

press release

FOR IMMEDIATE RELEASE

IFC and Standard Chartered Bank Collaborate on the Launch of Innovative Credit-Linked Notes to Improve Financing for Microfinance Sector

May 15, 2008, Washington, D.C. – IFC, a member of the World Bank Group, and Standard Chartered Bank today announced that they have collaborated on the launch of the first-ever issuance of notes backed by loans to microfinance institutions in Africa and Asia. The innovative transaction will establish a new product to provide investors with access to microfinance as an asset class, and it will enable Standard Chartered to expand its lending to the microfinance sector.

IFC will invest \$45 million in credit-linked notes to be issued by MILAA (Microfinance Institutional Loans for Asia and Africa), a special purpose vehicle set up by Standard Chartered to facilitate microfinance lending. The notes will be linked to a portfolio of loans that the bank has made to microfinance institutions in Sub-Saharan Africa and South Asia. They will also enable the bank to extend additional credit to microfinance institutions that will in turn reach more unbanked people.

Peter Sands, Standard Chartered Group Chief Executive, said, "This transaction will unlock more funding for microfinance. We believe improving access to finance is a key lever in reducing poverty and catalysing broader social and economic development. We hope other investors will be inspired by the IFC's support of this transaction."

Lars Thunell, IFC Executive Vice President and CEO, said, "By working together on this innovative deal, IFC and Standard Chartered are helping people who do not have access to banking services. At the same time, we are building an asset class for investors who are looking for more microfinance opportunities in emerging markets."

As part of the 2006 Clinton Global Initiative, Standard Chartered committed to establishing a \$500 million microfinance facility over a five-year period. This deal is part of that commitment. The bank supports 48 microfinance institutions across 15 countries in Africa and Asia, with an impact on the lives of 1.2 million people, the majority of whom are women. Since 2005, Standard Chartered has financed or arranged financing of \$285 million, with an outstanding portfolio of \$180 million. Standard Chartered believes that increasing access to financial services is key to building a sustainable business,

and that microfinance is a commercial opportunity that has the potential to broaden social inclusion. Across Asia, Africa, and the Middle East, the bank provides a customized product offering for all stakeholders in the microfinance industry.

In terms of outreach, IFC is the leading international investor in microfinance institutions, working with more than 90 institutions in 57 countries. IFC is also among the top three global investors in terms of volume, with a cumulative committed portfolio of \$790 million.

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Notes to Editors

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that people should have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit www.ifc.org.

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About Standard Chartered Bank

Listed on the London and Hong Kong stock exchanges, Standard Chartered PLC ranks among the top 25 companies in the FTSE-100 by market capitalization. With headquarters in London, the group has operated for more than 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa, and the Middle East, with its balanced income derived from wholesale and consumer banking. The group employs 73,000 people, representing 115 nationalities, in more than 1,700 branches and outlets located in over 70 countries.

Standard Chartered aspires to be the best international bank in its markets. It 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, visit www.standardchartered.com.

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