APPROVED Resolution of the Board of the National Bank of Ukraine
No. 860 dated 3 December 2015
(as amended under Decision of the National Bank of Ukraine No. 466-рш dated 19 July 2018)

Procedure for Calculating and Publishing Ukrainian Index of Interbank Rates

I. General Provisions

1. The Ukrainian Index of Interbank Rates (UIIR) shall be calculated and published for the purpose of providing market participants with reliable indicators of the hryvnia's value in Ukraine's interbank market.

2. UIIR values shall be indicative, that is, market participants and the NBU shall be under no obligation to make transactions with the respective parameters.

3. The UIIR shall be calculated daily (as of the end of each business day) based on the information on contracts to provide/place hryvnia resources concluded between banks in Ukraine's interbank market on a given day and reported to the NBU through the relevant information exchange channels of trade and information systems (TIS) before 9:00 a.m., Kyiv time, the next business day.

4. The UIIR shall be calculated and published for two categories of interbank transactions:

1) *loans and deposits*, which, for the purpose of UIIR calculation, shall comprise all lending and deposit transactions made via TIS platforms (including information on prolonged contracts)

2) *swaps,* which, for the purpose of UIIR calculation, shall comprise all US dollar purchases on *swap* terms made via TIS platforms.

5. In each category provided for by paragraph 4, the UIIR shall be calculated and published based on transactions with the following maturities:

1) overnight, which, under the present Procedure, shall mean transactions settled on the next business day after the date of conclusion

2) one week, which, under the present Procedure, shall mean transactions settled seven calendar days after the date of conclusion or on the next business day after this date

(if the respective business day is followed by one or more non-business days in seven calendar days due to state holidays, substitution of holidays, etc.)

3) two weeks, which, under the present Procedure, shall mean transactions settled 14 calendar days after the date of conclusion or the next business day after this date (if the respective business day is followed by one or more non-business days in 14 calendar days due to state holidays, substitution of holidays, etc.)

4) one month, which, under the present Procedure, shall mean transactions settled 29–32 calendar days after the date of conclusion

5) three months, which, under the present Procedure, shall mean transactions settled 85–95 calendar days after the date of conclusion.

6. The UIIR shall be calculated and published as a percentage per annum with an accuracy of four decimal places.

II. Terms and Procedures for Calculating and Publishing the UIIR

7. The paragraph is deleted.

8. The UIIR shall be calculated for each maturity of each category only in the event that, before 9:00 a.m. of the next business day, the NBU receives information on at least five transactions of the respective maturity and category with at least three different banks as counterparties through the corresponding TIS information exchange channels. If the aforementioned terms are not met, the UIIR shall not be calculated for the respective maturity and category, and the information subject to publication shall be marked with “-” in the corresponding line.

9. In the *loans and deposits* category, the UIIR shall be calculated with the use of nominal interest rates provided by banks under corresponding transactions.

10. In the *swaps* category, the UIIR shall be calculated using the estimated values of interest rates, which shall be estimated by the following formula:

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

where: Stavka_swap is a rate based on all FX purchase operations on *swap* terms

FX rate 1 is the rate based on the first part of a swap transaction

FX rate 2 is the rate based on the second part of a swap transaction

Date 1 is the value date of the first UAH transaction

Date 2 is the value date of the second UAH transaction

365 is the estimated number of days in a year.

11. The UIIR shall be calculated for each maturity of each category as follows:

1) All transactions of a corresponding maturity and category are ranged from the lowest to the highest interest rate. From this range, 5% of transactions are cut top-down and 5% of transactions are cut bottom-up.

If 5% of the total number of transactions is not an integer, the corresponding value is rounded to the nearest integer value.

2) The standard deviation of an interest rate is calculated from the transactions' range resulting from the execution of paragraph 11, subparagraph 1 under the following formula:

$$\sigma_r = \sqrt{\frac{\sum_{i=1}^{n}(X_{ri} - \overline{X_r})^2}{n}}$$

where σ_r is the standard deviation value of an interest rate

X_{ri} is the interest rate of an i-transaction

$\bar{X}_r$ is the average value of a range of interest rates

n is the number of transactions.

3) Transactions with an interest rate that deviates from the average value of the $\bar{X}_r$ interest rate by more than two standard deviation values of the interest rate σ_r are cut from the transactions' range resulting from the execution of paragraph 11, subparagraph 1.

4) The range resulting from the execution of paragraph 11, subparagraph 3 is deemed as a base range for the UIIR calculation.

5) The UIIR value is calculated as an average value of the base range.

12. The UIIR of a given business day shall be published before 10:00 a.m. of the next business day on the NBU official website.

III. Final Provisions

13. If after the time set under paragraph 3 of the present Procedure the NBU receives any additional/adjusted information on transactions of a preceding business day via the corresponding TIS information exchange channels, the UIIR shall not be recalculated.

14. Any changes to the terms and procedures of the UIIR calculation shall take effect no earlier than a week from their publication on the NBU official website.