Notice on London Interbank Offered Rate ("LIBOR") Transition

Following the recent market developments on the reference rate transition from the London Interbank Offered Rate ("LIBOR") to alternative benchmark interest rates (including Risk Free Rates ("RFRs")), Afreximbank ("the Bank") like other financial institutions has commenced preparatory activities to transition from USD LIBOR to alternative benchmark interest rates. This transition will affect all existing and future contracts that reference USD LIBOR with maturity dates after 30 June 2023. The Bank has constituted a LIBOR Transition Working Group to champion and coordinate the various activities associated with this transition.

LIBOR Transition

The cessation of USD LIBOR as a benchmark interest rate will impact the loans, debt securities and/or derivatives that you currently hold with the Bank maturing after 30 June 2023. References in documentation to USD LIBOR will need to be amended to alternative benchmark rates such as a USD RFR like SOFR, a fixed interest rate, or the Bank’s cost of funds, among other market solutions.

Next Steps for the LIBOR Transition

The Bank is preparing for the transition and has engaged with various stakeholders to gain deeper understanding. The Bank is also preparing its systems for a smooth operationalisation of impacted transactions and accounting in the new benchmark environment. Additionally, the Bank is preparing training and guidance material that will help its stakeholders appreciate the transition from USD LIBOR to alternative benchmark interest rates.

In the meantime, you may wish to seek guidance from your legal, tax, accounting or financial advisors on the possible implications of the transition. In case of any enquiries, kindly contact your Relationship Manager or email Clientrelations@afreximbank.com.

afreximbank.com