GLEIF enables people and businesses to make smarter, less costly and more reliable decisions about who to do business with.

We do this by facilitating the implementation of the Legal Entity Identifier (LEI) and by making available the Global LEI Index. The Global LEI Index is a central portal that captures entity data and ownership data. It is the only global online source that provides open, standardized and high-quality legal entity reference data which can be accessed free of charge by any user.

We deliver trusted services and reliable data for unique entity identification management in partnership with the LEI issuing organizations. Our joint efforts have generated great results. Our data pool nearly doubled in size reaching almost one million LEIs assigned to entities of global transactions.

Our services ensure the operational integrity of the Global LEI System. We promote the adoption of shared open data principles, standards and best practice across sectors around the world. By doing so, the LEI remains the industry standard best suited to providing quality-assured data for entity identification management.

Our Vision:
One Identity Behind Every Business

We believe in the benefits of having only one identity behind every business. Having an LEI will help to achieve this objective.

Established by the Financial Stability Board, GLEIF is a not-for-profit organization with a global mandate to deliver the LEI as a broad public good for any user in the public and private sector. GLEIF’s international governance framework reinforces the global nature of its mission.
LEIs Worldwide

LEI population nearly doubled

In 2017, the LEI population nearly doubled to approximately 953,000 LEIs issued worldwide.

This map demonstrates the location of registered LEIs aggregated by the LEI legal address.
GLEIF and Global LEI System

GLEIF Foundation
GLEIF is a Swiss foundation established by the Financial Stability Board (FSB) with a G20 mandate. GLEIF is overseen by the LEI Regulatory Oversight Committee (LEI ROC) consistent of 71 regulators from 50 countries. The GLEIF Board of Directors and supreme governing body of the Foundation has 18 independent members.

GLEIF Core Competences
GLEIF is the recognized and trusted partner in
- Identification Management for legal entities.
- Accreditation Agency runs a leading quality management system for its network of LEI issuing partners.
- GLEIF supplies a defined and growing range of services to the public and private sector.

GLEIF Vision
Every business worldwide should have only one identity. Having an LEI will help to achieve this objective.

GLEIF Mission
GLEIF manages a network of partners, the LEI issuing organizations, to provide trusted services and open, reliable data for unique legal entity identification worldwide.

GLEIF Scope
As a not-for-profit organization GLEIF is, by its statute, agnostic to any particular commercial or political interests. GLEIF is uniquely positioned in the entity identification market.

GLEIF Key Services
- Central portal for LEI entity and ownership data
- Access to LEI data free of charge for users
- Accreditation certification
- Data Quality Management
- GLEIF Commitment
- Restoring trust in entity identification management
- Ensuring high data quality
- Supporting open data principles

GLEIF Accreditation Process

Information Available with LEI
- Business Card Information
  - Level 1 data information on “who is who”
- Ownership Information
  - Level 2 data information on “who owns whom”

Public Sector
The LEI adds value to regulators and public authorities such as for the areas of systemic risk analysis, reporting of AML and CFT and sanctions regimes.

Private Sector
Up until now, legal entity reference data has been proprietary, siloed and non-standardized. The LEI changes that. When used in business processes, the LEI contributes to risk management, client onboarding and cost reduction.

LEI Benefits
The LEI remains the industry standard best suited to providing open and reliable data for unique legal entity identification management worldwide.

LEI Product Features
- Global
- Open
- Standardized
- Quality-assured

Verification ID
Two check digits as described in the ISO 17442 standard

The LEI Code
20-digit, alphanumeric code based on the ISO 17442 standard developed by the ISO

The Global LEI Index
Contains nearly one million LEIs worldwide

LOU Role and Services
- Local authoritative source
- Providing accurate legal entity reference data
- Using Global LEI System standards
- Data verification

LEI Issuing Organizations (LOUs):
Issue LEIs to legal entities

Global Legal Entity Identifier Foundation (GLEIF):
Ensures the operational integrity of the Global LEI System

LOU Identifier
Prefix used to ensure uniqueness among codes from LOUs

Entity Identifier
Entity-specific part of the code generated and assigned by LOUs according to transparent, sound and robust allocation policies

