

The European House  
Ambrosetti



In collaboration with



**BANGKOK**  
**HIGH LEVEL DIALOGUE**  
**ON ASEAN ITALY**  
**ECONOMIC RELATIONS**

**October 4, 2023 - Grand Hyatt Erawan, Bangkok**

**PRESENTATION BY**

**FRANCESCA ALICATA**

Main Partner



With the Patronage of



Institutional Partner



Technical Partner



Partner



Junior Partner



With the support of



Strategic Partner



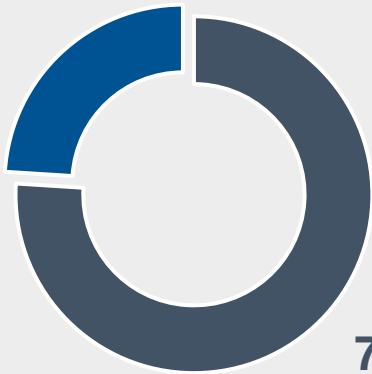
An aerial night photograph of a long bridge spanning a body of water. The bridge is illuminated with vibrant red lights along its length and green lights on its lower structure. The sky is dark blue, and the water reflects the lights. In the top left corner, there are several white and red geometric shapes resembling stylized brackets or corner markers.

**SIMEST's instruments to support  
the internationalization of Italian companies**

# Who we are

## Shareholders

24%  
Banks and  
associations



76%  
CDP

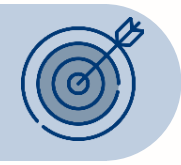
SIMEST is part of «**Cassa Depositi e Prestiti Group**» (CDP). CDP is a company fully owned by the Italian Ministry of Economy and Finance. SIMEST's core business is to **support the internationalization of Italian companies**

Acting as manager of public funds on behalf of the **Italian Ministry of Foreign Affairs and International Cooperation**, SIMEST is the Italian entity entitled to provide **financial support** to the export and internationalization process of Italian companies. The Ministry's competencies in commercial policy and internationalization of Italian business and trade include the supervision of **SIMEST** and the **Italian Trade Agency (ITA)**

As member of the **EDFI network** - European Development Financial Institutions, **SIMEST** is a strategic partner for the main **global financial institutions**



# Range of instruments



We accompany Italian companies throughout **the internationalization cycle**, starting from the first assessment aimed at entering new markets, to expansion through direct investments.

We operate through financing for internationalization, in support of export credit and equity loans.



## EQUITY LOANS

Direct investment in stakes of foreign or Italian companies with the additional participation of public funds (so called «Venture Capital Fund») managed by SIMEST



## SOFT LOANS FOR INTERNATIONALIZATION

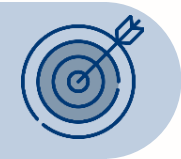
Support to Italian companies in carrying out their growth and internationalization process in all foreign countries



## EXPORT CREDIT SUPPORT

Contribution to Export Supplier Credit and Buyer Credit

# Equity loans



We promote the establishment of Italian companies abroad, both on EU and non-EU markets, guaranteeing medium/long-term financial support for the investment project

1

**SIMEST Equity Loan**  
*with possible shareholder financing*

Acquisition of **a stake in the capital** of the foreign company **through SIMEST own funds** and with a time horizon **up to 6-8 years** with a buy back agreement with the Italian partner.  
**Predetermined exit price**



**Max 49%**  
*of the share capital of the investment vehicle*

2

**FVC\* Equity Loan**  
*with possible shareholder financing*

**Additional participation of the public Fondo di Venture Capital managed by SIMEST at promotional economic conditions** and in line with the structure of the SIMEST investment. The FVC can also support the internationalization processes of **Innovative start-ups and SMEs**



3

**Interest subsidy\***

**Interest subsidy on bank or other intermediaries loans (including CDP)**, obtained by the Italian company for the acquisition of its stake in **the foreign company (non-EU)**

