Newsletter

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The Nibor Calculation Methodology - Adjustment

The rules for calculating Nibor as a trimmed mean has been amended for a currently hypothetical situation, with input data from eight banks. The amendment does not affect how Nibor is calculated today or has been calculated in the past. The new version of the rules applies as from 1 October 2026.

The Nibor calculation methodology

Nibor calculation rules are specified in the Nibor Calculation Methodology. According to Clause 6.1, "Fixing methodology", Nibor shall be calculated as a simple average of the interest rates submitted by the panel banks after trimming has been performed. The number of contributions to omit depends on the number of contributions. For more than seven, the two highest and two lowest contributions shall be omitted. For five, six or seven, only the highest and lowest contributions shall be omitted. Today, Nibor is calculated based on contributions from a panel of seven banks.

Rationale for and description of change

The number of banks contributing to Nibor increased from six to seven in January 2026. Thus, an addition of another panel bank would mean that Nibor is to be calculated as a mean after having omitted four out of eight contributions.

Without trimming, outliers can skew the mean away from the centre of the data sample. NoRe has concluded that for eight contributions, trimming the highest and lowest sufficiently reduce the influence of outliers.

The revised formulation in the Nibor Calculation Methodology Clause 6.1, reads as follows: "The calculation shall omit the two highest and the two lowest interest rates if more than eight banks have submitted, or the lowest and the highest rates if five to eight banks have submitted."

Consequences

The amendment affects the calculation of Nibor only if there are contributions from eight panel banks. Since the formalisation of Nibor in 2011, there have never been that many banks contributing to Nibor. The revised rule will therefore have no effects on how Nibor is calculated today and would neither have had any effect on the Nibor values calculated since 2011. Furthermore, NoRe has no indications of any new banks wishing to join the Nibor bank panel. As such, the amendment governs an as of today purely hypothetical situation.

The assessment by the Nibor Oversight Committee

The Nibor Oversight Committee gave in its meeting in May its support to adjusting the rules. The committee did not assess such an amendment as a material change to the Nibor methodology. The rules in question have never been applied in practice, and the proposed amendment would not alter the underlying methodology for calculating Nibor neither in the present nor in retrospect.

For questions, please contact us on post@nore-benchmarks.com

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