506700GE1G29325QX363
2017 Highlights
A year of GLEIF exceeding targets

210+
jurisdictions with LEI service availability

~1 million
legal entities with an LEI worldwide

7.9 million
revenue

~100%
growth of LEI data pool in 2017

34
staff members from 18 countries

10,500
LEI issuance peak day

2,284
data challenges managed

>99%
LEI total data quality score

308
data quality reports issued

2,100
service desk inquiries managed
2017 Highlights

What GLEIF delivers

**LEI Business Statistics**
Access to key facts and figures on global LEI population

**Accreditation Certification Service**
Ensuring quality and performance standards for LEI services

**Regulatory Use of the LEI Worldwide**
Providing an overview on regulatory activities globally including the use of LEI

**Data Quality Management Program**
Monitoring and ensuring high-quality data for users

**New**
First Global Registration Authorities List
Reference to over 650 (business) registers enable more reliability and usability of LEI data

**New**
Level 2 Ownership Data: “Who Owns Whom”
Users now have access to the first free global ownership data source connecting the corporate dots

**New**
First Entity Legal Forms Code List
Over 1,600 entity legal forms and 50 jurisdictions; richer data delivers improved user experience and more global market place insight
Dear Stakeholder,

In 2017 the Global LEI System saw a fast growth of issued Legal Entity Identifiers (LEIs) after the establishment of the Foundation in June 2014. By year-end 2017, close to one million entities worldwide had registered to obtain an LEI. LEI adoption was mainly driven by regulatory requirements, in particular, the requirements of the Markets in Financial Instruments Directive II (MiFID II) and Markets in Financial Instruments Regulation (MiFIR) of the European Union, requiring LEIs for transaction reporting, have led to the regulator’s mantra – no LEI, no trade.

In 2017 specifically, market participants needed to get ready to comply with growing regulatory demands. In 2017 the Global LEI System saw a fast growth of issued LEIs for business applications. Higher market acceptance of the LEI was highlighted in the McKinsey-GLEIF White Paper published in October 2017. It demonstrated how using LEIs in capital markets and for commercial transactions can trigger cost savings for businesses. Market participants can reduce costs and risks by including the LEI in their business processes. We are confident that the LEI will indeed become a broad public good.

The regulatory community was an important driver for LEI adoption in 2017. By requiring the LEI for legal entity identification into their rulemaking, the Global LEI System was further strengthened. More legislators across the globe see a growing number of LEI issuers interested in joining the Global LEI System, thus enforcing competition for the benefit of registrants. The Members of the Board of Directors cooperated intensively with the members of the LEI ROC and GLEIF Executive Management to implement key projects notably to strengthen the management of the quality of the data of LEI records and to deliver additional services.

In 2017 GLEIF generated a gross revenue of US$ 7.9 million with a net surplus of US$ 252.9 thousand that will be added to the retained surplus of the organization. The financial result is in line with the objectives of GLEIF as a not-for-profit organization. The LEI fee was maintained at US$ 19 for the approved budget 2017. The implementation of regulation of MiFID II/MiFIR, more LEIs were issued than expected by the end of 2017.

The Board of Directors welcomes the joint efforts of GLEIF, LEI issuers and LEI ROC members. We are pleased to see a growing number of LEI issuers interested in joining the Global LEI System, thus enforcing competition for the benefit of registrants. The Members of the Board of Directors cooperated intensively with the members of the LEI ROC and GLEIF Executive Management to implement key projects notably to strengthen the management of the quality of the data of LEI records and to deliver additional services.

The Board of Directors had eight meetings in 2017 with four in-person meetings.

The Board of Directors was supported by six committees, including the Audit and Finance Committee, Governance Committee, Technology and Operations Standards Committee, the Business Development Committee, the Committee of Chairs and a newly established ad hoc Competition Committee to assess the level of competition in the Global LEI System. Our Foundation is committed to ensure a high degree of transparency. The minutes of the Board of Directors meetings are published on the GLEIF website. This enables our stakeholders to follow the dialogue and conclusions of the Board of Directors.

Further in 2017, the Board of Directors published the Code of Conduct for the Board of Directors embracing ethical standards for professional behavior as well as the responses of GLEIF to public consultations of regulatory authorities and organizations focusing on the use of the LEI and identity management.

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The GLEIF Board of Directors approved the awarding of in total 20 LEI issuers with GLEIF accreditation certificates. All those organizations have passed a rigorous accreditation process in order to be prepared to deliver high-quality services to its users, ensuring reliable data in our Global LEI Index.

Achieving this accreditation target led to the finalization of the interim system by which pre-LOUs, endorsed by the LEI Regulatory Oversight Committee (LEI ROC), have now become fully accredited LEI issuers. We are pleased to see a growing number of LEI issuers interested in joining the Global LEI System, thus enforcing competition for the benefit of registrants. The Members of the Board of Directors cooperated intensively with the members of the LEI ROC and GLEIF Executive Management to implement key projects notably to strengthen the management of the quality of the data of LEI records and to deliver additional services.

