AMERIBOR® Term Structure of Interest Rates

A Plug & Play Replacement for LIBOR

As LIBOR is phased out, lenders are looking for alternative interest rate benchmarks. AMERIBOR® was designed by the American Financial Exchange (AFX) and is used by over 1,000 American financial institutions representing approximately $5.4 trillion in U.S. bank assets (approximately 25% of U.S. bank assets). AMERIBOR® currently provides the only exchange and OTC transaction-based, credit-sensitive benchmark interest rate, specifically designed to track activity in the unsecured lending market. It therefore reflects actual market stress as it trades.

The **AMERIBOR® Term Structure of interest rates** provides short- and long-term borrowers and lenders with forward looking reference rates reflecting their true funding costs, thereby helping optimize asset-liability management. Constructed from the short-term AMERIBOR® cash rate, implied forward rates from AMERIBOR® futures prices, and OTC AMERIBOR® derivatives prices, it enables market participants to issue AMERIBOR®-referenced commercial loans, notes and derivatives such as interest rate swaps, caps, floors and swaptions that fix up front, just like LIBOR.

AMERIBOR® Term Structure: the leading alternative to LIBOR for the unsecured loan market.

Source: Bloomberg

AMERICAN FINANCIAL EXCHANGE

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Email ameriborinfo@theafex.com to learn more

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Why the AMERIBOR® Term Structure is Unique

Similar to LIBOR – but more robust

- Contains a credit-sensitive component
- Forward looking and fixes up front
- Full term structure available
- Reflects actual funding costs, for better ALM
- Easy to explain to lenders and customers
- Easy implementation for operations and accounting departments
- Transaction-based, to prevent manipulation
- IOSCO compliant

Better than other credit-sensitive alternatives

- The only overnight lending-based benchmark
- Based on exchange-traded and OTC transactions, for maximum transparency
- Developed in collaboration with AFX member banks to align with banks' credit, funding and ALM requirements
- Provides a true arbitrage-free term structure that can be interpolated between curve points, and any forward rate or strip of forward rates can be calculated

"The AMERIBOR® Term Structure is a simple plug & play replacement for LIBOR; it represents our cost to fund and hedge our AMERIBOR® positions and includes a credit component. We appreciate that referenced loans, deposits and swaps can be fixed, upfront, across multiple tenors just like LIBOR today."

Reed Whitman, Treasurer, Brookline Bancorp, Inc.

ADHERES TO BEST PRACTICES FOR FINANCIAL BENCHMARKS

The AMERIBOR® Term Structure has been certified by an independent third-party accounting firm to adhere to IOSCO's nineteen Principles for Financial Benchmarks.

Moreover, the International Swaps and Derivatives Association (ISDA) has issued Supplement 78 to the 2006 ISDA Definitions which provides fallback language for derivatives contracts that reference spot rates from the AMERIBOR® Term Structure.

FULL TERM STRUCTURE

Published daily at 6pm CT on Cboe's CSMI data feed with the following ticker symbols:

- Overnight (AMERIBOR)
- 1 week (AMBOR1W)
- 1 month (AMBOR1M)
- 3 months (AMBOR3M)
- 6 months (AMBOR6M)
- 1 year (AMBOR1Y)
- 2 years (AMBOR2Y)

CALCULATIONS POWERED BY NUMERIX

The AMERIBOR® Term Structure is calculated with proprietary software and yield curve algorithms provided by Numerix, the global leader in quantitative analytics and risk technology.

Numerix's curve framework provides the AFX with flexibility in choosing the yield curve components, enables interpolation and extrapolation, follows all market conventions, and reprices all curve components in a consistent manner.

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