Each LIBOR rate is based on input data submitted by a panel of between 11 and 16 “Contributor Banks” for each of the five LIBOR currencies. Each Contributor Bank submits input data for each of the seven LIBOR tenors in every currency in respect of which it is on a panel. Each Contributor Bank determines its input data submissions pursuant to the ICE LIBOR Output Statement, which is intended to produce a rate that is anchored in Contributor Banks’ wholesale, unsecured funding transactions to the greatest extent possible, using a “Waterfall Methodology” to enable a rate to be published in all market circumstances. Each Contributor Bank identifies to IBA, when making its LIBOR submissions, at which “Level” of the Waterfall (summarised below) each submission is made.

This transparency report is a summary of that information.

**Level 1:** The LIBOR submission is equal to the volume weighted average price of eligible transactions in unsecured deposits, primary issuances of commercial paper and certificates of deposit, with a higher weighting for transactions booked closer to 11:00 a.m. London time.

**Level 2:** Where a Contributor Bank has insufficient eligible transactions to make a Level 1 submission, the LIBOR submission is based on transaction-derived data, including time-weighted historical eligible transactions adjusted for market movements and linear interpolation.

**Level 3:** Where a Contributor Bank has insufficient eligible transactions or transaction-derived data to make a Level 1 or Level 2 submission, the LIBOR submission is the rate at which it considers it could fund itself at 11:00 a.m. London time with reference to the unsecured wholesale funding market. In order to determine this rate the Contributor Bank must follow its internally-approved procedure agreed with IBA, basing its rate on transactional data, related market instruments, broker quotes and other market observations.

Information regarding the USD LIBOR panel banks can be found at www.theice.com/iba/libor.