To intensify the dialogue of the partners, it was agreed to hold an annual Global LEI System Forum bringing together GLEIF, LEI issuers and LEI ROC members.

The Board of Directors held several meetings with the Executive Committee of the LEI ROC. In addition, the CEO had quarterly meetings with the LEI issuing organizations to discuss continued improvements of applications. The exchange of views with the LEI ROC and the LEI issuers contributed to further enhancing and improving GLEIF’s services.

The Board of Directors reiterated, in close cooperation with the LEI ROC, the need for concerted public-private action to achieve a larger coverage of the LEI for financial transactions. Members of the Board of Directors and of the LEI ROC continue to act as ambassadors promoting the value of the LEI in their jurisdictions or industries.

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Chairman’s Report

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Cooperation with the Partners of the Global LEI System

Maintaining dialogue among the partners of the Global LEI System remains key to jointly achieve our common goal of developing the LEI to become a broad public good.

The Board of Directors held several meetings with the Executive Committee of the LEI ROC. In addition, the CEO had quarterly meetings with the LEI issuing organizations to discuss continued improvements of applications. The exchange of views with the LEI ROC and the LEI issuers contributed to further enhancing and improving GLEIF’s services.

The regulation ofMiFID II/MiFIR, more LEIs were issued than expected by the end of 2017. The Board of Directors welcomed the joint efforts of GLEIF, LEI issuers and LEI ROC members. We are pleased to see a growing number of LEI issuers interested in joining the Global LEI System, thus enforcing competition for the benefit of registrants. The Members of the Board of Directors cooperated intensively with the members of the LEI ROC and GLEIF Executive Management to implement key projects notably to strengthen the management of the quality of the data of LEI records and to deliver additional services.

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Financial Performance

In 2017 GLEIF generated a gross revenue of US$ 7.9 million with a net surplus of US$ 252.9 thousand that will be added to the retained surplus of the organization. The financial result is in line with the objectives of GLEIF as a not-for-profit organization. The LEI fee was maintained at US$ 19 for the approved budget 2017. The implementation of regulation ofMiFID II/MiFIR, more LEIs were issued than expected by the end of 2017.

The Board of Directors welcomed the joint efforts of GLEIF, the LEI issuers and the LEI ROC to improve the renewal rate across jurisdictions. Finding measures to curb the increasing lapsed LEI rate in some jurisdictions was one of the key topics discussed among the three partners of the Global LEI System. The quality of the LEI data is a mission-critical task of the Global LEI System for the benefit of its users.

GLEIF Strategy

The Board of Directors approved several accompanying strategic initiatives and pilot projects for the GLEIF Strategy for capital and money markets, for banking services and for supply chain management. The launch of a research project for the digital economy for embedding LEIs in digital certificates constitutes a promising road to make the Global LEI System fit for the digital age.

Promotion

A major step forward to illustrate the wide range of business value of the LEI was highlighted in the McKinsey-GLEIF White Paper published in October 2017. It demonstrated how using LEIs in capital markets and for commercial transactions can trigger cost savings for businesses. Market participants can reduce costs and risks by including the LEI in their business processes. We are confident that the LEI will indeed become a broad public good.

Financial instruments, among others, are well aware of the potential cost savings associated with a universal identification system.

We are confident seeing a widened scope of LEI use for businesses beyond the derivatives markets, notably for the capital and money markets, banking services, supply chain management and digital economy.

I express my thanks to the Board of Directors as well as GLEIF’s management team and staff for their perseverance and hard work. I also thank all partners and organizations that have jointly supported the growth of the Global LEI System.

We can only achieve a strong Global LEI System by working in close cooperation with our partners to achieve the objectives of our Foundation to make the LEI a broad public good for the benefit of any user.

Gerard Hartsink
Chairman
CEO’s Report

2017 was a strong year for GLEIF. We saw the Legal Entity Identifier (LEI) data pool grow by nearly 100%. The number of downloads of the concatenated LEI record file by users increased ten times.

With the Global LEI Index, GLEIF provides an easy-to-use service for accessing the data online and on demand. It is the largest online source that provides open, standardized and high-quality entity data. Our role as a provider of reliable entity data lies at the heart of what we do. We are committed to deliver unique entity identification worldwide.

