



American Financial Exchange® Announcement

E D & F Man Derivative Products Inc. and First Merchants Bank

Transact First AMERIBOR® Interest Rate Swap

CHICAGO – December 3, 2020 —The American Financial Exchange (AFX), an electronic exchange for direct lending and borrowing for American banks and financial institutions, announced the completion of the exchange’s first AMERIBOR® interest-rate swap transaction on December 1, 2020.

E D & F Man Derivative Products Inc., a provisionally registered swap dealer and a subsidiary of E D & F Man Holdings Limited, and First Merchants Bank of Muncie, IN, entered into a bilateral and uncleared fixed versus 1-month AMERIBOR® floating rate swap, with a 1-year maturity. The notional amount was \$24 million, with payments netted monthly.

The transaction marks an important moment for AMERIBOR® as it becomes a viable standard for swap markets following the transition away from LIBOR. According to The Bank for International Settlements (BIS), the global notional swap market value was estimated at \$341 trillion in 2019 and AMERIBOR® represents the actual cost of funding of more than 1,100 American banks and financial institutions.

“The AFX AMERIBOR® swaps product offered the perfect transaction terms to meet our needs,” said First Merchant Bank President and CEO, Michael Rechin. “As a Founding Member of AFX, First Merchants is pleased to be the counterparty for the first AMERIBOR® interest rate swap.”

“This is a remarkable moment for the AFX as we welcome our first swaps transaction between two key members of the financial and banking industries,” said AFX Chairman and CEO, Dr. Richard L. Sandor. “This first interest rate swap will set the path for other financial institutions that need to swap AMERIBOR® based assets and liabilities to fixed rate interest and vice versa. We are proud to have facilitated this agreement.”

David Hoffman, Head of Interest Rate Swaps for E D & F Man, said, “In this critical period of LIBOR transition, we are pleased to be part of the first AMERIBOR® swap transaction with a trusted counterparty such as First Merchants Bank. E D & F Man prides itself in

financial innovation and rapid response to client and market needs and we are proud to be the swap dealer for the first AMERIBOR® interest rate swap which has the potential to become an integral hedging instrument for AFX Members and financial institutions.”

Currently, AFX membership across the U.S. includes 165 banks and 44 non-banks, which is comprised of insurance companies, broker-dealers, private equity firms, hedge funds, futures commission merchants, and asset managers. For more information about AFX or AMERIBOR®, visit www.ameribor.net.

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The American Financial Exchange (AFX) is self-regulated exchange founded in 2015. With 209 members across the 50 U.S. states, AFX seeks to offer a suite of innovative products to improve transparency and efficiency in the current interbank loans marketplace. AFX also facilitates the determination of a market-based interest rate benchmark called the American Interbank Offered Rate (AMERIBOR®). AMERIBOR® is an interest rate benchmark that reflects the actual unsecured borrowing costs of more than 1,100 American banks and financial institutions. In addition, AFX’s AMERIBOR® is in alignment with all nineteen Principles set forth by the International Organization of Securities Commission (IOSCO) for Financial Benchmarks.

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About E D & F Man

The E D & F Man group of companies offer a full suite of capital markets solutions through its global financial brokerage business and world class technology infrastructure. Its 450 employees across nine countries deliver expert trade processing, financing, clearing, execution, market making and brokerage services. E D & F Man Capital Markets Inc., an affiliate of E D & F Man Derivative Products Inc., is a member of AFX. E D & F Man Derivative Products Inc. is a non-member currently trading on AFX.