

Appendix: List of the interest rate benchmark criteria applied by the Steering Committee of the National Working Group

1. Quality of the benchmark

- a. Is the benchmark methodology based on input data being representative and reliable market data and describing the largest possible underlying market?
- b. Does the benchmark present a competitive market price describing the cost of funding / price of money corresponding to the status of a near risk-free rate?
- c. Is the benchmark methodology resilient to manipulation?

2. Description of the benchmark

- a. Does the benchmark properly respond to changes in market conditions (e.g. the level of liquidity in the financial sector, regulatory framework determining the operating rules for market entities)?
- b. Does the benchmark properly respond to changes in the parameters of the monetary policy?
- c. Does the definition of the benchmark clearly identify the market it aims to measure?
- d. Is there a risk that the benchmark cannot be determined due to the information resource of a given index? Is the fallback procedure provided for in the methodology credible and transparent enough and does it allow to determine a benchmark that reflects actual conditions in the underlying market?
- e. Is the benchmark's underlying market in any way similar to the market normally described by WIBOR and what is the essence of that similarity?
- f. Are there indications for maintaining the homogeneity of the benchmark in terms of entities?
- g. Does the current benchmark methodology ensure its stability and reduce the risk of material changes in the methodology that could occur in the short and long terms?

3. Management and responsibility

- a. The benchmark administrator acts in accordance with the powers under the BMR and the proposed benchmark complies with the BMR.
- b. The benchmark administrator ensures an appropriate level of control and supervision over the benchmark, including data confidentiality.
- c. The benchmark methodology / definition allows for / supports an effective supervision and monitoring exercised by competent institutions (including to the extent that goes beyond the role of administrator, e.g. in relation to the possibility of affecting a given index in the case of a specific market situation)?

4. Other factors

- a. Does the benchmark enable the creation of a forward-looking yield curve?

- b. Potential for applying the benchmark to a wide range of financial instruments and financial contracts: Are there any risks related to the capacity to incorporate a given benchmark and adapt it due to the relevant benchmark methodology or entities covered?
- c. Availability of historic data on a given index is adequate.
- d. Possibility for setting a spread adjustment for the WIBOR replacement rate on a given benchmark: Are there any risks associated with setting a spread adjustment between the risk-free rate and WIBOR?
- e. The time limit and rules for the publication of the benchmark: Is the benchmark published and delivered to the public in a proper manner that guarantees the capacity to use the relevant information in financial instruments and financial contracts?
- f. Is it possible to design an index that will serve as an alternative for the basic index?
- g. Market legitimization: the benchmark is accepted among financial market entities, financial market infrastructure entities and public institutions when it comes to the benchmark's appropriateness for a given entity and the whole market.