Operational Performance
GLEIF delivered outstanding results in 2017, exceeding its targets. Two landmark developments can be highlighted: We completed our target and accredited in total 20 organizations that deliver services in over 210 jurisdictions. We enriched our data pool with relationship data of direct and ultimate parents in early 2017.

Our goal is to deliver a broad suite of services to our users. Strong data quality management and assurance mechanism supported by the right technology will further mitigate risks to the benefit of our users. Behind this background, cost efficiency of our core services remains key. We achieve this within the context of financial discipline and our commitment for optimization. We reflect our commitment by providing expertise and reliability throughout our organization and management of the Global LEI System.

Growth
Doubling LEI issuance from 500 thousand to one million is a great success for all of us in the Global LEI System. We saw a major uptick of LEI issuance in the last quarter of the year. Market participants, namely investment firms and trading venues, got ready to fulfill requirements that include LEIs for transaction reporting under the EU Markets in Financial Instruments Directive II (MiFID II) and Markets in Financial Instruments Regulation (MiFIR).

On peak days, up to 10,500 entities registered for an LEI. We are pleased to see how relentlessly the LEI issuing organizations performed to meet expectations ensuing timely registration while keeping service and data quality at high levels. Our joint efforts to promote registration agents gained traction in the course of the year.

GLEIF generated a gross revenue of US$ 7.9 million with a net surplus of US$ 252.9 thousand. The financial result is in line with our objective as a not-for-profit organization. The LEI fee was maintained at US$ 19 for 2017. Based on the strong results, GLEIF decided for 2018 to lower the fee to US$ 17. We are committed to further lower prices in the coming years to deliver the LEI as broad public good.

GLEIF brought to the attention of the Board of Directors and the LEI Regulatory Oversight Committee (LEI ROC) the issue of lapsed LEIs in certain jurisdictions. We will further address this matter together with our stakeholders.

Promotion
Progress has been made on all fronts of LEI promotion. LEI adoption in financial and capital markets was further pursued and GLEIF initiated innovative projects for LEI value creation for the banking service sector and the digital economy.

Our research project with McKinsey & Company on the business value of the LEI as counterparty ID for entity verification processes delivered strong results: Global adoption of LEIs may yield annual savings of over US$ 150 million within the investment banking industry and up to US$ 500 million for banks in the issuance of letters of credit. Annual savings in investment banking would include at least 10% of total operating costs for onboarding clients and trading processing through the use of the LEI.

There is a lot of potential to increase the accuracy of risk data aggregation for risk management, support improved due diligence for KYC, client onboarding and anti-money-laundering (AML), and to provide strategic marketing information about which entities are driving revenue.

Our goal is to find innovative solutions and respond to the demands of the digital age and fast-moving technology developments. In this regard, I am honored to serve as Co-convenor of the International Organization for Standardization Technical Committee 68 FinTech Technical Advisory Group (ISO TC 68 FinTech TAG) since early 2017. This advisory group liaises with the FinTech community on standards requirements to support FinTechs and the broader financial services industry.

We look forward to engaging with representatives from the private and public sectors to foster value creation by providing one true digital identity behind any business.

Services: Increasing Data Usability
Improving services for better usability of the LEI for entity data management for firms and regulators remains a key objective.

One of our milestones in 2017 was to enrich our LEI data pool with Level 2 ownership data. Users now have access to the first openly available global ownership data file providing answers to the question of “who owns whom.” Specifically, legal entities that already have, or have registered for, an LEI report their “direct accounting consolidating parent” as well as their “ultimate accounting consolidating parent.” This adds to Level 1 reference data providing business card information. We will further expand Level 2 data for the complete LEI population.

GLEIF started pilot phase mappings with SWIFT and ANNA. Both develop standard links between the LEI and BIC codes and ISIN identifiers. Mapping the LEI to other identifiers can provide the building block to understand companies’ activities and to increase risk management, operational efficiency and customer services. This eases the use of the LEI data tremendously for the benefit of our users.

GLEIF completed the LEI “Look-up” application programming interface (API), allowing users to pull entity data directly into in-house applications and third-party data management systems. We also welcomed the inclusion of the LEI in the XBRL taxonomy in 2017, allowing regulators to collect LEI data in a consistent and straightforward manner.

Further, GLEIF was chosen to be the Maintenance Agency for the ISO 20275 standard of entity legal forms. GLEIF resumed the role for maintaining the Entity Legal Forms (ELF) Code List by publishing the first ELF list in November 2017 that includes more than 1,600 entity legal forms.
across more than 50 jurisdictions. In substance, the ELF Code List assigns a unique code to each entity legal form in a jurisdiction. Integrating ELF codes into the standardized set of reference data on a legal entity available within the Global LEI Index further enhances the business card information included in each LEI record. The richer data provides an improved user experience, because it helps to categorize legal entities and therefore allows for more insight into the global market place.

