

14 March 2022

HSBC and Vingroup realise their green commitment with the first syndicated green loan

The facility, which is in line with 2021 Green Loan Principles and in compliance with Vingroup's Sustainable Finance Framework, is the first syndicated green loan that HSBC provides to Vingroup

The transaction underline HSBC Vietnam's green commitment of arranging up to US\$12 billion for Vietnam

(Ho Chi Minh City) - The Hongkong and Shanghai Banking Corporation Limited (HSBC) has cooperated with other banks to successfully provide the first syndicated green loan for Vingroup Joint Stock Company (Vingroup), one of the largest multi-industry private economic groups in Vietnam, and its subsidiary in automotive manufacturing, VinFast Trading and Production Joint Stock Company (VinFast). The green loan covers total US\$500 million.

HSBC plays the role of Joint Green Finance Coordinator and Mandated Lead Arranger, Underwriter and Bookrunner for the transaction, structuring and delivering a competitive financing solution for both Vingroup and VinFast. The transaction received overwhelming response from the market, resulting in the upsize from US\$400 million to US\$500 million.

The financing aims to support the Group and its subsidiary in capital expenditure, working capital and general corporate purposes that is in line with the 2021 Green Loan Principles and in compliance with Vingroup's Sustainable Finance Framework. In 2021, HSBC supported Vingroup to build this Framework, which includes six green and two social project categories across Vingroup's business segments, and also received the positive Second-Party-Opinion from Sustainalytics, a leading independent company that rates the sustainability of listed companies. Potential project categories include clean transportation, green buildings, sustainable water and wastewater management, pollution prevention and control, energy efficiency, renewable energy, access to essential services – healthcare and affordable housing.

Tim Evans, CEO of HSBC Vietnam, shared: "This transaction is another step forward in implementing our commitment to arranging up to US\$12 billion to support Vietnam's green ambitions to transition to net zero. As Vingroup and HSBC share the same objectives in contributing to Vietnam's sustainable development, I believe that the syndicated green loan, along with the world's first exchangeable sustainable bonds for Vinpearl in 2021, will not only have a positive impact on the environment in Vietnam but also open the door to more sustainable deals between the two organizations. With our unique international network, our strong knowledge in green finance and our local experienced teams, we are looking forward to undertaking more deals with Vingroup and other corporates in order to open up a world of green opportunities for Vietnam."

Mr. Nguyen Viet Quang, Vice Chairman and Chief Executive Officer of Vingroup, commented: "The success of this sustainable syndicated loan is made possible because we have received overwhelming support from international lenders for our commitment to sustainable investment areas, of which VinFast is the most prominent. Our aim is to make VinFast a global smart electric vehicle manufacturer that offers environmentally friendly means of transport to the masses."

The syndicated green facility, which has been successfully completed within the very tight timeline against the complicated context of Covid-19, is the testament of HSBC's robust sustainable finance platform, as well as highlights HSBC's pioneering position in capital market transactions, and demonstrates the bank's structuring, origination and syndication capabilities in Vietnam and Southeast Asia.

This is also HSBC's the fifth syndicated loan transaction with Vingroup since the beginning of the strategic bilateral relationship in 2018, and also the second sustainable transaction with them within six months, after HSBC's participation in Vinpearl's issuance of US\$425 million Exchangeable Sustainable Bond exchangeable into shares of Vingroup last September.

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Notes to Editors:

HSBC Bank (Vietnam) Ltd.

HSBC has been in Vietnam for over 150 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

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