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HSBC secures the first Push facility in ASEAN for Nutifood, backing Vietnam – Italy bilateral trade

*** The five-year term offshore loan for Nutifood is the first of its kind in Vietnam and ASEAN ***

*** The transaction is expected to open more opportunities to promote bilateral trade between Vietnam and Italy ***

(Ho Chi Minh City) – The Hongkong and Shanghai Banking Corporation Limited (HSBC), Italian Export Credit Agency (SACE) and Nutifood Nutrition Food Joint Stock Company (Nutifood) have just completed the arrangement of a US\$31-million five-year untied offshore “Push” facility, supporting Nutifood’s capex and working capital including investments in new warehousing and the replacement of four existing filling lines for dairy manufacturing. SACE provides the guarantee that covers 80% of the loan. This is the first SACE Push concluded in both ASEAN and Vietnam and in the Food industry, highlighting the strategic ongoing cooperation between HSBC and SACE to close transactions in priority markets.

The facility offers Nutifood access towards long-term hard currency financing, supporting its growth and investments in the local and international milk market. HSBC acted as Sole Mandated Lead Arranger, Lender and Agent.

The Push programme which was launched in 2017 is a SACE’s initiative. With the aim of boosting the bilateral trade between two nations, SACE proactively searches and connects buyers and suppliers in Vietnam and Italy. Through the scheme of Push programme, this ECA can provide the guarantee for financing up to 12 years for foreign corporates with no limits regarding the nature of the goods and no requirement for available contracts between buyers (borrowers) and Italian suppliers. Joining Push programme, buyers’ access to funding could be easier thanks to SACE’s financial guarantee, simultaneously, they can enjoy SACE’s economic incentive once the target amount of procurement from Italy is reached within an agreed period from the signing of the facility, as well as join SACE’s match-making events twice per year, increasing opportunities to find suitable business partners.

“This landmark transaction between Nutifood and SACE, the first of its kind in ASEAN and Vietnam and the second in Asia, is a testament to HSBC’s industry leading capabilities in facilitating major transactions for our clients. It also underscores our ability to connect Vietnamese corporates with international experts leveraging our global network, and supporting the growth of Vietnam”, says Stephanie Betant, Head of Wholesale Banking, HSBC Vietnam. “We are particularly thrilled to find innovative sources of financing for our customers and identifying optimal methods to access funding. We expect this historic transaction to increase bilateral trade between Italy and Vietnam.”

Key to this transaction is the agreement with Nutifood to foster its commercial relationships with Italian companies to increase Group’s procurement from Italy in the following years. Being the ultimate target of a Push facility, Italian SMEs will benefit from bid invitations and B2B meetings and match making events organised by SACE.

“Through HSBC we had the opportunity to work with SACE, and this also gives us the chance to access advanced technologies offered by Italian companies. We are extremely honored to be part of this deal and we are committed to using the allocated capital effectively to deliver sustainable

development for Nutifood. We hope this will be the first step for us to cooperate in other projects in the future”, stated Mr. Huy Vo, Group CFO and Chief Accountant, Nutifood.

“We are proud to have concluded a new Push Strategy deal, another major contribution to the growth of Made in Italy, one of the main drivers of the Italian economy. Since the launch of the Push Strategy program, we have mobilized resources for over 2.8 billion of euros, supporting Italian SMEs in their business with large buyers in emerging markets. We are glad to collaborate with two global key players such as HSBC and Nutifood in this transaction”, said Livio Mignano, Head of International Network, SACE.

Since the inception of the “Push programme” in 2017, HSBC arranged eight “Push” facilities and together with SACE is currently evaluating new opportunities in South East Asia ranging across several sectors like Agribusiness, Power, Petrochemicals and Furniture Manufacturing and for an overall amount of around US\$800 million. In Vietnam, HSBC is the only bank until now that has successfully arranged ECA-supported deals for private Vietnamese companies on a standalone basis. The triparty transaction between HSBC, SACE and Nutifood is the second ECA deal HSBC arranged for a private company, after the first one for VinFast - Euler Hermes Covered Loan in 2018.

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Notes to Editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,959bn at 31 March 2021, HSBC is one of the world’s largest banking and financial services organisations.

SACE SIMEST - Italian Export Credit Agency

SACE is the Italian financial insurance company specialized in supporting the growth and development of businesses and the national economy through a wide range of tools and solutions to improve competitiveness in Italy and worldwide. For over forty years, SACE has been the partner of reference for Italian companies exporting to and expanding in foreign markets. SACE also cooperates with the banking system, providing financial guarantees to facilitate companies’ access to credit; this role has been reinforced by the extraordinary measures introduced by the so-called Liquidity Decree and by Simplifications Decree. With a portfolio of insured transactions and guaranteed investments for 156 billion euros, SACE serves over 26 thousand companies, especially SMEs, supporting their growth in Italy and in around 200 foreign markets, with a diversified range of insurance and financial products and services.

Nutifood Nutrition Food Joint Stock Company

Nutifood – Founded in 2000 by a group of doctors, Nutifood is the #3 dairy company and a leading manufacturer and distributor of nutritional dairy and dairy-based products in Vietnam. It is the leading baby milk formula player in Vietnam with a 19.4% market share.

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