In order to improve data quality and provide less ambiguity in interpreting the LEI data, GLEIF and its partners developed a revised data standard for the LEI reference data. This standard defines how LEI issuing organizations collect and report their LEI and Level 1 reference data. The Common Data File standard LEI-CDF 2.1 was used in May 2017 to publish the first Level 1 LEI-CDF Version 2.1 Concatenated File. Additionally, the GLEIF services LEI Search, Challenge Management and Data Quality Reports were updated based on the new format. GLEIF also made further investments to optimize its LEI database. Getting ready for the production of Golden Copy Files and Delta Files in 2018, GLEIF will ensure easy access to the latest information on new and updated LEIs.

We are pleased to deliver more high-quality reports to our users. Besides our existing LEI statistics, we issue quarterly Global LEI Business Reports highlighting key developments relevant for LEI adoption globally. Adding to our monthly Global LEI Data Quality Reports identifying the overall data quality within the Global LEI System, we provide monthly LEI Issuer Data Quality Reports demonstrating the level of data quality achieved by the individual LEI issuing organizations. With our Service Reports, we are committed to ensuring transparency on our own performance of services delivered to our users. This way we assure operational stability.

Data Quality
Delivering accurate, complete and up-to-date entity data to our users lies at the heart of our commitment. Our Data Quality Management Program ensures that the LEI remains the industry standard best suited to providing open and reliable data for unique legal entity identification management. Based on a set of clearly defined and openly published criteria, the program allows the quality of the LEI data pool to be monitored, assessed and further optimized. 2017 has proven the effectiveness of our Data Challenge Facility – a centralized online service – where any user of LEI data can substantiate doubts regarding the uniqueness of an LEI code or completeness of the related reference data. This way we ensure that the LEI data pool remains a unique key to standardized information on legal entities worldwide.

Through our cooperation with the LEI issuing organizations, we ensure that data remains accurate and rigorous data quality standards are met. Full data validation remains an important cornerstone that we need to jointly deliver to our users. Therefore, we encourage investments in processes to validate the accuracy of entity data before and after it is published and ensure operational controls and performance metrics are executed effectively.

We will continue to focus on advancing data analytics for quality controls, data sourcing for data quality comparison, and Corporate Actions data management.

Diversity
We embrace creating a diverse workplace at GLEIF. By hiring people with different cultural backgrounds, and at varied stages of their career, we want to foster creativity and offer a range of perspectives and ideas. GLEIF has 34 staff members from 18 nations. We have a gender balance of 50% female and 50% male staff. Also, 70% of our Executive Management are women. We strive for continuous diversity and excellence for our team in the future.

Cooperation
GLEIF runs a network connecting partners interested in unique entity identification management across the world. Our mission is to deliver trusted services and open reliable data to our users. Throughout the year we engaged with our stakeholders to exchange ideas and find joint solutions. GLEIF continued to work with the LEIROC to monitor LEI inclusion in international data reporting standards as well as on data quality.

GLEIF participated in many public consultations, including correspondent banking, harmonization of key data elements for OTC derivatives and governance arrangements for the Unique Transaction Identifier, all which include the LEI as an important data element.

GLEIF pursues a structured dialogue with a variety of user groups that includes data and technology vendors, large statistical users and plans to widen this dialogue with regulatory organizations and the Global Systemically Important Financial Institutions (G-SIFIs).

We are committed to working together with our partners to advance the Global LEI System. By listening to our users, we can best learn and adapt to their needs.

Outlook
The LEI benefits are based on network effects. The more firms and public organizations use it, the more valuable it becomes for organizations, both in the public and private sectors.

In our view, market demand for LEIs keeps on growing since firms look for entity identification solutions to increase their operational efficiency and generate additional revenue. The LEI delivers smarter, less costly and more reliable decisions about who to do business with. We see the first signs of adoption of the LEI in businesses outside the capital and money markets and in more regions. As an example, India just decided to mandate the LEI for larger credit borrowers. Another example: trade finance and supply-chain organizations starting to engage with the system.

