

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 13, paragraph 1(b) an administrator shall develop, operate and administer the benchmark and methodology transparently. To that end, the administrator shall publish or make available the details of the internal review and the approval of a given methodology, as well as the frequency of such review.

CFBF publishes the details of the internal review via this document. The PRIBOR Methodology was approved by the CFBF Board of Directors prior the authorisation by the competent authority (Czech National Bank) and subsequently regularly reviewed by the CFBF Board of Directors. The frequency of such review is 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.cfbf.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 suitability 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.cfbf.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.

Detailed description of the calculation process of PRIBOR is provided in the published PRIBOR Calculation Methodology document and in PRIBOR Code of Conduct.

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 4th December 2023 has further considered whether there have been any material changes since last review which would require revision to the methodology of PRIBOR. The Oversight Committee does not believe that there have been such changes. The Oversight Committee believes that there is no need of change of the current PRIBOR methodology.

Public consultation on the Review of PRIBOR tenors was launched in June 2023. As a result of the consultation, CFBF will move forward with reduction of number of PRIBOR tenors, discontinuing 2 Months and 9 Months tenors. The timeframe for the cessation of 2 Months and 9 Months tenors is set to 1st quarter of 2025, with exact date to be specified in the near future. No other public consultation on the material changes to PRIBOR benchmark as per Consultation Policy (as published on cfbf.cz) took place since the last annual review in December 2022.

PANEL BANK COMPOSITION

There have been no changes to the number and identities of Panel Banks contributing Input Data for Benchmark calculation from December 2022 to November 2023, the number of Panel Banks remains at 6.

All Panel Banks went through external audit during 2023, the next audit review will be conducted in 2025 as per BMR requirements.

CONCLUSION

The CFBF has considered the points detailed above and decided not to apply any changes to the PRIBOR definition and methodology.