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Mizuho Corporate Bank, Ltd.

**FOR GENERAL RELEASE**

**Mizuho Corporate Bank, Ltd. and IFC have jointly implemented the first Risk Participation Scheme in Asia in financing a Power Transmission project in India**

Mizuho Corporate Bank, Ltd. (President & CEO, Yasuhiro Sato) and IFC, a member of the World Bank Group, signed a risk participation agreement to finance a transmission line project. The project company, Powerlinks Transmission Limited (“PTL”), is sponsored by Tata Power Company Limited, a core company of Tata Group, and Power Grid Corporation of India, Indian government-owned transmission line company.

This project is the first BOOT\* basis PPP\*\* transmission line project in India, which was completed in September 2006 and has been operating thereafter. The project takes electricity generated by Tala hydroelectric power plant in the Kingdom of Bhutan and transmits it from Siliguri in the state of West Bengal in the eastern part of India to Mandaula in Uttar Pradesh, near New Delhi, with the total length of 1,166km.

This is a risk participation scheme for a portion of an Indian Rupee-denominated IFC Loan (US dollar 30 million equivalent) to PTL. This transaction represents the first of its kind to be executed where IFC has sold a funded risk participation in US dollars for a loan in local currency. This scheme enables foreign commercial banks participate in the US dollar-denominated financings without any need to fund in local currencies, which had previously been a hurdle for foreign commercial banks. To overcome this impediment, a currency swap contracted by IFC in respect of IFC’s Loan is utilized.

This structure is expected to help foreign commercial banks to enter the infrastructure market in India and other emerging markets where the demand for project financing is continuously expanding but where funding is normally done in the local currency. More deals in the Indian infrastructure market are expected in the near future. Mizuho Corporate Bank, Ltd. and IFC are well positioned to continue their support to infrastructure projects in India by using creative financial structures that address the needs of projects and meet the requirements of international lenders.

- \* BOOT stands for “Build, Own, Operate and Transfer” and describes a method of developing infrastructure, where private investors construct the project and own and operate it for a set period of time, at the end of which ownership is transferred back to the public sector.
- \*\* PPP stands for “Private & Public Partnership” and describes an approach to public policy that is utilized in the U.K. and other countries around the world. The aim of PPP is to promote the creation of social capital through cooperative ventures between the public and private sectors.

