
BENCHMARK STATEMENT

THE FAMILY OF TREASURY BOND INDICES

Benchmark Statement - the Family of Treasury Bond Indices adopted by means of Board Resolution No. 74/2023 dated 20.07.2023.		
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52/2025 of 06.05.2025	Change in the point regarding the Procedures for dealing with errors; determining when a redetermination of the benchmark is required	06.05.2025

This document constitutes the benchmark statement referred to in art. 27 of Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the Benchmark Regulation – “BMR”) provided by GPW Benchmark S.A. (the “Administrator”) as the entity that controls the elaboration of the Treasury Bond Indices and is authorised by the Financial Supervision Authority to act as the benchmark administrator.

This statement summarises the key elements of the methodology used to elaborate the Treasury Bond Indices (the “method”), and the key procedures involved. The method and procedures are described in detail in the documentation for the equity and bond indices, published at: gpwbenchmark.pl.

Definitions of terms used for the purpose of describing the method for elaboration of the Treasury Bond Indices are contained in a separate *List of Key Terms for the Treasury Bond Indices*.

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Key terms [art. 27(2)(a) of the BMR]¹

Definitions of key terms relating to the Treasury Bond Indices are set out in the *List of Key Terms for GPW Indices Family, Treasury Bond Index Family, CEEplus Index and GPWB-CENTR Index*, available on the Equity and bond indices documentation section of the website. A description of the market being measured and its geographical boundaries is included below.

ISIN Code [art. 1(1)(b) of the RTS]

Index	ISIN Code
TBSP.Index - Treasury BondSpot Poland Index	PL9999996652
GPWB-B1Y3Y - GPWB Poland Government Bond 1Y-3Y	PL9999999474
GPWB-B1Y4Y - GPWB Poland Government Bond 1Y-4Y	PL9999996645
GPWB-B1Y5Y - GPWB Poland Government Bond 1Y-5Y	PL9999996637
GPWB-B3Y5Y - GPWB Poland Government Bond 3Y-5Y	PL9999996629
GPWB-B5Y - GPWB Poland Government Bond 5Y+	PL9999996611
GPWB-BWZ - GPWB Poland Government Floating Rate Bond	PL9999996538

Use of transmitted input data [art. 27(2)(c) of the BMR, art. 1(1)(c) of the RTS].

The Administrator does not use input data provided by data contributors within the meaning of the Benchmark Regulation (BMR) in the elaboration of the Treasury Bond Indices.

The characteristics of the input data used by the Administrator are described below.

Market to be measured [art. 27(1)(a) of the BMR, art. 1(2)(a-c) of the RTS].

The indices are designed to reflect the Treasury BondSpot Poland market, i.e. the wholesale market for treasury bonds denominated in PLN organised by BondSpot (the "underlying market").

Each Index measures the capitalisation of its portfolio, understood as the current market value of the bond (Reference Rate including nominal price and accrued interest).

The portfolios of the Indices below include **fixed-rate and zero-coupon bonds**:

- ✓ TBSP.Index
- ✓ GPWB Poland Government Bond 1Y-3Y
- ✓ GPWB Poland Government Bond 1Y-4Y
- ✓ GPWB Poland Government Bond 1Y-5Y
- ✓ GPWB Poland Government Bond 3Y-5Y
- ✓ GPWB Poland Government Bond 5Y+

The portfolio of the GPWB Poland Government Floating Rate Bond Index comprises government bonds with **variable interest rates (WZ series)** with a maturity of at least 6 months.

¹ References in brackets are to the statement content requirements contained in the BMR and Commission Delegated Regulation (EU) 2018/1643 of 13 July 2018 supplementing the Regulation with regard to regulatory technical standards clarifying the content of the statement [...] ("RTS")

Circumstances under which a market measurement may become unreliable [art. 27(1)(a) of the BMR, art. 1(3)(a-c) RTS].

