The Rules of Calculating and Making Public the Ukrainian Index of Interbank Rates

I. General provisions

1. 1. The Ukrainian index of interbank rates (UIIR) is calculated and made public with the purpose of providing market participants with reliable reference points for national currency interbank rates.

2. The UIIR is an indicative measure, meaning that neither market participants nor the National Bank of Ukraine are obliged to enter into agreements on the basis of this index.

3. The UIIR is calculated daily (at the end of each business day) on the basis of all interbank national currency agreements that were concluded by banks that day and entered into/registered, when the UIIR was calculated using the system by which Ukrainian banks provide information about interbank hryvnia loan purchase and sale agreements (the CredInfo2 system) and the system for confirming interbank foreign exchange agreements (the Val_Kli system) for US dollar purchase swap agreements.

4. The UIIR is calculated and made public for two types of interbank agreements:

1) "unsecured loans and deposits," which, for the purposes of calculating the UIIR, mean all unsecured loans and deposits that have been registered by the CredInfo2 system (including extended agreements);

2) "swap agreements," which, for the purposes of calculating the UIIR, include:

all transactions related to the provision/placement of credit resources with the simultaneous receipt of the equivalent amount of US dollars (including extended agreements) that have been entered into CredInfo2;
all US dollar purchase swap agreements that have been entered into the Val_Kli system.

5. For each category specified in paragraph 4, the UIIR is calculated and made public for agreements with the following maturities:

1) overnight agreements, which, for the purposes of this document, mean agreements that are settled the next business day after the day they were entered into;

2) one week agreements, which, for the purposes of this document, mean agreements that are settled seven calendar days after the day they were entered into, or the next business day after that day (if the day following the seven calendar days falls on a public holiday, or is a working day that has been officially declared a non-working day, etc.

3) two weeks agreements which, for the purposes of this Procedure, shall mean agreements that are settled 14 calendar days after the date they were entered into, or the next business day after that date (if the day following the 14 calendar days falls on a public holiday, or is a working day that has been officially declared a non-working day, etc.);

3) two-week agreements, which, for the purposes of this Procedure, shall mean agreements that are settled 14 calendar days after the date they were entered into, or the next business day after that date (if the day following the 14th calendar day falls on a public holiday, or is a working day that has been officially declared a non-working day, etc.);

4) one-month agreements, which, for the purposes of this Procedure, shall mean agreements that are settled 29-32 calendar days after the date they were entered into;

5) three-month agreements, which, for the purposes of this Procedure, shall mean agreements that are settled 85-95 calendar days after the date they were entered into.

6. Calculation and publication of all UIIR values shall be carried out in percentage per annum with precision to four decimal places.

II. Conditions and procedure for calculation and publication of UIIR index

7. To calculate the UIIR on a certain day, information shall be taken which was provided/registered in the KredInfo2 and Val_Kli systems during that working day under agreements concluded on that day and present in these systems as at 9:00 am the next day.

8. Calculation of UIIR for each period and each category shall be carried out only if as of 9:00 am the next working day information was recorded/registered with the KredInfo2 and Val_Kli systems on at least five agreements with relevant terms and categories under which contractors are from at least three different banks. If these conditions are not complied with, the calculation of UIIR for the relevant period and category shall not be carried out, and the information to be disclosed shall take the indication of "–" in the respective position.

9. To calculate UIIR for the "unsecured loans and deposits" category, nominal interest rates, reflected by banks under relevant agreements in KredInfo2 system, shall be used.

10. To calculate UIIR for the "swap agreements" category, ratios of interest rates shall be used which are calculated as follows:

1) on transactions with the provision/allocation of credit resources in domestic currency subject to a simultaneous receipt of an equivalent amount of funds in US dollars, information on which is provided in the KredInfo2 system - as the difference between nominal interest rates on provided funds in domestic currency and the funds received in US dollars under the relevant agreements;

2) on transactions in a foreign currency purchase on "swap" conditions (recorded in the Val_Kli system) as follows:

$$\text{Stavka\_swap} = [(\text{FX rate 2} - \text{FX rate 1}) \bullet 365 \bullet 100\%) :$$
$$(\text{FX rate 1} \bullet (\text{Date2} - \text{Date 1})],$$

where: Stavka_swap – rate on transactions on a foreign currency purchase on "swap" conditions;

   FX rate 1 – rate of agreements for the first part of the swap operation;
   FX rate 2 – rate of agreements for the second part of the swap operation;
   Date 1 – value date in hryvnia for the first operation;
   Date 2 - the value date in hryvnia for the second operation;
   365 – the estimated number of days per year.

11. The UIIR calculation for each term of each category shall be carried out as follows:

1) all agreements of a relevant term and category which meet the requirements of paragraph 7 of this Procedure, shall be ordered from the smallest to the largest nominal/estimated interest rate;

2) from the resulting row, ordered in accordance with subparagraph 1 of this paragraph, 20% of the total number of agreements shall be removed from the top rows and 20% of the total number of agreements from the bottom rows. If 20% of the total number of agreements is not a whole number, then the relevant value shall be rounded to a whole number;

3) the ordered rows, remaining after the cut-off pursuant to subparagraph 2 of this paragraph, are considered the basis rows for calculating UIIR;

4) UIIR shall be calculated as the simple arithmetic mean of the basis rows.

12. Disclosure of UIIR for the relevant working day shall be carried out before 10:00 am the next working day on the pages of the official website of the NBU.

III. Final provisions

13. If, after the time specified in paragraph 7 of this Procedure, information in KredInfo2 and Val_Kli systems is amended for any reason under agreements for the previous working day, the UIIR shall not be subject to recalculation.

14. Any changes to the terms and procedure of calculation of UIIR shall take effect no earlier than one week after their publication on the pages of the official website of the NBU.