



التجاري وفا بنك
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CORPORATE & INVESTMENT BANKING
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IBOR Transition



As of January 2022, the global financial sector will experience one of the most historic changes of the last decades, namely the IBOR reform. This reform will lead to the gradual disappearance of these interest reference rates and their replacement by other benchmark indices. The transition is all the more important, as IBORs are the interest reference rates for the listing and valuation of a wide range of financial instruments from bank loans to the most complex derivatives.

In recent years, the relevance of these benchmark rates has been questioned. In 2017, the Financial Conduct Authority (FCA) recommended the abandonment of indexation to IBORs and it is in this sense that the ICE Benchmark Administration Limited (IBA), LIBOR administrator, announced the gradual cessation of publication of these rates.

This will first concern the LIBOR denominated in GBP, EUR, CHF and JPY, and two maturities only for USD (1 week and 2 months), and the EONIA, from December 31, 2021, then the USD LIBOR (the remaining maturities) from the end of June 2023. It should be noted that the EURIBOR is not expected to change.

For each major currency, the discontinuation of LIBOR will be accompanied by the introduction of new benchmark indices called RFRs (Risk Free Rates). For example, the USD LIBOR will be replaced by the SOFR (Secured Overnight Funding Rate) rate, administered and published by the FRBNY (Federal Reserve Bank of New York).

Consequently, it should be recalled that it is up to all economic operators to analyze their exposure to LIBOR indices in order to understand the potential impacts, whether they are contractual, transactional or financial in the broadest sense.

As a reference player of the financial markets, Attijariwafa bank has started a process of change of IBOR reference in the framework of a global transition program.

For our relationship with our customers, this IBOR transition mainly generates 2 impacts :

- on the financial side, the reindexation of certain assets, market transactions or international financing, on the basis of the new reference rates;
- on the legal aspect, an update of the contracts by integrating the new reference rates.

Therefore, Attijariwafa bank is committed to assist you throughout this transition process, in order to bring you the necessary information for any future decision making.

Disclaimer

The content of this communication reflects Attijariwafa bank's current level of knowledge about the IBORs transition.

Please note that the overview provided in this communication and the information contained therein should not be considered as complete or exhaustive and does not constitute in any way an advice or a recommendation on the part of Attijariwafa bank.

Accordingly, and to the extent possible, Attijariwafa bank will periodically update this page, adding any relevant element or information concerning IBORs transition that it may have become aware of.