The Administrator informs that the market measurement may become unreliable in certain cases. This is possible, for example, if the Treasury BondSpot Poland Market ceases to perform the function of a platform for an organised wholesale market for Treasury Bonds (according to the information of the Ministry of Finance dated 21.01.2019 Treasury BondSpot Poland has been selected as a market for electronic trading of Treasury Bonds by banks with the status of Treasury Securities Dealers for an indefinite period of time). As a result of such or similar circumstances, it will be necessary for the Administrator to carry out a re-review and validation of the method of determining the Indices, a consultation process regarding the introduction of changes to the method of determining the Indices and the discontinuation of the Indices.

Factors beyond the Administrator's control requiring changes to the benchmark index method or discontinuation of the benchmark [art. 27(1)(c) of the BMR].

The Administrator shall inform Users of the Treasury Bond Indices of the possibility of unforeseen circumstances, including external events beyond its control, resulting in a permanent disruption of the underlying market and a shortage of Input Data for the purposes of determining the value of the Indices. As a result of such circumstances, it will be necessary for the Administrator to conduct a re-review and validation of the method of determining the specified Indices, a consultation process regarding the introduction of changes to the method of determining the Treasury Bond Indices or the discontinuation of the elaboration of the specified Indices.

Impact on users of a change in the method or cessation of the elaboration of the benchmark [art. 27(1)(d) of the BMR].

Changes to the method of determination of the Treasury Bond Indices, or the potential discontinuation of their elaboration by the Administrator, may affect:

- ✓ any financial contracts or financial instruments to which the relevant Treasury Bond Indices are referenced,
- ✓ the use of the Treasury Bond Indices data to measure the performance of investment funds.

Method of elaboration [art. 27(2)(b-c) of the BMR].

The method of elaboration of the Treasury Bond Indices realistically reflects the behaviour of the organised wholesale market for treasury bonds, issued by the Minister of Finance on behalf of the State Treasury, which are traded on the Treasury BondSpot Poland Market.

The Index compilation method does not involve the use of any models or extrapolation methods by the Administrator.

The values of the Indices are determined three times during the Trading Day, whereby:

- ✓ the initial value of the Index is determined on the basis of the TBSP.Price rates determined at the first TBSP.Price Session of the relevant Trading Day on the Market, and in the event that the TBSP.Price rates are not determined for a particular series forming part of the Index Portfolio, the last TBSP.fixPrice rate determined for that series of bonds shall be taken into account in determining the initial value of the Index,
- ✓ the closing value of the Index is determined on the basis of the TBSP.Price rates determined at the second TBSP.Price Session on the relevant Trading Day,
- ✓ the closing value of the Index is determined on the basis of the TBSP.fixPrice rates as determined by BondSpot in accordance with the Reference Rate Determination Rules.

The Index value is determined to two decimal places.

The Index values are published on the gpwbenchmark.pl website three times during the Trading Day, whereby:

- ✓ the initial value is published at 10:15 on the relevant Trading Day,
- ✓ the final value is published at 16:45 on the relevant Trading Day,
- ✓ the closing value is published at 17:20 on the relevant Trading Day.

In the event that the time at which the Reference Rate is determined by BondSpot on the relevant Trading Day is changed, the value of the Indices is published within 5 minutes of the determination of the value.

In justified cases, the Administrator has the right to delay the publication of the value of an Index or Indices or to cancel the publication of the value of an Index or Indices. Information about the decision to delay or cancel the publication shall be given immediately and the reason for it shall be published on the website www.gpwbenchmark.pl.

Reason for adopting the indicated method [art. 27(2)(b) of the BMR].

The method for determining the Treasury Bond Indices has been elaborated by the Administrator so that it can reliably reflect the behaviour of the organised wholesale market for Treasury Bonds, issued by the Minister of Finance on behalf of the State Treasury, traded on the Treasury BondSpot Poland Market.

BondSpot's basing of the Reference Rates on the principle of hierarchy with prioritisation of transaction data was a key argument for the Administrator's selection of the Reference Rates as reliable input data.

The reliability of the Indices is also served by the following, adopted by the Administrator and provided for by the Regulations:

- ✓ fixed and clear rules for the qualification of Treasury Bonds for the Index Portfolio,
- ✓ mechanisms for periodic and extraordinary changes to the Index Portfolios, where required,
- ✓ mechanism for the ongoing adjustment of the Index, consisting of the reinvestment of interest payments made by recalculating the Adjustment Coefficient at the end of the Trading Day on which the relevant series of Treasury Bonds from the Index Portfolio is quoted for the last time in the relevant interest period with the right to interest.

