

News Release

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HSBC Arranges USD46 Million ECA-Backed Debt Financing for Viyellatex Spinning Limited

The Hongkong and Shanghai Banking Corporation Limited (HSBC) Bangladesh has arranged the country's first private sector agreement with SERV, Switzerland's Export Credit Agency (ECA) in a transaction securing finance of USD46 million.

The financing, a combination of commercial term loans and export credit agency-backed lending, was arranged for Viyellatex Spinning Limited to support the purchase of goods, equipment and technology from suppliers based in Switzerland, Japan, India, Germany and the UK.

The loan agreement covers around 70% of the total investment being made by Viyellatex Group for this specific project. The financing also involves extensive and close cooperation between HSBC and PROPARCO, a French financial institution focused on funding sustainability projects, (a subsidiary of Agence Française de Développement) as a lender under the commercial term loans.

Based on its wide product range, HSBC acted as Coordinating Arranger, Lender, Facility Agent, Security Agent, Intercreditor Agent, Account Bank and Sole LC Issuing Bank.

Francois de Maricourt, CEO, HSBC Bangladesh, said: *"This transaction highlights HSBC's leading position in export credit agency (ECA) financing in Bangladesh, and demonstrates the growing relevance of ECAs for the local private sector. It also demonstrates the strength of HSBC's international network and global banking capabilities."*

K.M. Rezaul Hasanat, Chairman, Viyellatex Group commented: *"Viyellatex Group is proud to avail this international financing package from HSBC with coverage of European ECA (SERV) and DFI (Proparco). The facilities will be utilised to set up the expansion project. The project is a strategic investment of Viyellatex Group and aligned with country's priority sector for economic development. This sort of structured financing will support country's RMG/textile exporters to undertake quality capex decisions as well as achieve a great mileage in international debt market. HSBC has been a trusted partner of Viyellatex group and this transaction is yet another testament of that."*

Viyellatex Group is a leader in the Textile & Garments (T&G) industry in Bangladesh. The export-oriented organisation established itself as an integrated T&G manufacturer, with full spinning, knitting, dyeing, finished woven and knitted garments, printing and accessory

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capabilities. Its' commitment to sustainable textile manufacturing will be supported by the investment in new technology and further enhance its capabilities as a supplier to international brands, mainly from Europe and the USA.

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The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 38 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,492bn at 30 June 2017, HSBC is one of the world's largest banking and financial services organisations.

