italian companies or their foreign affiliates and subsidiaries.

L/C Confirmation

Insurance cover for Italian or international banks involved in documentary credit transactions tied to any export of Italian goods and services.

Export Bank

Scheme developed by SACE, CDP and the Italian Banking Association (ABI) aimed at financing foreign customers of Italian exporters through the provision of loans at competitive rates, backed by SACE guarantee.

Financial Guarantees

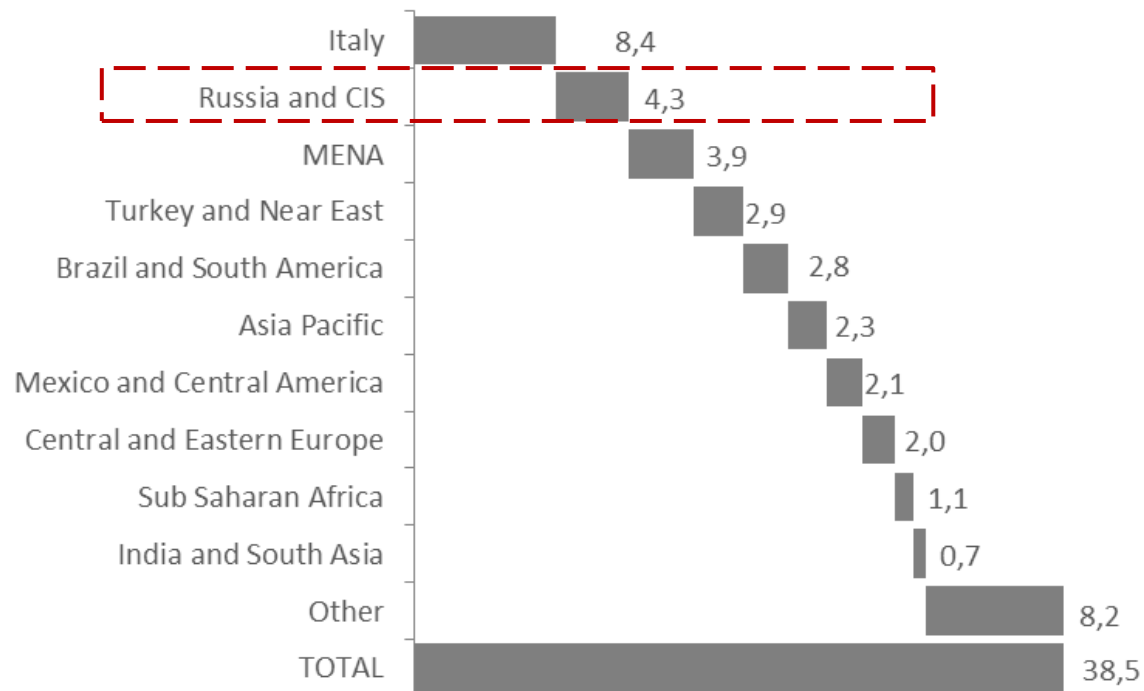
Insurance cover on loans granted by banks to Italian companies (or their foreign affiliates and subsidiaries) to finance foreign investments or project of strategic importance to Italy (e.g. renewable energy sources, strategic infrastructures, research and development).

Contractual Guarantees

Instruments to provide guarantees required to compete effectively for tenders both in Italy and abroad and to comply with legal and contractual obligations (e.g. bid bond, advance payment bond, performance bond, maintenance bond).



SACE's Exposure by Geographical Area (Q1 2016)



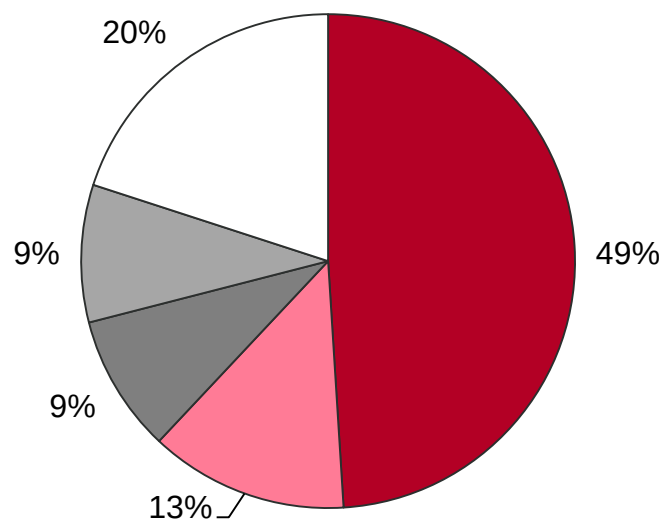
Data to 31/03/2016

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Italian exports to Azerbaijan

Italian Exports by sector 2015 (€ 659 mln)



■ Mechanical Engineering
■ Textiles and clothing
□ Other
■ Wood products
■ Metals

Some examples of preliminary requests to SACE for transactions with Azerbaijan

€ 28.6 mln
Buyers Credit



Vehicles

€ 15 mln
Buyers Credit



Oil drilling plant eq.

