

INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)

PRINCIPLES FOR FINANCIAL BENCHMARKS STATEMENT OF COMPLIANCE

30 August, 2016

Bloomberg L.P. (with its affiliates, "**Bloomberg**") has completed its acquisition of Barclays Risk Analytics and Index Solutions Limited ("**BRAIS**") from Barclays Bank PLC ("**Barclays**"). Additional information is available in the [Bloomberg Barclays Press Release](#). Upon the closing of the transaction, BRAIS was renamed Bloomberg Index Services Limited ("**BISL**"). BISL is a Benchmark Administrator for purposes of IOSCO's *Principles for Financial Benchmarks* (the "**IOSCO Principles**"). This statement sets out the extent of BISL's compliance with the IOSCO Principles.

BISL is committed to operating its business in alignment with the IOSCO Principles in a way that is proportionate to the size and risk posed by each benchmark it administers and its benchmark-setting process. BISL is currently considered to be compliant with the IOSCO Principles, subject to the areas identified below.

Submitters

BISL has a Submitter Code of Conduct in accordance with IOSCO Principle 14 ("**Submitter Code**"). It is BISL's policy that all of its Submitters fully comply with the Submitter Code. To date, all relevant Submitters to the Bloomberg Barclays Indices have been engaged to attest their compliance with the Submitter Code and BISL has received signed attestations from external Submitters that account for most of its non-Barclays Submissions. However, BISL has been unable to secure full attestations in all instances.

Certain non-Barclays Submitters that have not signed attestations are considered *de minimis* in application of IOSCO's overarching principle of proportionality. Further, while some Barclays' Submitters have provided qualified attestations of compliance with the Submitter Code at certain points in time, most of the Barclays' Submitters have not provided any recent attestations to BISL.

In the event that a Submitter does not sign an attestation to the Submitter Code or qualifies their compliance with the Submitter Code, BISL considers whether it remains prudent to utilize those Submissions, taking into account the nature and reliability of such Submissions, availability of alternative sources of information, standard verification and validation procedures that may be applied to those Submissions, and potential disruption to clients of changing existing sources.

After taking into account these factors, BISL may continue to utilize a number of Submissions that are qualified as well as Barclays Submitters that have not provided Submitter Code attestations.

In order to fully comply with the IOSCO Principles, BISL will continue to monitor the performance of all of its Submitters and seek appropriate attestations of compliance with the Submitter Code. For those that fail to provide adequate attestations, BISL may pursue alternate Submission sources to the extent necessary and appropriate. In particular, BISL

intends to substitute alternative pricing sources for Barclays Submitters, including greater use of Bloomberg's evaluated pricing service (BVAL) as announced by Barclays prior the closing of the transaction, with a target date set for the end of this year.

Governance

Prior to the closing of the acquisition, BRAIS had proposed establishing an Index Oversight Review Board (IORB) to provide independent oversight of its internal governance and oversight committees, including its Benchmark Index Oversight Governance Committee (BIOGC) and Strategy Index Oversight Governance Committee (SIOGC). As an independent benchmark provider, Bloomberg believes that many inherent conflicts of interest that arise when a benchmark is administered by a corporate group with trading operations no longer apply. Accordingly, Bloomberg does not anticipate constituting the IORB, in favor of oversight by Bloomberg's Benchmark Oversight Committee (BOC).

Bloomberg's governance oversight structure, under which Bloomberg currently administers its existing benchmarks including the BCOM, CMCI, AusBond and Bloomberg Currency Index families, has been successfully reviewed for its adherence to the IOSCO Principles by an independent auditor. (To request a copy of Bloomberg's current IOSCO assurance report, please visit <http://www.bloombergindices.com/>.) To assist in its governance and oversight, the BOC has established a dedicated subcommittee of senior BISL and Bloomberg index managers that will report to the BOC. The role of this subcommittee is similar to the former BIOGC and SIOGC, and will provide continuity to users of indices administered by BISL.

Bloomberg will continue to assess its governance oversight structure to ensure it remains aligned with the IOSCO Principles and the evolving regulatory environment.

Audit Trail

Under IOSCO Principle 18, benchmark administrators are required to retain written records for five years on (amongst other things) all market data, Submissions and any other data and information sources relied upon for benchmark determinations.

While substantial books and records of BRAIS (now BISL) were included in the acquisition, in light of the number of acquired indices, the volume of day-to-day determinations stretching back many years, and the transfer of the index administration business to BRAIS (now BISL) from Barclays in 2014, it is possible that material gaps may exist which would prevent full compliance with IOSCO Principle 18. Bloomberg's own document retention policies have been reviewed by an external auditor for compliance with IOSCO Principle 18 and will, following a necessary transition period, become the standard under which BISL retains its records of benchmark determinations and those records required by IOSCO Principle 18 more generally.