

BCGE – Transition from LIBOR to SARON: conditions applicable to BCGE AT1 bonds

Geneva, 23 December 2021 – Transition from LIBOR to SARON: Interpretation of the subsequent fixed interest rate clause (determination of the 5-year mid-swap rate) applicable to the AT1 perpetual subordinated bonds issued by Banque Cantonale de Genève (BCGE).

In view of the discontinuation of the CHF LIBOR reference rate on 31.12.2021 and in accordance with the recommendations issued by the National Working Group on Swiss Franc Reference Rates of the SNB and after consultation with the lead bank of the transaction, Banque Cantonale de Genève (BCGE) ("the Issuer") announces that as of 1 January 2022, it will interpret the terms and conditions of its outstanding AT1 perpetual subordinated bonds listed on the SIX Swiss Exchange by replacing the LIBOR mid-swap market rate with the compounded SARON mid-swap market rate in the calculation of the subsequent fixed interest rate. This interpretation will apply if the Issuer decides not to call the AT1 bonds in question on the first call date or on any subsequent call date.

The AT1 bonds in question are both listed on the SIX Swiss Exchange:

- ISIN: CH0367013981 was issued on 28 June 2017 at a fixed annual interest rate of 2.00% until the first call date scheduled on 8 February 2023;
- ISIN: CH0503924372 was issued on 12 November 2019 at a fixed annual interest rate of 1.875 % until the first call date scheduled on 12 May 2025.

In order to safeguard the interests of investors, the structural difference between the new compounded SARON mid-swap market rate and the LIBOR mid-swap market rate will be offset. The National Working Group on Swiss Franc Reference Rates recommends that this spread be processed in accordance with the ISDA 2020 IBOR Fallbacks Protocol. Thus, for the AT1 perpetual subordinated bonds listed above, a spread adjustment rate of 0.0741% will be applicable in addition to the subsequent fixed interest rate. On 1 January 2022, this spread adjustment rate must therefore be included in the calculation of the fixed interest rate of the AT1s in accordance with the applicable terms and conditions. The initial margin remains unchanged in accordance with the terms and conditions of the bonds concerned. The calculation of subsequent fixed interest rate is relevant only if and when the issuer decides not to call the bonds in question on the first or any subsequent call date.

For further information, please refer to the notice which will be published in January on the official notices page of SIX Swiss Exchange website¹.

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¹ Can be consulted via the following internet link: <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/>

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