



Press Release

SACE (Italy's Export Credit Company) to partner with IFFCO Group in its first Islamic Facility under Push Program to support the Italian food&beverage value chain

Rome/Dubai, 28 May 2024 – SACE is pleased to announce a new Push Program with a substantive facility aimed at supporting the Italian value chain in the food and beverage sector. The program is in collaboration with the IFFCO Group, the international group headquartered in the United Arab Emirates that manufactures and markets a well-integrated range of mass-market food products, related derivatives, intermediates, and services. The group operates 95 facilities in 50 countries, employs around 15,000 people, and reaches five continents with its portfolio of over 80 brands.

For the first time globally, SACE has guaranteed financing with an Islamic finance structure (Commodity Murabaha) in favor of the IFFCO Group, with HSBC as the sole participant. SACE's facilitation aims to maximize business opportunities for companies in the Italian agri-food system, representing a key component of national interest, while ensuring new export opportunities for the entire supply chain involved.

Michal Ron, Chief International Officer of SACE commented: "We are proud to stand alongside IFFCO, a leading international player in the fast-moving consumer goods (FMCG) sector, and we are confident that this operation will open up numerous other opportunities for Italian SMEs in their respective sectors of interest. Furthermore, this is the first Push Strategy operation structured according to Islamic Finance principles, which will enable the opening of new markets in the Middle East and other geographies, with a positive impact on Italian exports".

Ram Ramanathan – Group Director and Group CFO IFFCO stated that “we thank HSBC and SACE for our shared success in creating a “global first” Islamic structure under SACE push program which exemplifies the partnership, ingenuity, and commitment of our three institutions.”

Samir Nayak – Director – Group Treasury IFFCO further added “we creatively designed a financial structure working around complex parameters to synchronize ECA clauses to fit into an Islamic structure to deliver an innovative solution versus conventional offering.”

Alexei Rybakov, HSBC’s Head of Export Finance MENAT, commented: “This transaction marks a further development in Shariah compliant structures. Innovative cross-border transactions like this are accelerating trade and investment between Europe and the Middle East. We’re proud of the role we played and congratulate IFFCO and SACE as they deliver on their objectives at both ends of the corridor”.

This collaboration between IFFCO, SACE, and HSBC has resulted in a ready templated solution to execute Sharia compliant ECA under SACE push program.

About

SACE is Italy’s Export Credit Agency and insurance & finance group controlled directly by the Ministry of the Economy and Finance, specialized in supporting businesses and the national economic system through a wide range of tools and solutions to support competitiveness in Italy and worldwide. For over 45 years, the SACE Group has been the reference partner for Italian companies that export and grow on foreign markets. It also supports the banking system, through its financial guarantees, to facilitate companies' access to credit, support liquidity and investments for competitiveness and sustainability as part of the Italian Green New Deal, starting from the domestic market. The Group is present worldwide with 13 offices in target countries for Made in Italy which have the role of building relationships with primary local counterparts and, through dedicated financial instruments, facilitating business with Italian companies. With a portfolio of insured operations and guaranteed investments of Euro 260 billion, SACE serves over 40 thousand companies, especially SMEs, supporting their growth in Italy and in around 200 foreign markets.

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