

PRIBOR Calculation Methodology

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1 Definitions

For the purposes of the PRIBOR Calculation Methodology (hereinafter referred to as the "Methodology"), the following definitions shall apply:

- a) **"Benchmark Administrator"** shall mean the Czech Financial Benchmark Facility (CFBF)
- b) **"PRIBOR Oversight Committee"** shall mean the committee (**the Committee**) within the CFBF that has the primary governance oversight of the methodology, determination and dissemination of PRIBOR. The Committee's purpose is to support the integrity, accuracy and reliability of the PRIBOR benchmark to the benefit of all users of the benchmark and reliant market participants.
- c) **"Panel bank"** shall mean a bank which has been assigned the status of Panel bank pursuant to Section 1 of the PRIBOR Code of Conduct and submits Input data for the calculation of the PRIBOR benchmark;
- d) **"Input data"** shall mean the data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by the CFBF to determine PRIBOR. The Input data should reflect the price at which a Panel bank is willing to lend funds in the interbank market (the offer side of the quotation). Input data shall be based on actual relevant transactions being executed in the market by the respective Panel Bank or in the case where no such trade can be referenced, the use of market expertise;
- e) **"PRIBOR"** shall mean PRIBOR (Prague Interbank Offered Rate) being the average interest rate at which unsecured CZK funds are offered by Panel banks in the interbank market, just prior to 11:00am local time".

2 Calculation of PRIBOR

- 2.1 The Input data for the calculation of PRIBOR shall be submitted by Panel banks to the CFBF every good business day¹ between 10:30am and 10:45am local time
- 2.2 The CFBF shall check the formal correctness of the Input data between 10:45am and 11:00am local time and resolve any discrepancies directly with the Panel bank in question. Panel banks may, exceptionally, alter their Input data at that time, but not later than 10:55am. local time.
- 2.3 The calculation of PRIBOR shall take place at 11:00am. local time.
- 2.4 PRIBOR shall be calculated as the mathematical arithmetic mean rounded to two decimal places for the following maturities: overnight (O/N), 1 and 2 weeks, 1, 2, 3, 6 and 9 months, and 1 year, in the following manner:
- a) if the CFBF receives Input data from eleven or more Panel banks, the rate for the relevant maturity shall be the arithmetic mean of the rates net of the two highest and two lowest rates;
 - b) if the CFBF receives Input data from at least six, but less than eleven Panel banks, the rate for the relevant maturity shall be the arithmetic mean of the remaining rates net of the one highest and one lowest rate;
 - c) if the CFBF receives Input data from four or five Panel banks, the rate for the relevant maturity shall be the arithmetic mean of all such rates;
 - d) if the CFBF receives Input data from less than four Panel banks by 12:30pm local time, the rate from the previous day for the relevant maturity is published and used as that day's rate. In extreme cases such as natural disasters preventing panel banks to contribute, this may be repeated for up to three consecutive days (meaning 4 days of identical rates). Until this point an exceptional meeting of the Oversight Committee will be convened to consider the circumstances and make appropriate decisions in respect to the immediate future publication of PRIBOR rates.
- 2.5 PRIBOR (except the O/N maturity) shall be calculated for transactions that are to be settled on the second business day following the calculation date, with the act/360 convention.
- 2.6 Once announced and published, the PRIBOR rates shall be final. This shall not rule out the possibility for the CFBF to publish a re-determined PRIBOR rate before 3:00pm local time at the latest, having announced the intention to republish corrected PRIBOR by 2:00pm local time. Full details of this process are detailed in the PRIBOR Post Publication Re-Determination policy which is publicly available at www.cfbf.cz.
- 2.7 In the event that the CFBF Business Continuity Plan is initiated the Methodology applied for the calculation of PRIBOR will be unchanged

¹ A good business day is defined as a day when banks are open in the Czech Republic

3 Disclosure of and changes to the Methodology

- 3.1 This Methodology shall be published by the CFBF via its website www.cfbf.cz
- 3.2 The method for calculating PRIBOR given in paragraphs 1–6 of Section 2 may be changed by the CFBF upon recommendation by the Oversight Committee and in accordance with the CFBF Consultation Policy.
- 3.3 When amendments are made to the Methodology, the Panel banks shall be given reasonable and adequate time to adjust their procedures and processes.

4 Effect

These procedures detailed in this document shall take effect on 10 December 2018.