

Loan

Market

Association

the authoritative voice of the European market

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LMA seeks industry solution for loan operations/settlements

Over recent months, the Loan Market Association (LMA) has been working with a group of financial institutions to address the lack of appropriate standardisation in the loan operations/settlement aspects of the European market and has now launched a project seeking co-operation from system vendors. The project will take a phased approach and a high-level specification paper will be circulated among vendors who have previously indicated interest in working with the institutions. It is anticipated that development working groups will quickly be established to work closely with appropriate vendors in seeking solutions.

Arthur Soar (Chairman of the LMA Loan Operations Committee) commented:

"In light of the rapid expansion of the European syndicated loans market over recent years and the resulting settlement issues arising, this is a vitally important initiative. The LMA committee includes over twenty major banks active in the loan markets and we are now ready to become actively involved with providers. While we anticipate some benefits to be realised quickly, this must be seen as a long-term programme.

We have already identified a number of potential vendors, but would welcome others who have a serious interest in becoming involved. In the first instance, they should contact Mike Johnstone at the LMA."

END

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NOTES TO EDITORS

Loan Market Association

The Loan Market Association was founded in December 1996 by seven leading international banks in London. Its aim was to encourage liquidity and efficiency in both the primary and secondary loan markets by promoting market depth and transparency, as well as by developing standard forms of documentation and codes of market practice. Banks, law firms and other market practitioners/participants are welcome to apply to join the LMA, and the membership currently stands at 338.

The Association was established in anticipation of changing market conditions and of a perceived willingness on the part of the banking community to bring greater clarity, efficiency and liquidity to the relatively under-developed secondary market.

The initiative was clearly well timed, as since 1997, there has been sustained growth in secondary loan activity in the Euromarkets, with volumes for 2006 estimated at EUR 102 billion, a 52% increase over the equivalent figure for 2005, with a further 50% increase anticipated in 2007.

The LMA has gained recognition in the market and has expanded its activities to include all aspects of the primary and secondary syndicated loan markets. It sees its overall mission as acting as the authoritative voice of the syndicated loan market in Europe vis à vis banks, borrowers, regulators and other affected parties.

For more information, please visit www.lma.eu.com.