\* Resources from public funds managed by SIMEST on behalf of MAECI

4

**Institutional partner**

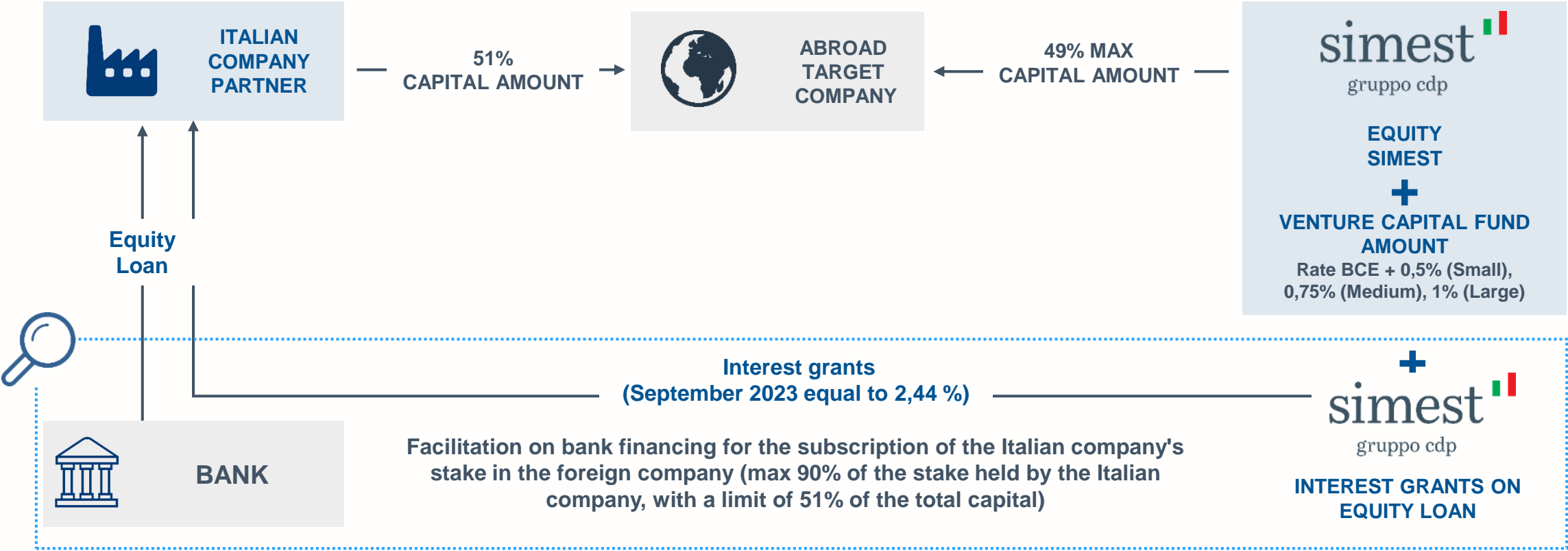
**No Central Risk**

**Light governance**

**Fixed return**

**Tailor-made structure**

# Equity loans – General Overview



**Institutional partner in capital**

**No Central Credit Register**

**Soft approach in the governance**

**Predetermined return rate**

**Tailor made approach**





# Soft loans for internationalization

Through soft loans, we support Italian companies in carrying out their growth and internationalization processes in all foreign countries



## TRADE FAIRS AND EXHIBITION

We support the **participation** of companies in **international exhibition trade fairs and events** to promote business on new markets



## PROGRAMS FOR ENTERING FOREIGN MARKETS

We facilitate the entry into new foreign markets by **opening of commercial structures** and the **strengthening** of existing structures



## E-COMMERCE

We finance the **development of e-commerce** solutions through the use of a marketplace or the creation of a self-developed IT platform



## TEMPORARY MANAGER

We support the **hiring** of a **Temporary Manager** for the implementation of projects abroad



## GREEN AND DIGITAL TRANSITION

We strengthen the international competitiveness of the company by supporting **its digital and ecological transition**



## CERTIFICATIONS AND CONSULTANCY

We finance **consultancy activities** aimed at investments for sustainable growth on international markets

**Active in all foreign countries**  
*(not sanctioned)*

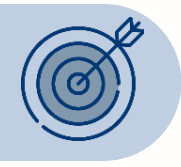
**Subsidized rate**

**Possible non-repayable share**

**Digitalized onboarding**

[simest.it](https://simest.it)

# Export Credit Support



**SIMEST, as manager of public funds on behalf of the Italian Ministry of Foreign Affairs and International Cooperation, provides supports to Italian companies through an interest rate contribution on medium - long term export credit financings, structured as:**

## SUPPLIER CREDIT FINANCINGS

**SIMEST provides a fixed non-repayable interest rate subsidy** to cover (partially or totally) the discount rate required by the discounting entity for the monetization promissory notes /bonds/ letter of credit issued by the foreign buyer of Italian goods and services.



