

EUROPEAN OUTLOOK CONFERENCE

LONDON

Hybrid Hustle and AT1 Antics: Navigating High Rate Hurdles

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Sub Debt Characteristics Side by Side

	Corporate Hybrids	AT1s	RT1s
Subordinated*	To Senior Unsecured	To Tier 2	To Tier 2
Maturity	Perpetual or long dated	Perpetual	Perpetual
Call	Usually minimum 5 years	Minimum 5 years	Minimum 5 years
Coupons	Discretionary, usually cumulative and sometimes compounding	Discretionary, not cumulative	Discretionary, not cumulative
Structure of securities reflects	Agency methodology (S&P)	Regulations	Agency methodology, Regulations
Dividend pusher/stopper	Yes	No, except Switzerland	No
Coupon step-ups	Yes (usually +25, then +75)	No	No
IFRS treatment	Debt or Equity depending on characteristics	Debt or Equity depending on characteristics	Debt or Equity depending on characteristics
Trigger Events	No	Yes for principal and coupon	Yes for principal and coupon
Other Call Events	Accounting, agency methodology, tax	Tax, regulatory event	Tax, regulatory event, agency methodology

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