



AFRICAN DEVELOPMENT  
BANK GROUP



# press release

## **AfDB Signs US\$400M Risk Participation Facility with Standard Chartered**

*To support trade flows of approximately US\$3.6 billion in Africa*

**Marrakech, 29 May 2013** – The African Development Bank (“AfDB”) and Standard Chartered Bank (“Standard Chartered”) today signed a US\$400 million Risk Participation Agreement that will provide significant trade finance support for imports and exports across vital economic sectors including agriculture and food to corporate and financial institution clients in Africa.

This is the first time AfDB signed such bilateral risk sharing partnership with a bank. The three-year facility will support trade flows of approximately US\$3.6 billion in intermediate and finished goods, raw materials and equipment in Africa. The programme aims to support economic growth, to foster development of the financial sector and to promote regional integration.

The facility involves an unfunded risk participation of US\$200 million, where Standard Chartered will match AfDB’s undertaking in every transaction, bringing the total maximum portfolio to US\$400 million. The facility is established based on a 50/50 risk sharing agreement.

Speaking at the ceremony, Tim Turner, Director AfDB Private Sector Operations said: “The majority of African banks have small capital bases, which constrain their ability to obtain adequate trade finance limits from international banks and to undertake sizeable transactions that have significant development impact. Through our risk sharing facility with Standard Chartered, the programme will bolster the trade finance capacity of banks in Africa, and in turn, expand trade and regional economic integration.”

Ebenezer Essoka, Chief Executive Officer for Southern Africa at Standard Chartered signed the agreement with AfDB at their annual general meeting held in Marrakech of Morocco. Ebenezer commented, “We are delighted to be partnering with the AfDB for this risk-sharing programme, which will support a significant increase in the availability of trade finance in more than 20 countries in Africa, thereby creating jobs and sustaining economic growth. Global trade is the lifeblood of the world economy and Standard Chartered is committed to supporting the growth of trade flows across our footprint markets in Asia, Africa and the Middle East. This partnership further strengthens our ability to serve the African market.”

Africa's share of global trade is forecast to more than double by 2050. As a leader in trade finance, Standard Chartered promotes trade across Africa where the Bank has operations in 15 markets, and where Standard Chartered facilitates over US\$10 billion of trade annually. AfDB Trade Finance program aims at supporting over US \$10 billion volume of trade over the next 4 years.

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Notes for editors

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Press releases are also available in the Bank's website at [http://j.mp/AfDB\\_Media](http://j.mp/AfDB_Media)

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

Standard Chartered is a leading international banking group. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years. Standard Chartered PLC is listed on the London and Hong Kong stock exchanges as well as the Bombay and National Stock Exchanges in India. For further information please visit [www.standardchartered.com](http://www.standardchartered.com). Follow Standard Chartered on [www.facebook.com/standardchartered](http://www.facebook.com/standardchartered) and on Twitter @StanChart.

**The African Development Bank (AfDB): Building Today, a Better Africa Tomorrow**

The African Development Bank is a multilateral development bank whose shareholders comprise 53 African countries (Regional Member Countries – RMCs) and 24 non-African countries (non-Regional Member Countries – non-RMCs). The Bank Group's primary objective is to contribute to the sustainable economic development and social progress of its regional members, individually and jointly. This objective is met by financing a broad range of development projects and programs through: (i) public sector loans (including policy-based loans), private sector loans, guarantees and equity investments; (ii) providing technical assistance for institutional support projects and programs; and emergency assistance grants. Through its private sector window, the AfDB provides a range of financial products to the private sector to complement its traditional lending operations to Governments, including financial and technical assistance for viable projects. Private Sector project 2012 approvals reached USD 2.0 billion. Infrastructure, especially energy, is the core of Private Sector Operations priorities.