



Please be aware of the following disclosure relating to LIBOR and other impacted benchmark rates.

### **Changes to benchmark rates are likely to impact your financial products**

Benchmark rates (such as the London Interbank Offered Rate (“LIBOR”)) are widely used today to determine payments under many forms of financial products. These benchmark rates have been subject to increasing global regulatory scrutiny, with regulators signalling the need to use alternative benchmark rates and the Financial Conduct Authority emphasising the need to transition away from LIBOR before the end of 2021. As a result, existing benchmark rates may be discontinued or the basis on which they are calculated may change.

#### What you need to know

While it is not yet certain how any alternative benchmark rates will operate in practice or how they will be calculated or applied to financial products, we recognise that any changes could have important implications for our customers; for example:

- amendments to documents and contracts may become necessary;
- benchmark rates, and financial products which reference them, may perform differently – for example, the level of published benchmark rates may be higher, lower or more or less volatile than in the past, which may affect the calculation of payments under financial products or their valuation, and there may be differences in alternative benchmark rates across the market; and
- although fallback provisions for the non-availability of benchmark rates may already be in documents, these may not provide a long-term solution and may differ across products. As a result, new fallbacks may be proposed.

**We cannot be certain that the methodology used to calculate LIBOR or any other benchmark rate will not change or that they will continue to exist.** However we are working closely with the Bank of England initiated Working Group on Sterling Risk-Free Reference Rates and industry groups to achieve an orderly transition to alternative benchmark rates and we will continue to engage with our customers.

If you wish to obtain further information, the Working Group on Sterling Risk-Free Reference Rates has recently established a communications working group on LIBOR transition and published its first updates on transition [here](#). You can obtain more information [here](#).

Please feel free to discuss any queries and questions with your Relationship Manager.

## COMMERCIAL BANKING

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**Please contact us if you would like this information in an alternative format such as Braille, large print or audio.**

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