Change of method and cessation of elaboration; outline of procedures for public consultation on material change of method [art. 27(2)(b) of the BMR, art. 1(5) of the RTS].

The Administrator has adopted a definition of a "material change" to the underlying market measurement method and set out the definition in Appendix 1 to the Regulations. According to it, a material change is a change that relates to elements of the method that are considered key (Key Method Elements) and, if implemented, would result in a change in the course of the Index value that exceeds certain materiality thresholds.

The Administrator has introduced materiality thresholds defining the limits beyond which a change to a method will be treated as a material change.

With regard to the introduction of changes to the method, the Administrator closely cooperates with the Oversight Committee of the Capital Market Benchmarks, which gives its opinion and approves individual actions. Should a decision be made to launch a public consultation, the Administrator shall prepare a consultation document describing the proposed change and an assessment of the impact of the proposed change on the Index. After expiry of the deadline, the Board shall prepare a public summary of the comments and inform all the identified stakeholders of the results of the consultation. Based on the results of the consultation, the Administrator may decide to:

- ✓ implement the method change, based on the adopted timetable,
- ✓ modify the method change proposal and reassess its impact,
- ✓ abandon the change,
- ✓ discontinue the elaboration of the Index or Index Family.

Characteristics of the input data [att. 27(2)(c) of the BMR]

The Administrator uses Reference Rates elaborated and made publicly available by BondSpot to determine the Treasury Bond Indices, which reflect transactions or binding bids to conclude them relating to Treasury Bonds entered into by participants in the Treasury BondSpot Poland Market in Fixing Sessions. The easy availability of Reference Rates on BondSpot's website https://www.bondspot.pl/fixing_obligacji means that they are not reportable data within the meaning of the BMR.

The Reference Rate is the value, expressed in percentage points, per PLN 100.00 par value of a Treasury Bond.

The method used by BondSpot to determine the input data, which are the Reference Rates, is based on the principle of hierarchy, with priority given to transaction data.

In adopting Reference Rates as input data for the Indices, the Administrator has taken into account that they are adequate to accurately and reliably reflect the underlying market, fully verifiable and readily available (published by BondSpot).

The Administrator uses the following to determine the Index:

- ✓ TBSP.Price Reference Rate from the first session of TBSP.Price,
- ✓ TBSP.Price Reference Rate from the second session of TBSP.Price,
- ✓ TBSP.fixPrice Reference Rate determined by BondSpot based on TBSP.Price Reference Rate determined after the last TBSP.Price session of a Trading Day on which TBSP.fixPrice could be determined.

The Input Data (which are the Reference Rates) used by the Administrator are equivalent, i.e. the Administrator has not introduced a hierarchy in their use. On the other hand, the method used by BondSpot to determine the Input Data was based on the principle of hierarchy, with priority given to transaction data (cf. § 7 of the Regulations for the determination of TBSP.Price and TBSP.fixPrice reference rates²).

Application of expert assessment and discretion; control measures and assessment of discretion [art. 27(1)(b), 27(2)(d) of the BMR].

The Administrator, in determining the Indices, does not apply expert assessment or discretion in assessing the input data.

Procedures during extreme conditions or during periods when sources of transaction data may be insufficient, inaccurate or unreliable [art. 27(2)(e) of the BMR, art. 1(3) of the RTS].

The underlying market measurement may become unreliable in unforeseen circumstances. This may happen if the Treasury BondSpot Poland Market ceases to perform the function of a platform for electronic trading of Treasury Bonds (Treasury BondSpot Poland has been selected as a market for electronic trading of Treasury Bonds for an indefinite period of time) or in the event of a significant decrease in the number of participants in the Treasury Securities Dealer System. As a result of such circumstances, it will be necessary for the Administrator to carry out a review and validation of the method of determining the Indices, a consultation process for the introduction of changes or the discontinuation of the Indices.