The Supplier Credit interest rate contribution can also be activated under «**Export lease contracts**»



# Export Credit Support – Buyer Credit Contribution (1/2)



## PURPOSES AND ELIGIBILITY REQUIREMENTS

SIMEST Buyer Credit Contribution is provided to foreign buyers to reduce the total interest costs of an export financing; it works as a **stabilization of the floating interest rate at a minimum fixed rate equal to the CIRR (“Commercial Interest Reference Rate”) plus a non-refundable interest subsidy** to the margin requested by the Bank



Goals

- **Boost the export** of capital goods and services by Italian firms
- Strengthen the Italian exporters’ **international competitiveness**



How it works

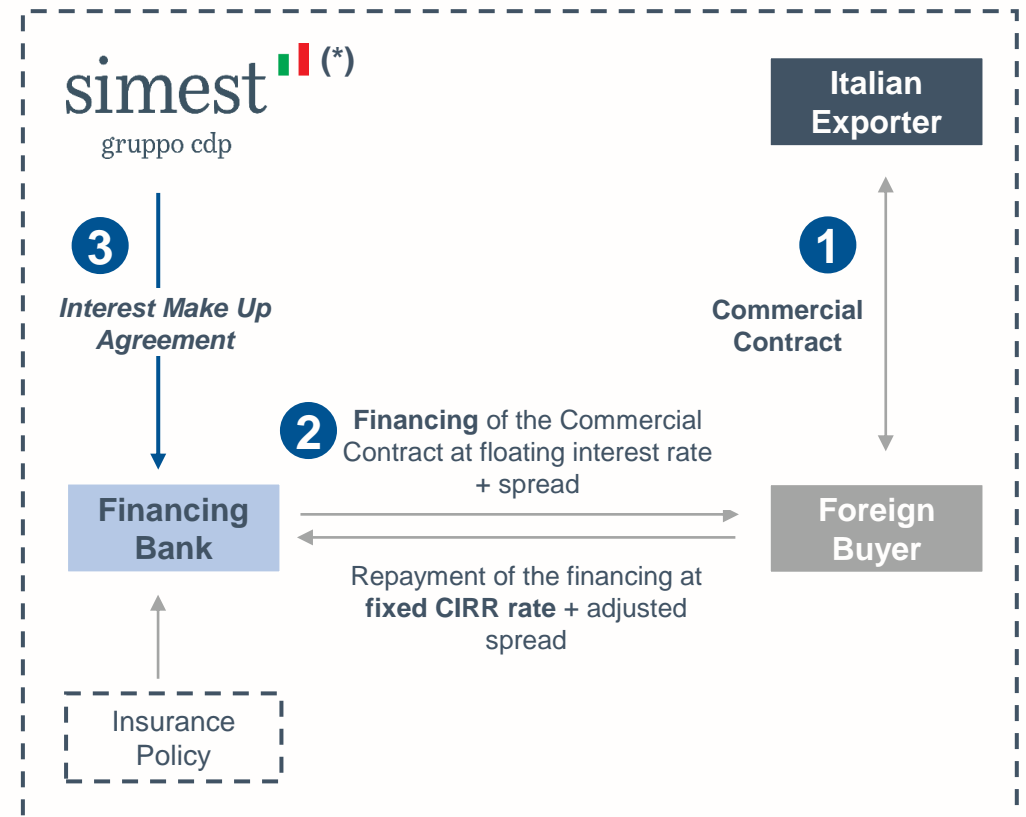
**Interest rate support** applied to the export credit financing granted by banks to foreign buyers of Italian goods and services equal to the difference, if positive, between:

- the interest amount calculated on the basis of the **floating rate** and
- the interest amount calculated on the basis of the **fixed rate (CIRR rate)**.



Eligible Transactions

Floating rate financing with **medium to long-term deferred payments** (i.e.  $\geq 24$  months) up to maximum **85% of the Commercial Contract value** of plant, machinery, equipment and related studies and services exported towards all countries.



