

Summary Meeting Conclusions

Conclusions of the Nibor Oversight Committee (NOC) 13 March 2024 meeting

Participants

Egil Sjørnsen (chair) – (Teams, NOC 01/24 – 02/24)

Gernot Doppelhofer, NHH (deputy chair)

Hallvard Mørck, NHO

Tore Waseng, SEB

Kyrre Aamdal, DNB Bank

Ottar Strompdal, Nordea Bank

Dag Olav Uddu

Excused

None

Adoption of the meeting agenda

Nibor Oversight Committee (NOC) adopted the meeting agenda. No member declared any potential conflict of interest connected to the agenda items.

Candidate for replacement of a NOC member

Sjørnsen has served notice of his wish to retire from the Committee. NOC thanked Sjørnsen for his long-term contributions to the work in the Committee.

NOC is to be consulted before a new member of the Committee is appointed by NoRe. NOC gave its support to the administration's proposal for a new member of NOC.

Conclusions from the NOC meeting 6 December 2023

NOC had no additional comments to the items referred in the meeting conclusions from the 6 December 2023 meeting.

Conclusion from last meeting in Nibor Advisory Committee

NOC took note of the information from the last Nibor Advisory Committee meetings.

Nibor developments since last NOC meeting

The administration gave an update on the developments in financial markets, Nibor and the Nibor submissions. NOC concluded that the development of Nibor seemed to have reflected the underlying market also in the period since the last committee meeting. No suspicious behaviour has been identified.

In its last meeting, the Committee established a working group to evaluate the information the committee receives on Nibor developments. NOC discussed the adjustments advised by the group and asked the administration to organise a workshop on certain specific areas.

Periodic reporting

a) Quarterly report from the NoRe Compliance function

NOC was presented a quarterly report from the NoRe Compliance Officer.

b) Periodic reports from the Nibor Calculation Agent

NOC was presented with the monthly, quarterly, and yearly reports from GRSS and informed about NoRe's assessment of these.

NOC took note of the periodic reporting from the Nibor Compliance function and the calculation agent.

Nibor 2023 – NOC's yearly evaluation

Nibor Oversight Committee (NOC)'s mandate is to oversee how the combined rules and regulations related to Nibor are being adhered to. The Committee's assessment and overall conclusions will be conveyed to the Board of NoRe.

NOC has had four meetings during 2023. There was no e-mail-based handling of urgent matters during 2023.

2023 turned out to be a challenging year with major movements in interest rates. Norges Bank, the Central bank of Norway, increased rates several times to combat inflation, the same development we experienced in most western countries. Norges Bank decided at the December meeting to raise the policy rate to 4,5 percent to combat inflation. Interest rates are expected to remain high until we see inflation subsiding. The banking sector in the US and Europe experienced some turbulence earlier in 2023, but financial markets have shown signs of improvement since then.

During 2023, the Administrator provided NOC with weekly NIBOR reports. These comprehensive reports have allowed NOC to keep constantly updated as to relevant market and rate developments. The Administrator has, upon request from NOC, continuously developed and improved information sent to NOC.

NOC has also been updated about the development in regulation, both nationally and at European level. In 2021, the EU Commission concluded that Nibor was defined as a critical benchmark under the BMR requirements. Following the classification as a critical benchmark, a number of policies have been revised, and NoRe was audited by EY. NoRe was found to comply with the benchmark methodology and the BMR.

The Administrator continues to follow up, and notify NOC, on relevant regulations, as well as the expanded role of the Financial Supervisory Authority (FSA). The FSA conducted an onsite supervision and control of the Administrator in September 2022. The FSA concluded in its final report published in March 2023, that NoRe has consistently established a good framework for the business. The comments and suggestions for improvements have been addressed by NoRe.

NOC has also received satisfactory assessments and reporting from the NoRe administrator, the NoRe Compliance function and from GRSS as the calculation agent for Nibor. The Compliance function was in 2023 outsourced to a company specialized in providing such services, which strengthens the stability and continuity of the function.

