

# press release

*For immediate release*

## **Standard Chartered's first trade finance securitisation well received in tough market**

**29 November 2007, Singapore** - Standard Chartered Bank ("Standard Chartered") has successfully completed the first synthetic securitisation of trade finance loans. The transaction - called 'Sealane' - draws heavily on Standard Chartered's successful START CLO program. Notwithstanding an extremely tough market environment, the transaction was upsized to \$3.0 billion (from \$2.5 billion).

Karen Fawcett, Group Head of Transaction Banking said: "Sealane is a 'first of its kind' transaction for the trade finance market. It demonstrates our commitment to innovation across our Transaction Banking business.

"Sealane underlines our confidence in the continued growth of our global trade finance franchise driven by our commitment to client service and product innovation and the underlying strength of our core markets in Asia and Middle East."

Matthew Geason, Group Head of Portfolio Management said: "Sealane represents an evolutionary step in Standard Chartered's balance sheet securitisation programme."

"Our award-winning START CLO transactions have earned us an enviable track-record for high quality balance sheet issuance. Bringing a new product to market - on schedule and upsized - in the current environment represents a considerable achievement and perfectly illustrates the power of Standard Chartered's franchise."

"Although spreads have widened considerably since our last START transaction in June, we believe that suspending distribution activities simply because markets have moved is counter-intuitive. Sealane clearly demonstrates our ongoing commitment to our clients and our confidence in our internal pricing discipline as we enter a new phase in the credit cycle."

There was a strong market reception to Sealane, despite recent market turmoil, because:

- Sealane offers investors exposure to trade finance loans originated by Standard Chartered (SCB) – a unique asset class not previously available in synthetic form or meaningful size.

- Substantial Asian exposure (just under 80%) with a significant percentage of obligors from the high growth local corporate sector (over 55%).
- Investors benefit from SCB's experience in lending, risk management and loan workout in our key geographies.
- Standard Chartered has a proven track-record of quality balance sheet issuance through its START programme – which have been some of the better performing CLOs throughout the recent market volatility.

With this latest US\$3.0 billion synthetic securitisation, Standard Chartered has sold the credit risk of a diversified pool of 13,000 trade finance loans extended to more than 1,500 borrowers in 23 countries with just over 90% per cent of the borrowers domiciled in Asia and Middle East. The average credit quality of the initial pool was similar to those underlying STARTs III and IV (BB- / Ba2).

This transaction was arranged and distributed by Standard Chartered Bank and Lehman Brothers [under Rule 144A and Regulation S]. The Class A, B, C and D Notes are rated by both Moody's Investors Service and Standard & Poor's. The Class E Notes are not rated.

Although the transaction priced significantly wider than START IV, the trend is entirely consistent with pricing movements in underlying credit markets. Pricing was determined following an extensive global road show to a substantial number of investors familiar with SCB's START programme. At the end of this process, the deal was upsized.

Standard Chartered completed its first CLO, the \$2B START CLO in November 2005, followed by \$1.6B START II CLO in June 2006, \$1.5B START III CLO in December 2006 and, most recently, the \$1.5B START IV CLO in June 2007.

- ends -

For further information please contact:

Mark Dailey, Head of Corporate Affairs, Wholesale Banking +44 7917070980

#### **Note to editors:**

#### **Start CLOs – Multi Award Winning Programme**

- The START CLO programme has received numerous accolades in recognition of the robust structure and unique opportunity offered to investors.



- The Asset Triple A Asian Awards 2007

- Best Structured Deal – START II & START III CLOs
  - Best Synthetic CLO – START II & START III CLOs
- The Banker Awards 2007
  - Singapore Deal of the Year – START III CLO
- The FinanceAsia Achievement Awards 2006
  - Best Securitisation Deal – START III CLO
  - Best Structured Product Deal – START III CLO
- AsiaRisk Awards 2006
  - Deal of the Year – START II CLO
- The FinanceAsia Achievement Awards 2005
  - Best Structured Product Deal – START CLO

### **Standard Chartered – leading the way in Asia, Africa and the Middle East**

Standard Chartered PLC, listed on both the London Stock Exchange and the Hong Kong Stock Exchange, ranks among the top 25 companies in the FTSE-100 by market capitalisation. The London-headquartered group has operated for over 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa and the Middle East. Its income and the number of employees have more than doubled over the last five years primarily as a result of organic growth and supplemented by acquisitions.

Standard Chartered aspires to be the best international bank in its markets by being the right partner for its stakeholders and leading by example. The group now employs over 60,000 people, representing some 100 nationalities, in more than 1,400 branches located in over 50 countries. The bank generates more than 90 per cent of its profits from Asia, Africa and the Middle East, with balanced income derived from both Wholesale and Consumer Banking.

The group is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity.

For more information, please visit: [www.standardchartered.com](http://www.standardchartered.com)