\* SIMEST as manager of public funds on behalf of the Ministry of Foreign Affairs and International Cooperation

# Export Credit Support – Supplier Credit Contribution (1/2)



## PURPOSES AND ELIGIBILITY REQUIREMENTS

SIMEST Supplier Credit Contribution allows Italian exporters to offer their foreign buyers **medium/long-term deferred payments at a minimum interest (equal to the Commercial Interest Reference Rate – “CIRR”)** and to **minimize the discounting costs of credit notes**



### Goals

- **Boost the export** of Italian capital goods (e.g. plants and machineries) and services
- Strengthen the Italian exporters' **international competitiveness**



### How it works

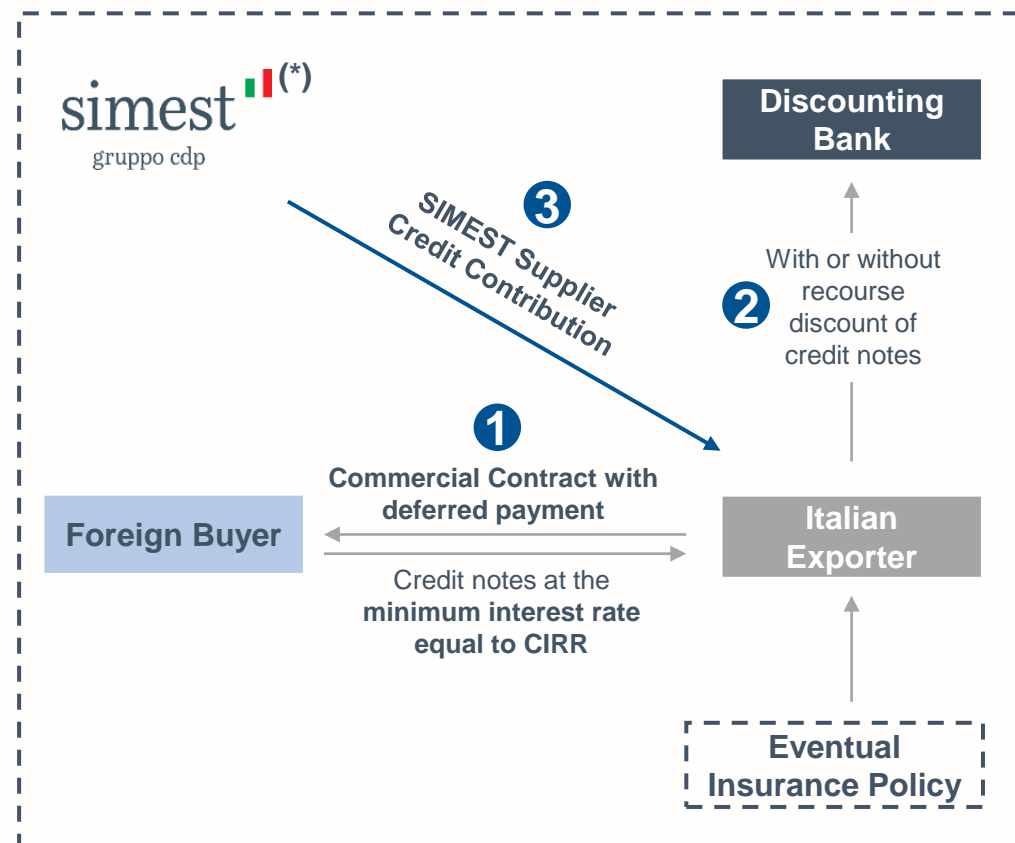
The Supplier Credit Contribution is granted directly to the Italian Exporter to **cover the difference between:**

- **the Interest rate charged** in the Commercial Contract by the Italian Exporter (excluding the insurance premium and any potential bank fee) **and**
- **the Discount rate** charged by the Italian Bank in order to discount the credit notes (with or without recourse).



### Eligible transactions

**Discounting of credit notes** issued by the Foreign Buyer to the Italian Exporter for the settlement of **deferred payments**, on a **medium to long-term basis** (i.e.  $\geq 24$  months) up to **maximum 85%** of the commercial contract value of machinery, equipment and related studies and services exported towards all countries.

