



SACE intervention in relation to transactions in Italian capital markets

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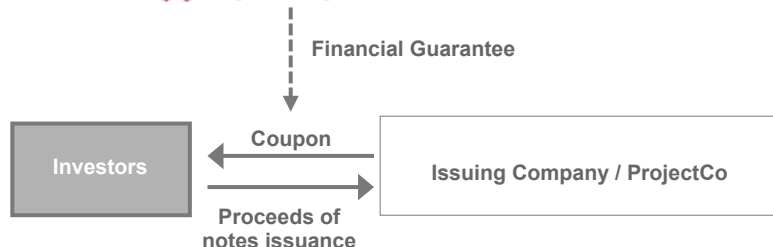
The features of the **SACE guarantee** enable it to be utilized also in relation to **capital markets transactions**, in line with the monoline wrap, transforming the underlying risk of the notes from issuer's risk to guarantor risk (i.e. SACE corporate risk + Republic of Italy risk).

SACE has already acted in the past as guarantor of bonds (a USD 1,22 bn **Gazprom** corporate bond in 2004, the **Andromeda** project bond in 2010).

Main Features of SACE Guarantee on bond emissions

-  **Autonomous guarantee payable upon first demand** covering non-payment risk of the coupon by the issuer
-  EU State Aid regulation allows for cover **up to 100%**; SACE risk participation to be defined based on a case by case analysis
-  Guarantee priced at **market conditions**
-  **Beneficiaries eligible for a SACE guarantee:** qualifying investors (excl. physical persons)

Some possible structures of SACE wrap

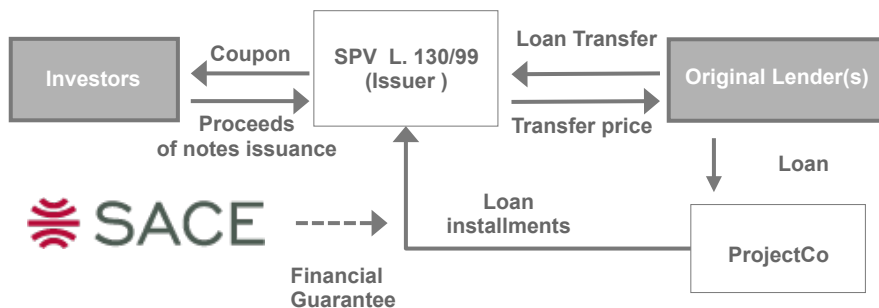
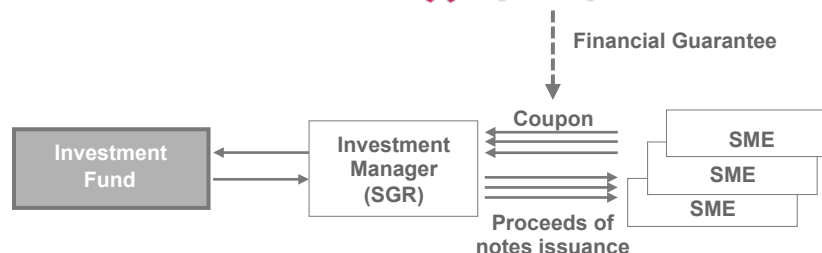


DIRECT ISSUANCE OF BONDS / PROJECT BONDS

- simple structure thanks to changes of the legislation related to bond issued by non-quoted entities / project bond
- restrictions to the eligible beneficiaries of SACE guarantees to be considered

INTERMEDIATION BY AN INVESTMENT MANAGER

- simple structure, suitable also for SME transactions
- SACE guarantee issued in favor of the Investment Manager (SGR - considered an eligible entity)
- SACE credit risk appraisal of each bond issuance based on a case by case evaluation of the counterparty (no portfolio approach)



SECURITIZATION OF LOAN(S)

- more complex structure / documentation
- SACE guarantee issued in favor of the SPV Law 130/99 Issuer (considered an eligible entity)
- Suitable for refinancing given the absence of claw-back risk
- possibly also bonds could be considered as underlying asset

SACE Guarantee on bond emissions – benefits

By purchasing notes wrapped by SACE, long term take and hold investors can **diversify their portfolio of sovereign assets** while potentially obtaining a **higher return** with respect to pure state bonds given the lower liquidity inherent to structured bonds

Some categories of investors demand high quality assets (investment grade rating). To meet investors' expectations, **credit enhancing instruments** (such as the SACE guarantee) can **improve the rating of the transaction**

In the case of more complex bond structures including a security package, SACE can take the role of **controlling creditor** acting in the interest of the bond holders

Possible intervention also as investor in a SACE guaranteed bond if deemed in line with the company's investment strategy (to be evaluated on case by case basis - SACE balance sheet is IVASS compliant)

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