

Standard Chartered's currency swap with Frontclear guarantee, unlocks USD liquidity for Access Bank in Nigeria

18 August 2016, London. Despite challenging market conditions, Standard Chartered has executed a successful USD/NGN15 million 1 year cross-currency swap for Access Bank, leveraging a custom guarantee issued by Frontclear, a financial markets development company backed by leading European development finance institutions. Being entirely collateralised in Naira, the transaction is the first of its kind in Nigeria.

US Dollar liquidity continues to be a challenge for companies operating in Nigeria, thus this guarantee is specifically tailored to current market conditions by providing attractive collateral terms for Standard Chartered, while reducing Access Bank's US Dollar funding burden. This transaction marks Frontclear's inaugural transaction in Nigeria.

- First guarantee provided by Frontclear in West Africa
- Swap provides Access Bank with short term liquidity in a challenging market environment
- Standard Chartered is committed to supporting regional financial institutions in frontier markets with structured products which mitigate currency risks

"This landmark transaction is a great example of how Standard Chartered working together with the development community and our local clients, can support growth and liquidity in frontier capital markets. As a leading international bank in Africa, we remain committed to providing financial structures which not only provide bespoke solutions, but also bring the right partners together to deliver sustainable benefits. We look forward to delivering further value to other clients in partnership with Frontclear." – Daniel Hanna, Global Head of Public Sector and Development Organisations at Standard Chartered Bank

"We are pleased to have been able to support this transaction, and to be facilitating transactions in Nigeria in the current environment. We are expanding our presence in Nigeria and look forward to further contributing to the country's capital markets development agenda in the future." – Philip Buyskes, CEO of Frontclear

Access Bank is the one of the three largest banks in Nigeria in terms of assets, loans, deposits and branch network. The multi-national Bank is one of many financial institutions which Standard Chartered supports in Africa, in line with the Bank's strategy to support the growth of clients across all sectors of the economy.

"We are pleased to partner with Standard Chartered and Frontclear in this innovative solution as it provides us an opportunity to continue to provide FX solutions to our clients within the context of the current operating environment. We are also pleased to be counterparty to Frontclear's first transaction in Nigeria and we look forward to expanding our partnership with other Africa-focused Developmental Financial Institutions." – Herbert Wigwe, Group Managing Director at Access Bank PLC

Currency swaps are becoming popular mechanisms to mitigate the risks of fluctuating foreign exchange rates across Africa. The majority of currency swaps in Africa are against US Dollars, given this currency is still the most used trading currency. Leveraging its strong emerging market client base across Africa, Asia and Middle East, Standard Chartered is increasingly working with guarantors to unlock liquidity for its clients through innovative, credit enhancing structures.