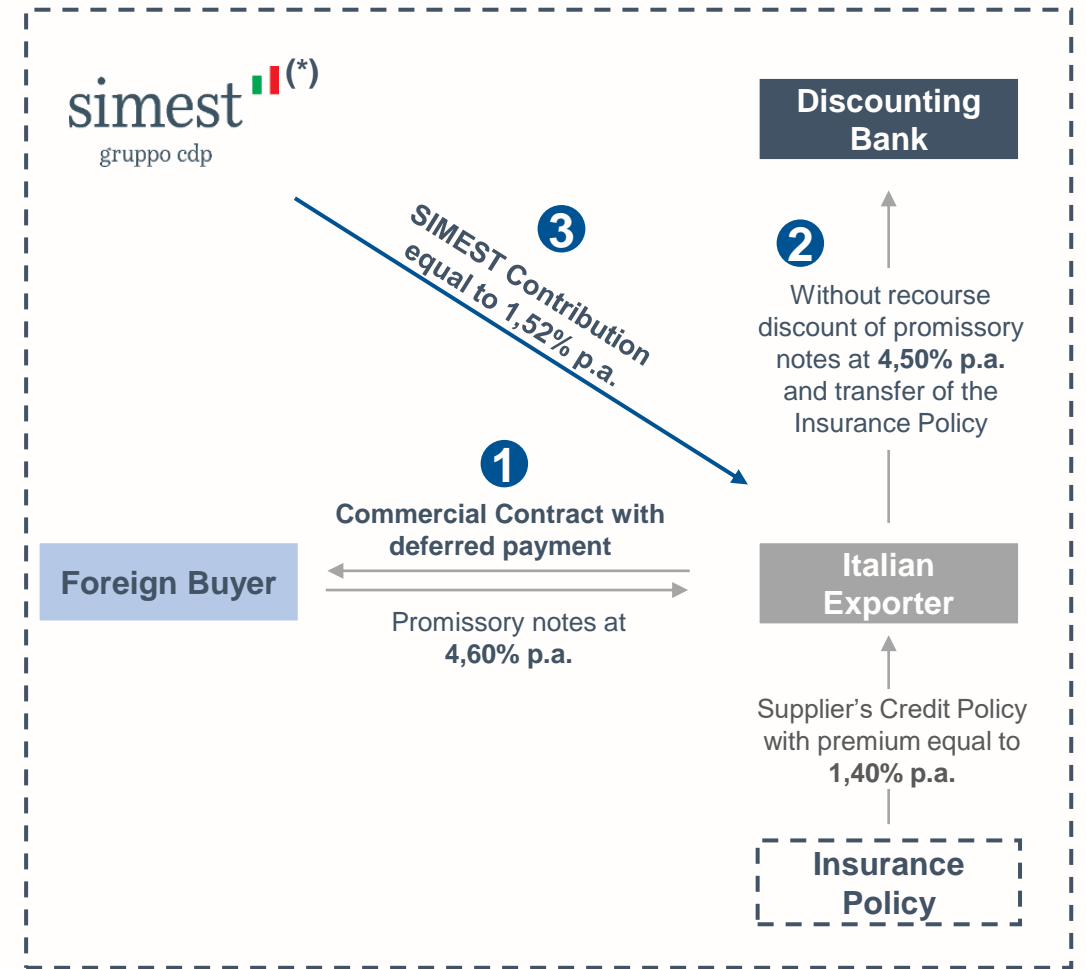


# Export Credit Support – Supplier Credit Contribution (2/2)



## TRANSACTION SCHEME

- On 07.01.2023 the Italian Exporter and Foreign Buyer signed a Commercial Contract with **deferred payments equal to 60 months** for the supply of a textile machinery. Credit notes (i.e. 10 semi-annual promissory notes) are issued on the basis of the instalments of the repayment plan. The all-in rate of the promissory notes is **4,60% p.a.** and consists of:
  - a premium rate of **1,40% p.a.** charged by the ECA to ensure against the credit risk of the Foreign Buyer
  - bank fees for **0,22% p.a.**
  - an interest rate of **2,98% p.a.** (equal to the CIRR rate in place at the signing date of the commercial contract)
- The Bank discounts (without recourse) the credit notes issued by the Foreign Buyer at a rate of **4,50% p.a.** in favour of the Exporter and the insurance policy is transferred to the Bank.
- Since the interest rate of the contractual deferred payment** (excluding the insurance premium for the credit risk of the Foreign Buyer and bank fees) **is lower than the discount rate applied by the Bank**, the transaction is eligible for SIMEST Contribution within the limits of the maximum level of contribution
- The maximum level of contribution granted by SIMEST, paid directly to the Exporter, is equal to **1,52% p.a.** (\*) and it neutralizes the cost of the discounting transaction.



\*\* SIMEST as manager of public funds on behalf of the Ministry of Foreign Affairs and International Cooperation

\* equal to the discount rate 4,50% p.a. – CIRR rate 2,98% p.a., within the limits of the max level of contribution