Extraordinary circumstances in which the amount of input data may be insufficient may also be cases where BondSpot suspends or cancels a Session due to technical problems resulting in the unavailability or inability to use the Input Data for the determination of values of the Indices; in such case, the

² https://www.bondspot.pl/regulacje_TBSPoland

Administrator shall decide and promptly inform the public of the delay or cancellation of the publication of the values of the Indices until the availability of the Input Data is restored. The Administrator shall resume the determination and public disclosure of the Index values and shall inform the public as soon as possible, in accordance with the adopted emergency response procedures.

Procedures for dealing with errors; determining when a redetermination of the benchmark is required [art. 27(2)(f) of the BMR].

In accordance with the Regulations, the Administrator may delay or cancel the publication of the value of the Index or Indices in justified cases. This may happen in situations where errors are detected. No redetermination procedure is provided for.

In the event of emergency situations resulting from operational incidents, the Administrator, if it finds that incorrect bond indices values have been published, makes corrections and makes public the correct bond indices values.

Potential limitations of the indices, including their operation in non-liquid markets and in the case of concentration of input data [art. 27(2)(g) of the BMR].

The value that correctly reflects the situation on the underlying market taking into account the adjustment of the Reference Rates made by BondSpot is the closing value of the Indices - published at 17:20 on the relevant Trading Day.

Therefore, the Administrator recommends that users of the Index use it at the closing value published at 17:20 on the relevant Trading Day. The initial value of the Indices, published at 10:15 on a given Trading Day, and the closing value of the Indices, published at 16:45 on a given Trading Day, are for informational purposes only due to the possibility of adjustments to the Reference Rates.

In the event of technical problems on the part of the Administrator or BondSpot resulting in the unavailability or inability to use the input data, the Administrator shall immediately inform the public of the delay or cancellation of the publication of the Index values of the Indices until the technical problems are resolved, following the applicable procedures of the business continuity plan. The Administrator shall resume the calculation and public disclosure of the Index values and inform the public as soon as possible.

Interest rate benchmark [art. 1(1)(d) of the RTS, art. 3 of the RTS].

The Treasury Bond Indices do not qualify as interest rate benchmarks within the meaning of the Benchmark Regulation.

Reviews and updates [art. 27(1) of the BMR].

The Statement is subject to regular review, at least every two years, or whenever there are material changes to the method and changes to the Indices.

Regulated data benchmarks [art. 1(1)(d) of the RTS].

The Treasury Bond Indices do not qualify as regulated data reference indices within the meaning of the Benchmark Regulation.

Material and non-material benchmarks [art. 1(1)(d) of the RTS].

The Treasury Bond Indices have been qualified by the Administrator as non-material benchmarks within the meaning of art. 3(1)(27) of the Benchmark Regulation.

Commodity benchmark [art. 1(1)(d) of the RTS].

The Treasury Bond Indices do not qualify as commodity benchmarks within the meaning of the Benchmark Regulation.

Key benchmark [art. 1(1)(d) of the RTS].

Treasury Bond Indices do not qualify as key benchmarks within the meaning of the Benchmark Regulation.

EU climate transformation benchmarks and EU benchmarks aligned with the Paris Agreement [art. 27(2a) of the BMR].

Treasury Bond Indices do not qualify as EU Climate Transformation Benchmarks or EU Benchmarks aligned with the Paris Agreement.

Environmental, social policy and corporate governance factors [art. 27(2a) of the BMR].

The method of determining the Treasury Bond Indices does not take ESG factors into account.

Alignment with carbon reduction target, achievement of the Paris Agreement targets [art. 27(2a) of the BMR].

The method for determining the Treasury Bond Indices does not take into account the achievement of carbon reduction targets or the achievement of the Paris Agreement targets.

This statement supplements the following index documentation, published at gpwbenchmark.pl in the Equity and bond indices documentation section:

- ✓ Rules of the Treasury Bond Index Family
- ✓ GPW Benchmark Conflict of Interest Management Policy
- ✓ Information on the complaints procedure
- ✓ List of key terms for GPW Indices Family, Treasury Bond Index Family and CEEplus Index
- ✓ Procedure for Review and Change of Methods (...)