

>> Ladies and gentlemen, please welcome to the stage our moderator, Katherine Morton, head of Trade, treasury and Risk, TFX Exile Group. She's joined by his Excellency, Saad Alkhalb, CEO, Saudi EXIM, and Michal Ron, chief International Business Officer, SACE.

>> Fantastic. Please take seats guys. Thank you. Thank you very much indeed. Thank you for having us here. Now I'm head of trade, treasury and risk at TFX and in the next 20 minutes we want to talk about the export credit industry globally, focusing on two very different export credit agencies and then looking at how they will be working in cooperation with EXIM in the future. So I'll take a seat. Now to both of you. 2023 export credit support was substantial for both, the Italian Export credit agency and Saudi EXIM. What are your goals for 2024 and what tools will you use to reach them? And I'm gonna start with you Saad,

>> Thank you very much. Good morning to everybody. I would like to congratulate US EXIM on the 19th anniversary and more success a year ahead. We are four years old, so we are quite young as an EXIM bank 20, since inception we did over \$12 billion of insurance and lending. One third of that was done in 2023. So 2023. It was a, a very busy year for us. We collaborate and work with in the international market with with the, with global companies like SE CFAs, Swiss three and others and global lenders like Citi or HSPC or we did transaction with Summa, actually an actual transaction with SMBC Bank 2024. We expect to do at least 20% more than 2023. There's a lot of opportunities in Saudi and outside Saudi and the collaboration between us and as an EXEM banks or ECAs and commercial banks is very important. If I maybe mention couple of numbers, Saudi Arabia national industrial strategy has over 800 types of opportunity worth \$400 billion in the next 10 years that require collaboration from Saudi exempt with all international, the export credit agencies and EXIM banks to fulfill this lending requirement. An investment requirement in Saudi, same thing. There will be a lot of investment in the clean energy and new technologies like green hydrogen,

>> Which we spoke about yesterday. It's quite a lot of discussion of hydrogen and the new technologies. Michal, maybe you can look to the same question about last year and and your plans for the future.

>> Okay, thanks for the question. Like you said this, it was an excellent year for SACE, and it was not the first one. It's already coming for the second, third time post covid. It's been an upwards trend to give you just the flavor of, you know, the magnitude of, you know, what we're looking at. SACE approved last year 55 billion euro billion dollars of new transactions of which there was a very large portion of untied, approximately \$1.6 billion. And then there was about 20 billion export credit and the rest was domestic. So these are very big figures, especially since now we really monitor and evaluate ourselves on the basis of the real impact this has on the Italian economy and it is scientifically measured and we are very strict on this monitoring phase. So for us, what it meant effectively is the generation of 950,000 jobs and the benefit to the Italian economy is evaluated at approximately 160 billion euro just for last year's operations. So, you know, we are proud of that because it is a trend that is continuing. We see the whole, if you want set up currently even in geopolitical terms we can talk about later as increasing and assisting if you want this growth, new objectives and also tools to maintain this momentum during the current year. I would say for to start with is the speed, the speed of response, and the simplicity of the new products that we're presenting. We put it as our major, if we want objective to give, to give the clients faster responses and we're going down to even free to seven days response time, door to door with approval process for the majority of our products. And in order to do that, there's of course behind all of these big plans also specific tools. We are using AI already in a very big way and starting with this month we are going to do all the credit evaluation and approval for all transactions up to 50 million euro. In this case with ai we're using it like in a really major way. And this has freed up time of both underwriters but also credit analysts and the whole company to upscale and do other things and expand operations. Yeah, so I would say the objective is to continue with the impact on the economy, positive

impact, but above all to do it better and faster so we become more relevant both to the domestic economy but above all to the exporters. And we are using, you know, different forums. We are listening much more to our customers. We have every three months a session of co-design where we sit with our exporters or we sit also with our importers in the case of raw materials. We heard part of the session before and we designed with them together. It's called a co-designing sessions to improve Twitch and propose new products that really address their needs.

>> So I mean, yeah, a a lot, a lot of change, a lot of new technologies. You mentioned hydrogen and, and just now as well, how is Saudi EXIM able to promote alternative energy sources against the backdrop of the energy insecurity globally?

>> It's a global responsibility, the alternative energy resources and Saudi Arabia has a lot of multiple targets in that. I mean, one of them maybe not directly to Saudi Green Middle East initiative to plant 10 billion trees in the Middle East. Out of that 10, sorry, 50 billion trees in the Middle East outta that 10 billion in Saudi Arabia. During, during the, during this coming future, Saudi Arabia put a net carbon emission zero by 2060. That's a long term target. However, we have a short term target to generate 50% of our electricity from renewable resources by 2030. If you imagine what's the size by 2030, we expect to, we expect to need around 120 gigawatt of, of energy. So 50% of 120, that's almost 60 gigawatt from renewable. Currently we are around two to three gigawatt from renewable from two to three to 60. That requires some of the analysts estimated that it will require an investment of \$300 billion from now until 2030, which will open an opportunity for Saudi EXIM manufacturer globally and EXIM and insurance companies around the world to collaborate and use that and, and to be part of this journey, we did already participated in one of the alternative energy project Hassyan power station in, in UAE. We did the financial closure last March project around \$800 million. Saudis participate in \$70 million for 30 years and, and, and alternative energy and renewables. And again, we are very active into recycling business. So we have, we have a good chunk of our portfolio from recycling business and so booming in Saudi Arabia.

