

AMERIBOR® – The New Benchmark

Background

AMERIBOR® is a new interest rate benchmark created by the American Financial Exchange. AMERIBOR® reflects the actual borrowing costs of thousands of small, medium and regional banks across America. AMERIBOR® is also useful for larger banks and financial institutions that do business with these banks, as well as small and middle market companies.

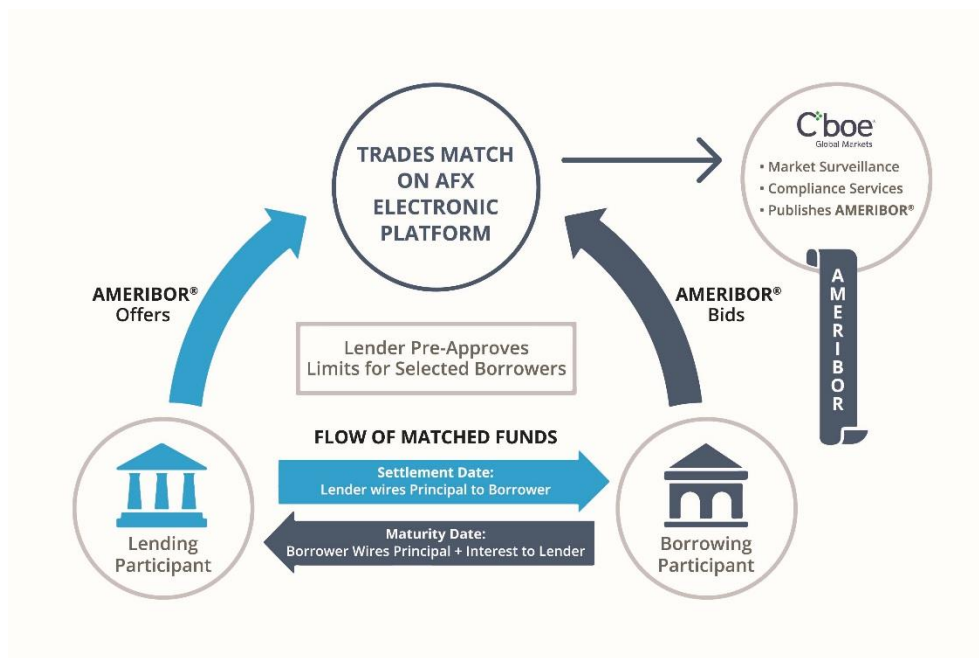
The London Interbank Offered Rate (LIBOR) is currently the dominant benchmark for determining interest payments on adjustable-rate financial products. There are trillions of dollars of loan and derivatives contracts tied to LIBOR which is scheduled to be phased out by the Bank of England in 2021. Consequently, there is an immediate need to develop alternative benchmarks whether or not LIBOR continues as a benchmark. The Federal Reserve Bank launched the Secured Overnight Financing Rate (SOFR) as one alternative benchmark.

While useful in their respective markets, neither LIBOR nor SOFR serve the requirements of the thousands of banks across America which do not borrow at either LIBOR or SOFR to fund their balance sheets. These banks need a separate and distinct benchmark that reflects their actual borrowing costs. This benchmark is AMERIBOR®.

American Interbank Offered Rate

AMERIBOR®

- **Completely transparent benchmark interest rate** based on overnight unsecured lending on the American Financial Exchange (AFX)
- **Cboe Global Markets hosts the AFX platform & performs market surveillance & compliance services**
- **Transaction volume weighted average interest rate**
- **Quoted on actual/360 day-count, following business day convention and rounded to the fifth decimal place**
- **Calculated at close of AFX trading**
- **Published by Cboe Global Markets under ticker AMERIBOR**
- **Compliant with IOSCO's 19 principles for financial benchmarks**



Competitive Advantages of AMERIBOR®

- **Market driven benchmark interest rate**
- **Stable reference benchmark interest rate**
- **Calculated based on executed transactions** with time-stamped transaction ID numbers
- **Contains a credit spread component** based on *unsecured* loans in contrast to SOFR which is based on *secured* (i.e., collateralized) loans
- **Facilitates loan origination at spreads to a benchmark that represents actual funding costs** for many American financial institutions
- **Optimizes asset-liability management;** matches asset pricing & liability costs to a single benchmark

American Financial Exchange (AFX)

- **Self-regulated electronic exchange founded in 2015**
- **Launched by AFX and Cboe Global Markets**
- **Cboe hosts the platform and performs market surveillance & compliance services**
- **More than 200 Members** operating in all 50 U.S. states and 1 U.S. territory
- **More than 1,200 additional bank participants** through their correspondent bank members
- **AFX represents approximately 25% of all U.S. banks**
- **AFX has traded more than \$1 trillion since inception**
- **AFX Products**
 - Overnight unsecured loans
 - 30-day and 90-day unsecured loans
 - 7-day secured loans
 - Demand deposits

- **Cboe AMERIBOR® Futures Products**

Cboe Futures ExchangeSM, LLC (CFE) offers futures on the AMERIBOR benchmark interest rate. AMERIBOR futures are cash-settled and are designed to reflect market expectations of either compounded daily annualized AMERIBOR interest or average simple day annualized AMERIBOR interest.

Contract Specifications

- [Cboe AMERIBOR 7-Day Futures](#)
- [Cboe AMERIBOR 14-Day Futures](#)
- [Cboe AMERIBOR 1-Month Futures](#)
- [Cboe AMERIBOR 3-Month Futures](#)
- [Cboe AMERIBOR Futures Ticker Symbol Conventions](#)

For further information, please click on this link:

www.cboe.com/products/futures/ameribor-futures