

## Summary of Meeting Conclusions

### Summary of conclusions from the Nibor Oversight Committee (NOC) 8 March 2021 meeting

#### Participants

Egil Sjursen (chair)  
Aksel Mjøs, Norges Handelshøyskole (deputy chair)  
Hallvard Mørck, NHO  
Øyvind Telle, Sbanken  
Tore Waseng, SEB  
Kyrre Aamdal, DNB Bank  
Ottar Strompdal, Nordea Bank

#### Excused:

None

Initially, Mørck was welcomed as a new member of the committee.

#### **Adoption of the meeting agenda**

The committee adopted the meeting agenda. The members declared no potential conflict of interest.

#### **Conclusions from the NOC meeting 7 December 2020 and item handled in writing in January**

The committee had no additional information on the meeting conclusions and confirmed the conclusions from the item handled in writing in January 2021 concerning the proposal to appoint Hallvard Mørck as a new member of NOC.

#### **Conclusions from the last meetings in Nibor Advisory Committee**

The committee took note of the conclusions from the Nibor Advisory Committee meetings.

#### **Nibor – Developments since last meeting**

The Secretariat gave an update on the development since the last meeting as well as the Nibor development in 2020.

The committee concluded that Nibor seems to have reflected market conditions also in the period since its last meeting, in accordance with relevant framework and regulations.

#### **Periodic reporting from the Calculation Agent**

The Nibor Oversight Committee took note of the Quarterly report from the Calculation Agent covering the period November 2020 - January 2021.

#### **Nibor 2020 – 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. Its assessment and conclusion will be conveyed to the board of NoRe.

The NOC has had six meetings during a most challenging year 2020. The administrator provided the NOC with daily NIBOR-reports from the Covid-19 outbreak in March until 26 May, and weekly since. These comprehensive reports have allowed the NOC to keep constantly updated as to the relevant market and rate developments. In addition to this market information, the NOC has also been informed about the developments in regulations, and the approval by Finanstilsynet of NoRe as administrator under the BMR-requirements. The documentation includes the satisfactory reporting from the NoRe compliance function.

The Covid-19 situation impacted all financial markets, and thus also the NIBOR calculation. Still, the NOC notes with satisfaction that the panel banks have contributed to an orderly fixing of the NIBOR rates every business day of 2020. Norges Bank decreased its signaling rate several times during 2020 and from 7 May, the rate was zero. Large movements in the liquidity in the money markets caused a larger variation in the NIBOR vs. signaling rate spreads. In general, the Norwegian government's financing of Covid-19-related policies has also impacted the NOK money market.

The rates for the NIBOR-tenors did not show any suspicious developments and reinforced the impression of a robust regime around the setting of the rates. The latter despite the market volatility in general. The administrator with support also from the agent, GRSS, have also investigated both different panel banks' contributions, as well as the consistency of the NIBOR rates with USD and EUR rates as well as related fx forwards. None of these investigations have revealed any reasons for concern.

Reports from the surveillance by GRSS have been distributed. No suspicious behavior in the setting of the NIBOR rates during 2020 was discovered, nor have any complaints been received. NoRe Compliance Officer has confirmed the assessment of adequate control activities.

NOC has also assessed the NIBOR framework as such, based on reporting from the administrator, and found that this continues to be suitable for its intended purpose.

The Nibor Oversight Committee acknowledged the receipt of the various reports from GRSS and NoRe as Nibor administrator. In combination, these reports are seen as sufficient for NOC's assessment under the applicable laws and regulations for the year 2020. The committee would like the administrator to assess the publication of relevant documents and reports related to control-activities. The chair was mandated to decide on this matter.

The Nibor Oversight Committee concludes that Nibor has been well managed during 2020 and commended NoRe as administrator for the accomplishments through the year.

**NoRe Compliance officer's internal audit of the Nibor Framework - status**

The Nibor Oversight Committee took note of the internal audit of the Nibor Framework.

**NOC' yearly review of the Nibor framework**

The Nibor Oversight Committee determined that the current Nibor methodology continues to be suitable for its intended purpose. The Committee concluded that the yearly review was concluded.

**NoRe Policy for deleting meeting records**

The Nibor Oversight Committee took note of the NoRe draft communication-record destruction policy.

**Other ongoing processes**

**a) External audit**

NoRe has started its external audit process using EY as an external auditor.

**b) Training program for panel banks**

The Nibor training program was successfully held on Teams in February

**c) Daily reporting**

The development of a better and more effective solution has temporarily been set on hold.

**d) Enhancing Nibor methodology transparency**

The Nibor Oversight Committee was informed on status regarding the administration's transparency model and how this is to be published on NoRe's website

The Nibor Oversight Committee took note of information about ongoing processes in NoRe.

**Alternative NOK Interest Rate Benchmarks working group (ARR) – status**

The Nibor Oversight Committee took note of information provided about status in the work on alternative NOK Interest Rate Benchmarks.

**Meeting schedule**

The Nibor Oversight Committee's first regular meeting in 2022 will be held 14 March 2022.

Furthermore, the NOC meeting 6 December 2021 was moved to 14 December 2021.

**Any other business**

No issues were raised.