>> Now what you guys can't see in the audience is that this clock is going, I'm sure faster than I can imagine. This is, this just feels like our time is going so quickly. So I, I'll come back to, to, to Michal just in terms of like SACE Italian export credit agency's strategy, you have something called a push strategy. Can you tell us a little bit about this? 'cause it is very different from a lot, a lot of what, what other people's doing and, and how are you continuing with it in, in light of deteriorating global risk environment?

>> Right. I'll keep it very simple because it's a very simple product. So for those of you not versed in the terminology, we are looking at anti-financing, meaning to say it's not correlated to any one commercial contract being signed. We select extremely carefully the borrowers and we look at the top tier companies at times we look at actually the ministry of finance. So we are looking also beyond the private market, also at sovereign and sub sovereign companies. And very recently we introduced also multilateral if you want, based in Africa as push strategy if you want targets. And the way we do it, we do it through extremely good local knowledge of emerging markets but also advanced markets because we have a very wide international network. We have 13 offices and it's our people who go scout and select the best possible borrower in terms of compatibility with potential future if you want input into that country from Italian companies. So from Italy, this is how it works. It's very simple, the documentation is miserably thin. We're looking at a two and a half page of push letter to be signed. We are cutting all the middlemen. So no more legal consultants, market consultants and you know, the whole, you know, we call them, you know, those who've been feeding upon, you know, our funds. And we have now evolved it also into a green push, which is assisting corporates and banks and also oil and gas companies, believe it or not, in their transition process away from oil and gas. And we've also evolved it into new markets. So the deteriorating market is actually an opportunity for us with the, with the post

strategy, with anti finance because we are approaching countries that are not the usual suspects in terms of destination markets, but they have enormous potential for the next three to five years from now. So we opened, for instance, an office in Ho Chi Minh City only two months ago in Vietnam. We opened an office in Singapore, we opened an office in Bogota, Colombia. We are now in Riyadh actually collaborating extensively with Saudi EXIM bank and these all markets that are currently rising growing. But we are there already in order to select very carefully these, these companies. Now what we do thereafter, and this is all on us and it doesn't involve the borough. We create the opportunity to meet procurement with procurement people by matchmaking events that we organize, be it in Riyadh, in Saudi Arabia, but also in Italy according to the specific needs. So this is what we are doing and by doing that we are helping our exporters, our companies to diversify also their markets of choice. So it's actually a huge opportunity.

>> So what, what I'm gonna do now is just conflate our last two sort of discussion points. Just, just because how do you think the, the mandate of export credit agencies need to evolve to respond to current market trends and competitive challenges, but also given where we are, can you identify specific areas, sectors or regions where you hope to partner with us exim because this is where we are to promote mutually beneficial opportunities And, and and maybe I I can give you the the monster question to start with.

>> Definitely, I mean, I mean I think in the recent years, especially after Covid, the use of of EXIM banks and export security agency has increased significantly on a global level. And that's mainly to, to mitigate the, the geopolitical risks, supply chains, sourcing of, of minerals and metals required for energy transformation. Our collaboration with US is, is actually needed and required as I mentioned earlier that the green hydrogen project in Saudi Arabia, it's 8.4 billion US dollar size of a project and will produce an annual basis when it's up and running enough hydrogen to supply the entire European counter continent. So that size of a project is on a global level and from energy and trans transformation electricity, we are very keen to expand into the African market. We open our first trip office in St. Johannesburg late last year. Oh. So we're expanding on a global level. We're gonna open another office in Cairo. We're expanding in South America where you know, US EXIM has a lot of knowledge and expertise in that market. So we expect collaboration. Early this year we signed an MOU within Riyadh with us EXIM to support the joint effort and collaboration between the two institutions.

>> Yeah, I think above all I will just commence with the way we define our activity no longer as an export credit agency because there is a very large part now for activity that is directly focusing on the domestic market. So we are financial institution, a financial player by offering very flexible products but also huge level of, if you want use of digitalization and innovation. We are actually becoming a bit of a, if you want alternative to other products on the market, I mean they tied the anti sorry facility, the push is now an alternative to capital markets for instance. And throughout, you know, we are growing together with the banks and the banks are many of you around the room and many American banks are now working with us. So first of all, we are a financial institution and we look at both ends including strategic import into the country of critical minerals, but also raw materials including gas, it's gas, you know, its energy security. And then the way that we intend to proceed in terms of collaboration, first of all with the US we've had the reinsurance agreement since 2004. But the way forward for us, starting from last year, but this year, our next two years for sure is ESG. And this is where we see really the major collaboration, potential collaboration together with the USX. So in terms of green projects both in the United States but also in third countries. And then again we are absolutely adamant that there are certain geographical regions that require so much investment. So we can look at Saudi Arabia as one, but we can also look at the Ukraine if you want, as another area of collaboration with US EXIM because the needs are going to be vast and there's room for all of us. And if we work together for sure, we will end up doing a much better job.

>> That's a very good point to end on. But thank you very much indeed. Very, very interesting. I think we, we now, we now hit the red button so that time has gone. But thank you very much. Thank

>> You. Thank you. Thank

>> You. Thank you. Thank you.