€ 500.000
Buyers Credit



Agric. Machineries

€ 30.000
Buyers Credit



Sandblasting
Machineries

Azerbaijan Risk Profile vs. neighboring Countries

		Azerbaijan	Armenia	Georgia	Turk- menistan	Uzbekistan
Credit Risk	Sovereign	41	60	55	60	64
	Corporate	71	60	71	85	78
	Bank	71	60	72	87	78
	Credit Risk average	61	60	66	77	73
Other Risks	Expropriation and breach of contract risk	68	63	44	81	75
	War and civil disturbance risk	59	49	43	58	60
	Transfer and convertibility risk	41	60	46	54	48
	Other Risks average	56	57	44	64	61

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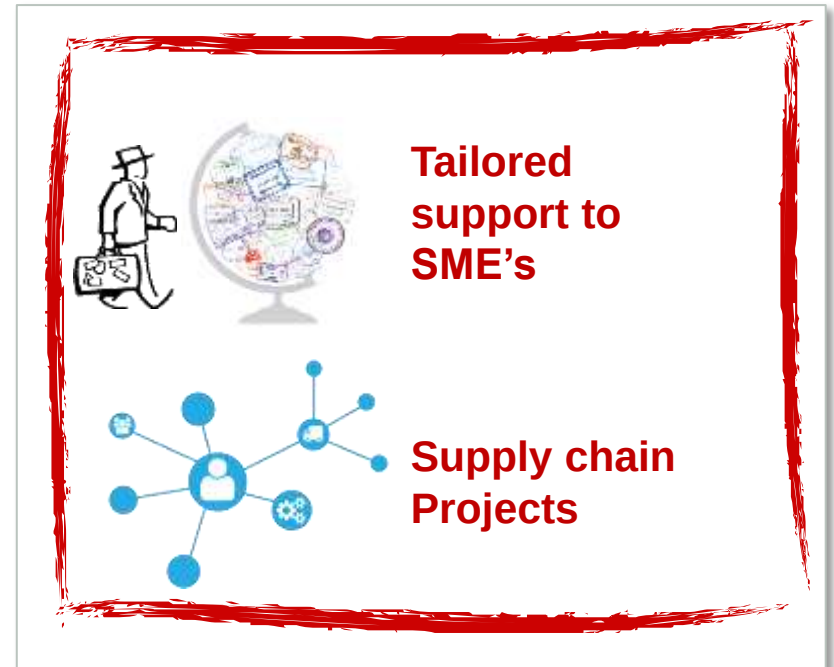
Beyond insurance services: SACE's Frontiers Program

What is it?



An all round advisory service to support Italian SME's in their Business Development worldwide.

How we work



Support is achieved through both tailor made projects and supply chain initiatives aimed at providing turnkey solutions to international buyers interested in cutting edge Italian technologies.

An example of SACE's support in Value Chain Project creation

The Business Opportunity

- Kenyan institutions expressed their **need to invest in the *dairy* sector**, key to the Country's economy and with an eye on both increasing consumption and on improving the local industry.
- Italian suppliers are recognized worldwide as **leaders in their niche**, but there is no such player that is able to provide a turnkey, «**from feed to cheese**» solution.

SACE's role

- **SACE facilitated the meetings between the parties**, both in Italy to provide Kenyans with the possibility to witness Italy's leading technologies, and in Kenya to kick off commercial and financial negotiations.

The Italian Exporters

- **11 SME's** along the entire value chain, spread across Italy.



Results

- In September 2015 a **Memorandum of Understanding** was signed for the set up of an integrated model farm with **1000 cows in lactation** yielding **25.000 liters of milk e 500 kg of meat** per day. The farm will also generate ~ **2.5 MkWh** of **biomass and solar renewable energy**. Financial structuring is currently being finalized.