



SANPAOLO IMI

JOINT PRESS RELEASE

SACE AND SANPAOLO IMI SIGN A MEMORANDUM OF UNDERSTANDING FOR IRAQ

Rome, 5 December 2003 - SACE, the Institute for Foreign Trade Insurance Services, and SANPAOLO IMI have signed a Memorandum of Understanding for the short-term insurance of Italian exporters' dealings in Iraq.

The agreement concerns an undertaking by SACE to insure confirmations issued by SANPAOLO IMI in respect of letters of credit issued by the Trade Bank of Iraq (TBI). The letters of credit shall be intended for payment of short-term Italian supplies to Iraq

In addition to representatives of SACE and SANPAOLO IMI, the President of the Trade Bank of Iraq, Hussein al Uzri and some representatives of the Coalition Provisional Authority were also present at the signing of the agreement.

The Memorandum of Understanding implements the framework agreement signed this morning by Export Credit Agencies for 16 countries (Australia, Austria, Belgium, Check Republic, Denmark, Germany, Italy, Japan, Luxembourg, Holland, Poland, Spain, Sweden, Switzerland, United Kingdom and United States of America), including SACE, the Trade Bank of Iraq and the Coalition Provisional Authority.

The Board of Directors of SACE has already made 250 million euros available for the purpose of insuring short-term deals executed by Italian counterparts with the Trade Bank of Iraq. This amount forms part of the fund of one billion euro established by CIPE (Interdepartmental Committee for Economic Planning) for the purpose of reactivating insurance activities by SACE in Iraq.

SANPAOLO IMI - the only Italian bank to participate in the international consortium led by JP Morgan – shall act as an agent bank for activities connected to the management of commercial instruments issued by the Trade Bank of Iraq in favour of Italian exporters. It shall also provide advice and assistance to economic operators through its specialist network, for the purpose of ensuring that contracts are covered by the SACE/TRADE BANK OF IRAQ framework agreement and of permitting them to benefit from 95% SACE insurance cover.

This SACE venture occurs in a period of significant changes: from 1 January 2004 the Institute shall become a joint stock company and it is currently preparing dynamic and innovative instruments in order to anticipate market trends and exporters' requirements: in order to favour immediate operations in Iraq, SACE shall issue the insurance to SANPAOLO IMI on line, through the web site www.isace.it. SACE will also set up an internal structure, in order to assist the Italian companies that take part in biddings offered by the Coalition Provisional Authority for the supply of goods and services needed for the economic reconstruction of Iraq.

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