

# Annual Review of PRIBOR Definition and Methodology – redacted version

## INTRODUCTION

As per European Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) Article 5, paragraph 3(a) it is the responsibility of the Oversight Committee to review the benchmark's definition and methodology at least annually.

The process of the review of Prague Interbank Offered Rate's (PRIBOR's) definition and methodology is being formalised in the CFBF Benchmark Review Policy as published on CFBF website [www.cbf.cz](http://www.cbf.cz).

The Czech Financial Benchmark Facility (CFBF) is the administrator of PRIBOR and as such it conducts an annual review of the underlying market and determines the fitness of the benchmark methodology in line with CFBF Benchmark Review Policy in place.

This document is a redacted version of the document which was presented to PRIBOR Oversight Committee as supporting material for its review on benchmark definition and methodology.

## PRIBOR DEFINITION AND METHODOLOGY

The full version of benchmark methodology is published on CFBF website [www.cbf.cz](http://www.cbf.cz). Also, the definition of PRIBOR including brief description of the Czech financial market and usage of PRIBOR are publicly available on the CFBF website, under Benchmark Statement - PRIBOR updated June 2022.

Detailed description of the calculation of PRIBOR is provided in the published PRIBOR Calculation Methodology document and in PRIBOR Code of Conduct, where responsibilities of Panel Banks with respect to the contribution of input data are described to ensure consistent behaviour by Panel Banks same as quality, accuracy and quantity of the input data.

All aspects of determination methodology are discussed by the Oversight Committee on regular basis as part of agenda point called Evolution of PRIBOR.

The Oversight Committee at its meeting held on 5<sup>th</sup> December 2022 has further considered whether there have been any material changes since last review which would require revision to the methodology of PRIBOR and the Oversight Committee does not believe that there have been such changes and that the benchmark methodology remains unchanged and fit for purpose. No public consultation on material changes to PRIBOR benchmark as per Consultation Policy (as published on [cbf.cz](http://cbf.cz)) took place since the last annual review.

## PANEL BANK COMPOSITION

There have been no changes to the number and identities of Panel Banks contributing Input Data for Benchmark calculation from December 2021 to November 2022, the number of Panel Banks remains at 6. One Panel Bank changed its ownership and was renamed during the period.

All Panel Banks kept contributing regularly during the whole period.

All Panel Banks went through independent audit review in 2021, the next audit review will be conducted in 2023 as per BMR requirements.

## CONCLUSION

The CFBF has considered the points detailed above and does not believe that there have been any changes in the underlying Czech financial market since last annual review which would impact on the underlying construction of PRIBOR and its use in financial markets.