

Summary of consultations on Change of Method of WIBOR for 1Y Fixing Tenor during the run-off period

Rationale for consultations

GPW Benchmark S.A. (hereinafter: „Administrator“) conducted public consultations on „Change of Method of WIBOR for 1Y Fixing Tenor during the run-off period“.

Two methods for calculation of WIBOR for 1Y Fixing Tenor were presented in the consultation paper. Those methods resulted from an ongoing supervisory communication with the Polish Financial Supervision Authority (hereinafter: "KNF"), following the Administrator's decision to cease provision of the WIBOR for certain Fixing Tenors and the assessment of how WIBOR for certain Fixing Tenors should be ceased in an orderly fashion, which was submitted to the KNF's evaluation pursuant to Article 21 of the BMR¹. The public consultation on static adjustment spread method and the dynamic adjustment spread method, including two calibration options of the latter, reflected the scope of prior supervisory communication conducted after a review and assessment of the WIBID and WIBOR Reference Rates pursuant to Article 23 of the BMR was finalized. The main assumption was that an algorithmic method based on the WIBOR for 3M Fixing Tenor adjusted with an adjustment spread, as directed by the KNF, shall be developed. The KNF accepted the Administrator's way to perform cessation of WIBOR provision for certain Fixing Tenors, including the envisaged scope of the public consultations with regards to WIBOR for 1Y Fixing Tenor. Pursuant to Article 21 of the BMR, the KNF imposed the obligation on the Administrator to continue to publish WIBOR for 1Y Fixing Tenor for the next 12-months, i.e. from 22 December 2025 to 22 December 2026, while method of calculation of WIBOR for 1Y Fixing Tenor shall be the one selected through the public consultations.

Consultations outcome

The public consultations carried out by the Administrator took place between 1 and 19 October 2025. There were 13 stakeholders that participated in the consultations, out of which 7 confirmed that they have exposure to WIBOR for 1Y Fixing Tenor. One participant indicated that their exposure should diminish during the run-off period. Furthermore, 2 participants were public bodies and one was a local government unit that has exposure to WIBOR for 1Y Fixing Tenor.

The dynamic adjustment spread method was supported by 10 participants while only 2 were in favor of the static spread. One participant did not take stance on the matter but provided their own assessment of the two approaches.

In case of the static adjustment spread method, one participant argued that this approach was simple, compliant with the ISDA practice and was supported by the KNF. These arguments were also shared by the participant which did not take stance. Simultaneously, that participant noted that dynamic adjustment spread method performed better at reflecting the historical WIBOR for 1Y Fixing Tenor.

Institutions supporting the dynamic adjustment spread method highlighted its elasticity and accuracy when compared with the static adjustment spread method. They indicated that the use of the static adjustment spread method would lead to a significant change in the shape of the money market yield curve which could mean a material change to the WIBOR method.

One stakeholder and at the same time the only foreign entity that took part in the consultations, observed that the static adjustment spread method generates cliff edge risk, i.e. risk of sudden change in the value of WIBOR for Fixing Tenor 1Y value, which could lead to material imbalance between counterparties. That stakeholder also considered a theoretical situation, where two spreads established at different junctures, would overlap, should the KNF, with respect to WIBOR for 1Y Fixing

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 ("BMR").

Tenor, take action referred to in Article 23c of the BMR and consistent with Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management².

Which type of algorithmic method used for WIBOR for 1Y Fixing Tenor do you support?	Number of participants
Dynamic adjustment spread method	10
Static adjustment spread method	2
No stance	1
Total	13

Table 1 – Summary of answers to the question on how WIBOR for 1Y Fixing Tenor shall be provided during the run-off period.

The choice of the dynamic adjustment spread method led to the question on its correction coefficient. Six stakeholders that supported the dynamic adjustment spread method indicated that correction coefficient computed for the long-term period (5 years) would be suitable. Another three showed their preference for the correction coefficient based on the medium-term period (2 years). Participants in favor of the long-term period correction coefficient highlighted its lower volatility as compared with the medium-term period correction coefficient, and the fact that it was calculated for the time that encompasses periods of both high and low interest rates. The support for the long-term period resulted from the fact that the simulated WIBOR for 1Y Fixing Tenor was better fitted compared to simulations based on a medium-term period.

Those who preferred medium-term correction coefficient emphasized that it performs better at reflecting the current market conditions. Nonetheless, it was pointed out that this argument relies heavily on the plan to publish WIBOR for 1Y Fixing Tenor under this method only for 12 months.

Which calibration of the correction coefficient alfa do you support?	Number of participants
Correction coefficient calibrated over the long term (value: 0.57)	6
Correction coefficient calibrated over the medium term (value: 0.65)	3
No stance	1
Total	10

Table 2 – Summary of answers to the question on which correction coefficient in the dynamic adjustment spread method should be used.

Consultation conclusion

The Administrator acknowledges that the number and structure of stakeholders that took part in the consultations confirm their representativeness and the submitted responses provide the basis to draw certain conclusions as to the choice of the algorithmic method of the WIBOR for 1Y Fixing Tenor to be used during its run-off period. The participants were professional institutions, public bodies and the local government unit with the exposure to WIBOR for 1Y Fixing Tenor. It is important to point out that the stakeholders examined the implications of change of method used for calculation of WIBOR for 1Y Fixing Tenor based on analysis prepared by the Administrator, while some of them signaled that they carried out their own assessment. Although two participants emphasized KNF's support for the static spread method, it should be noted that a matter of public consultations was part of the assessment of how WIBOR for 1Y Fixing Tenor is to be ceased, due to the need to introduce an algorithmic method consistently with Administrator's relevant procedures and regulations. Therefore both methods were subject to the prior supervisory evaluation of the Administrator's assessment on how the provision of the WIBOR for 1Y Fixing Tenor should be ceased pursuant to Article 21 of the BMR.

² Ustawa z dnia 5 sierpnia 2015 r. o nadzorze makroostrożnościowym nad systemem finansowym i zarządzaniu kryzysowym w systemie finansowym (Dz. U. z 2025 r. poz. 819)

Based on the abovementioned conclusions, the Administrator informs that the dynamic adjustment spread method with correction coefficient calibrated over the long term, that amounts to 0.57, will be implemented.

In accordance with the obligation set by the KNF, the changed method used for calculation of WIBOR for 1Y Fixing Tenor will be introduced on 22 December 2025 and will be employed for 12 months from that date.

Consultations results and conclusion were approved by the Oversight Committee of Interest Rate Benchmarks.