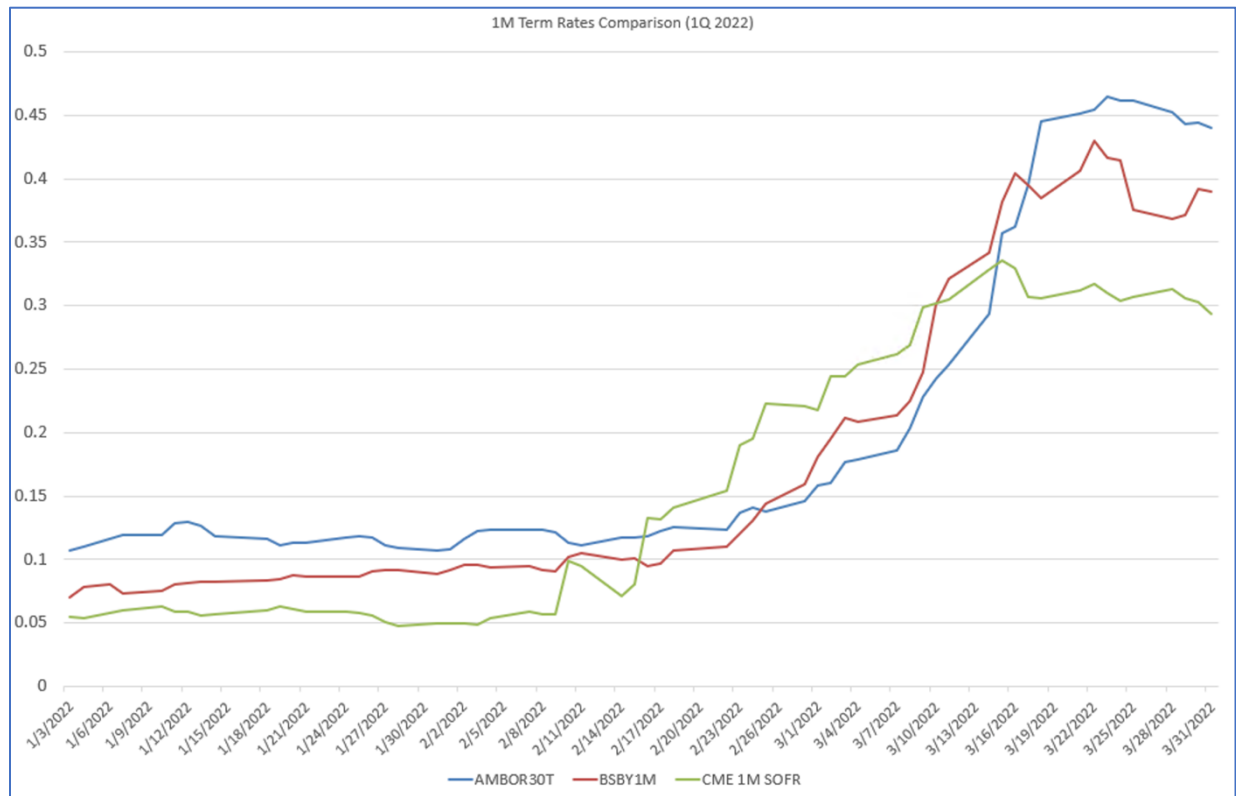


## AMERIBOR® Term-30: 2022 First Quarter in Review and Post Fed Tightening Performance<sup>1</sup>

April 4th, 2022



### Snapshot Post Increase in the Fed Funds Rate

Date	AMBOR30T	1M LIBOR	AMBOR30T Underlying Volume (\$B)	AMBOR30T Unique Issuer Count
3/31/2022	0.44007	0.45200	40.587	89
3/30/2022	0.44419	0.45514	43.190	92
3/29/2022	0.44325	0.45743	45.632	90
3/28/2022	0.45195	0.44943	50.354	96
3/25/2022	0.46185	0.44514	53.041	102
3/24/2022	0.46192	0.44714	51.396	104
3/23/2022	0.46471	0.45657	53.949	99
3/22/2022	0.45460	0.45486	52.010	99
3/21/2022	0.45092	0.44400	51.842	100
3/18/2022	0.44543	0.44657	50.300	99

During the first quarter of 2022, the American Financial Exchange’s recently launched AMBOR30T one-month term rate benchmark remained the most consistent and representative one-month funding benchmark option for the overwhelming majority of US-based financial institutions. Closely tracking one-month LIBOR, both historically and during this quarter’s first wave of tightening by the Fed, it serves as a “plug-in-and play” replacement for all lending and investing applications where One-Month LIBOR has historically been applied.

AMBOR30T is IOSCO-compliant and draws from the broadest possible source of real-world, cash-exchanged short-term funding data by utilizing the DTCC’s database of commercial paper and commercial deposit transactions, as well as proprietary AFX interbank lending data. These transactions are trimmed for eligibility according to a variety of criteria and weighted by principal amount and loan term in order to generate a rate representative of 30-day funding costs for US-based financial institutions. Executable bids and offers where no cash exchanges hands are NOT factored into the

<sup>1</sup> All alternative benchmark dating conventions are normalized to AMBOR30T reporting style.

calculation of any AMERIBOR® term rates. More information on the calculation process can be found in the AMBOR30T white paper located at [ameribor.net](https://ameribor.net).

Since the start of 2022, AMBOR30T has drawn from an average of \$48.2 billion in unique transactions. Over the final 10 trading days in March 2022, AMBOR30T has drawn data from an average of 97 unique financial institutions.

AMBOR30T remains a viable and perhaps more appropriate One-Month LIBOR replacement for the majority of users, due to its credit-sensitive nature, breadth and depth of its construction, and strong historical LIBOR correlation allowing for a seamless “plug-in-and-play” transition to a new benchmark that customers and bank-end users can easily understand and readily accept. AMBOR30T is also currently trading at a roughly 50% premium to CME 1M Term SOFR, representing a substantial credit spread compared to secured alternatives and potential positive impact on overall net interest margins. For hedging needs, AMBOR30T futures launched in September 2021.

Freedom of choice in LIBOR replacement benchmark was recently codified into law in Section 106 of the U.S. Omnibus Appropriations Bill, which states *“the bank, in any non-IBOR loan<sup>2</sup> made before, on, or after the date of enactment of this Act, may use any benchmark, including a benchmark that is not SOFR, that the bank determines to be appropriate for the funding model of the bank; the needs of the customers of the bank; and the products, risk profile, risk management capabilities, and operational capabilities of the bank; provided, however, that the use of any benchmark shall remain subject to the terms of the non-IBOR loan, and applicable law; and no Federal supervisory agency may take any covered action against the bank solely because that benchmark is not SOFR.”*

The AFX strongly applauds the bi-partisan support and passage of this important federal law ensuring freedom for U.S. financial institutions to choose benchmark interest rates that best meet their individual needs and allows them to best serve their borrowers without fear of regulatory second-guessing.

For any further questions regarding AMERIBOR® Term-30, AMERIBOR® licensing, or the American Financial Exchange please send any inquiries to [AmeriborInfo@theafex.com](mailto:AmeriborInfo@theafex.com).

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<sup>2</sup> Non-IBOR loans simply refer to any loan referencing any benchmark that is unassociated with LIBOR.