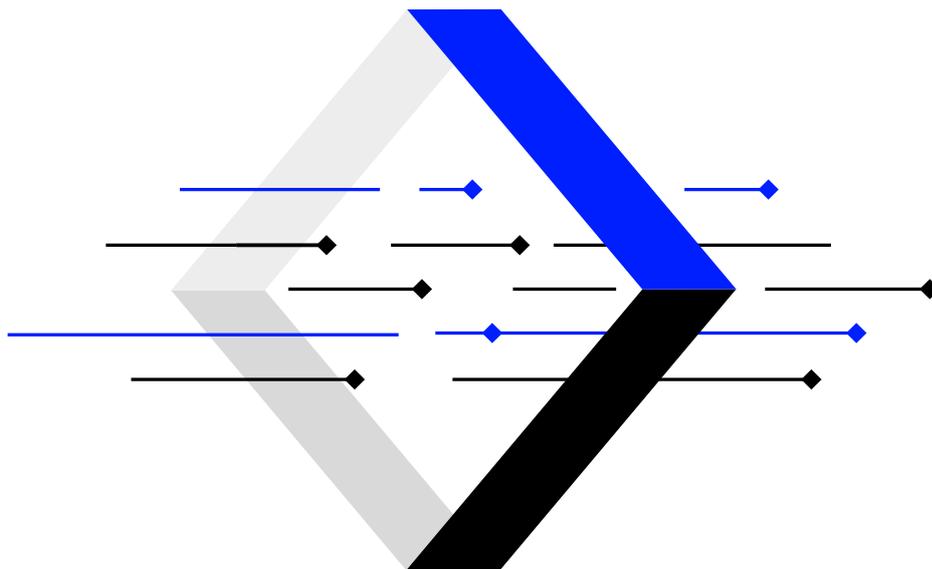


**MOVE
FORWARDS**



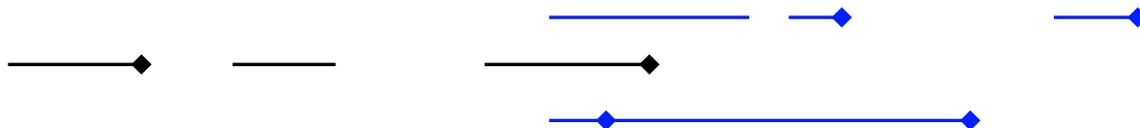
REFINITIV[®] TERM SONIA

The industry challenge

LIBOR underpins hundreds of trillions of dollars of financial instruments and contracts, making it one of the most widely used benchmarks in the world. After 2021 year-end, the FCA (who regulates the LIBOR benchmark administrator) will no longer compel banks to submit to LIBOR and there is a strong possibility of an imminent cessation. In light of this, market participants must seek alternative rates.

In January 2020, the Working Group on Sterling Risk-Free Reference Rates published a study that identified that certain market participants and products would likely be well suited to a forward-looking version of the Bank of England's risk-free rate, SONIA (Sterling Overnight Index Average). This includes smaller corporate, wealth and retail clients, since they are likely to find adopting the technology to use compounded SONIA to be prohibitively expensive and unduly complex. In addition, from a product perspective, loans, trade and working capital, export finance, emerging markets and Islamic facilities all have features that would benefit from a reference rate with a term structure.

The Working Group recommends that all new issuances of GBP LIBOR-referencing loan products that expire after the end of 2021 should cease by the end of Q1 2021.



Our offering

The Refinitiv® Term SONIA leverages our extensive experience in administering benchmarks to create a GBP forward-looking term risk-free rate, published prior to noon on a daily basis. It is available in one-month, three-month, six-month and twelve-month tenors.

The underlying input data is sourced from a variety of providers and processed under a waterfall methodology, allowing Refinitiv to publish the rate in even the most challenging market conditions. The primary source of data is executable quotes from electronic interdealer platforms for centrally cleared, spot-starting GBP SONIA OIS contracts. We then calculate the mid-price based on clearing a predetermined notional amount. If, during periods of stress, the electronic interdealer platforms do not have sufficient liquidity, the rate switches to similar data from an electronic institutional (client-to-dealer) platform. In the unlikely event that there is a complete loss of liquidity in electronic trading of GBP SONIA OIS, we are still able to publish a rate by adopting our integrated fallback. This applies the change in compounded SONIA in advance to the previous day's rate.

How to access it

Refinitiv Term SONIA is available through the full suite of Refinitiv products, including Refinitiv® Eikon, Refinitiv Real-Time and Refinitiv® DataScope, using the following RICs:

- **Refinitiv Term SONIA one-month:** GBPTRR1M=RFTB
- **Refinitiv Term SONIA three-month:** GBPTRR3M=RFTB
- **Refinitiv Term SONIA six-month:** GBPTRR6M=RFTB
- **Refinitiv Term SONIA twelve-month:** GBPTRR1Y=RFTB

Refinitiv Term SONIA is also available on the Refinitiv website – refinitiv.com/termsonia

Benefits to you

- **Published in almost all circumstances:** Refinitiv Term SONIA has been designed against the backdrop of the COVID-19 crisis. The robust waterfall methodology ensures a rate can be published in even the most volatile periods.
- **Anti-gaming features:** Preproduction methodology and monitoring and surveillance protect against the risk of manipulation.
- **Strong governance:** The production rate is administered by RBSL (Refinitiv Benchmark Services Ltd) in compliance with UK Benchmark Regulation.

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The Benchmark is proprietary to Refinitiv.

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