The Committee's assessment is that the Nibor tenors reflected the relevant market during 2023. It is important to underline with satisfaction that the panel banks have all contributed to an orderly fixing of the Nibor rates every business day of 2023. The rates for the Nibor-tenors did not show

any anomalous developments. The Committee finds that Nibor is based on a robust regime around the fixing of rates, which works well also during periods of market volatility. The Administrator, with support from GRSS, has also investigated both the different banks contributions, as well as the consistency of the Nibor rates with USD and EUR rates and related fx forwards. The ongoing analysis has been expanded and is in general more comprehensive. The administrator has during 2023 had onsite visits to all panel banks. None of these visits have revealed any reasons for concern.

Reports from the surveillance by GRSS have been distributed. No suspicious behaviour in the setting of the Nibor rates during 2023 has been discovered. No complaints have been received. NoRe Compliance Officer has confirmed the assessment of adequate control activities.

NOC has also assessed the Nibor framework as such, based upon reporting from the administrator. NOC has found that received reports continues to be suitable for its intended purpose. NOC also appreciate the Nibor training program developed and delivered towards the panel banks.

Conclusion:

The Nibor Oversight Committee acknowledges the receipt of various reports from GRSS and from NoRe as the Nibor administrator. In combination, these reports are seen as sufficient for the NOC assessment under the applicable laws and regulations for the year 2023.

The Committee's assessment is that Nibor reflected the relevant market, as described in the Nibor Calculation Methodology, through 2023. Furthermore, the Committee concludes that Nibor has been well managed during 2023 and commended NoRe as administrator for the accomplishments through the year.

The committee would like the administrator to assess the publication of relevant documents and reports related to control activities in the same way as for previous years. The chair was mandated to decide on this matter.

Annual review of the Nibor Framework – 2nd phase

The committee was invited to carry out its second, and final, phase of NOC's annual review of the Nibor framework. In particular, NOC was invited to assess:

- the Nibor methodology, including its definition,
- the documents which govern the methodology,
- the other requirements laid upon the panel banks, and
- the documents which govern the yearly reviews.

The Committee acknowledged the receipt of various reports, which in combination was regarded as sufficient for the committee's yearly review under the applicable laws and regulations. The Committee concluded that the current Nibor benchmark methodology continues to be suitable for its intended purpose.

Furthermore, the committee reviewed the content of the governing documents. The Committee found no need to amend these documents now.

The Committee has, by this, concluded its annual review of the Nibor framework.

Nibor Oversight Committee Dispute Resolution and Escalation Procedure

NOC will work with the NoRe administration and Board to redesign the Nibor Oversight Committee Dispute Resolution and Escalation Procedure.

Other ongoing processes

a) Training program for panel banks January 2024

NOC was briefed about NoRe's extra training program for the panel banks held in January 2024.

b) BMR audit of Nibor administrator 2024

NOC was briefed about status on the BMR audit of NoRe as Nibor administrator in 2024.

c) Committee fee for independent members 2024

NOC was informed about the NoRe's Board's decision on fees for the independent NOC members in 2024.

d) Bilateral meetings with panel banks in 2024

NOC was briefed about NoRe's upcoming bilateral meetings with the panel banks.

e) Transparency – Assessment of analysis relevant for publication

NOC was informed about status regarding the administration's work on a memo to be published on NoRe's website.

f) Public regulation (BMR etc.)

NOC was briefed on NoRe's plan to ensure compliance with DORA by the time of this regulation enter into force in January next year.

NOC took note of the information provided on other ongoing processes.

Admincontrol – Meeting Book

NOC supported the use of Admincontrol's Meeting Book functionality starting from its next meeting.

Meeting Schedule

NOC decided to have its first regular meeting in 2025 on 12 March.

AOB

a) NoRe staff

NOC took note of the information about changes in the NoRe staff.

b) Declaration on Conflict of interest for NOC members

NOC members will return signed declaration on Conflict of Interest to NoRe.