

NOTICE TO CUSTOMERS REGARDING LIBOR TRANSITION

What is LIBOR?

The London Interbank Offered Rate (LIBOR) is a measure of the average rate at which banks are willing to borrow wholesale unsecured funds. It is administered by ICE Benchmark Administration. It is calculated based on submissions from selected panel banks and is published in 5 currencies namely GBP, USD, EUR, CHF, JPY and a range of tenors.

What is happening?

As per regulatory guidelines, London Inter-Bank Offered Rate abbreviated as LIBOR, which is a benchmark rate for various financial products & published by ICE Benchmark Administration on daily basis, is being replaced by some other interest rate benchmark.

Why & by when change?

Publication of LIBOR rate will not be available after 31st December 2021 and so, there is need for change. Due to a major change, the banks should be ready at least by end of June 2021 by choosing any other Reference Rate.

What next and what steps Union Bank of India (UK) is taking?

The bank is in process of finalising the alternative Reference Rate and assessing that how best it will be a replacement of LIBOR.

Bank has been reviewing all the corporate accounts with existing Financial facilities which may have exposure to Libor rates. We will contact you, if we feel that Libor Transition may have an impact on your account.

For details, please go through the Bank of England guidelines available at following links:
<https://www.bankofengland.co.uk/-/media/boe/files/markets/benchmarks/what-you-need-to-know-about-libor-transition>

<https://www.bankofengland.co.uk/markets/transition-to-sterling-risk-free-rates-from-libor>

<https://www.bankofengland.co.uk/-/media/boe/files/markets/benchmarks/rfr/statement-from-the-working-group-on-libortransition.pdf?la=en&hash=23D9EAF508BE13950EB7C434A2AA1C6D5983802A>

We commit ourselves to keep you updated on the subject matter.

Feel free to contact us on 020-73324250 on Monday-Friday between 09:30AM to 02:30PM or write us to info@unionbankofindiauk.co.uk for any query regarding the subject. We will be happy to assist you.