Our goal is to broaden our reach and integrate the LEI as a trusted standard on a global scale. To that end, we continue to invest in technology, infrastructure and communications. Additional services making the use of the LEI even more convenient will become a reality in 2018. The example of the Golden Copy File with embedded geocoding information is just one of numerous examples. GLEIF has engaged in a program which will lead to full ISO 20000 certification in 2019. By then, all GLEIF services and processes will follow the ISO 20000 guidelines, so that regulators and users will trust even more GLEIF’s operational model.

Our success is founded on expertise and dedication and reflects the open and innovative nature of our operational excellence. I witnessed this dedication among our team, and therefore want to thank all staff members for their contributions. I also want to thank our stakeholders and users for their trust and engagement and our Board of Directors for its guidance.

We are committed to drive innovation for the benefit of our users. Together with our partners we will continue to expand the Global LEI System.

Stephan Wolf
Chief Executive Officer
Performance
Growth targets for LEI volumes exceeded for 2017

GLEIF exceeded its growth targets for 2017: nearly 100% more entities worldwide registered for an LEI.

The global LEI data volume jumped from 479,000 at the end of 2016 to 953,000 at the end of 2017. LEIs allow unique identification of organizations entering into financial transactions. The largest LEI adoption is attributed to mandating LEIs by regulation especially in Europe’s capital and money markets. There is a notable trend in LEI applications from other regions as well as worldwide from both the public and private sectors, especially in cases where counterparty identification is needed.

In terms of operational performance, GLEIF delivered outstanding results in 2017. GLEIF further broadened its suite of services for its users and optimized existing services.

GLEIF delivered on two milestone objectives:

- GLEIF completed its target by accrediting 20 organizations delivering high-standard services in over 210 jurisdictions.
- The LEI data pool was enriched by relationship data of direct and ultimate parents, allowing users access to the first openly available global ownership data source. By publishing data on “who owns whom,” the corporate dots can be connected globally based on open, standardized and high-quality LEI data.
Performance
Robustness of the Global LEI System

In 2017, the LEI issuing organizations were challenged to handle a massive surge in LEI registration, most notably towards the end of the year. LEI issuers demonstrated strong capacities to meet market expectations. This is substantiated by the high level of data quality maintained throughout the reporting period demonstrating the overall robustness of the Global LEI System. The number of accredited LEI issuers increased from 3 at the end of 2016 to 20 at the end of 2017.

The LEI issuers act as the primary interface for legal entities wishing to obtain an LEI. They supply registration, renewal, verification and other services. Only organizations duly accredited by GLEIF are authorized to issue LEIs.

LEI Issuance by LEI Issuer
This chart shows the LEI issuance by LEI issuing organizations in the Global LEI System.
### 2017 LEI Issuance by LEI Issuer
(growth versus 2016)

<table>
<thead>
<tr>
<th>LEI Issuer</th>
<th>LEI (Dec. 31, 2017)</th>
<th>LEI (Dec. 31, 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMEI Utility a service of BED B.V.</td>
<td>345,812</td>
<td>231,723</td>
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<td>London Stock Exchange</td>
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<td>WM Datenservice</td>
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<td>KvK, Netherlands Chamber of Commerce</td>
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<td>InfoCamere</td>
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<td>Bloomberg</td>
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<td>Bundesanzeiger Verlag</td>
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<td>Finnish Patent and Registration Office (PRH)</td>
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<td>GS1 Germany</td>
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<td>KDPW</td>
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<td>CSD Prague</td>
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<td>Japan Exchange Group/Tokyo Stock Exchange (JPX/TSE)</td>
<td>6,312</td>
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<td>Irish Stock Exchange</td>
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<td>LuxCSD</td>
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<tr>
<td>Federal Statistical Office</td>
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<td>—</td>
</tr>
<tr>
<td>Central Securities Clearing Corporation, Slovenia</td>
<td>1,676</td>
<td>217</td>
</tr>
<tr>
<td>National Settlement Depository, Russia</td>
<td>965</td>
<td>848</td>
</tr>
<tr>
<td>CSD Slovakia</td>
<td>950</td>
<td>565</td>
</tr>
<tr>
<td>China Financial Standardization Technical Committee</td>
<td>715</td>
<td>225</td>
</tr>
<tr>
<td>Zagreb Stock Exchange, ZSE</td>
<td>654</td>
<td>267</td>
</tr>
<tr>
<td>KSD</td>
<td>378</td>
<td>64</td>
</tr>
<tr>
<td>Takasbank</td>
<td>347</td>
<td>145</td>
</tr>
<tr>
<td>CSCS Nigeria</td>
<td>249</td>
<td>182</td>
</tr>
<tr>
<td>Strate</td>
<td>213</td>
<td>21</td>
</tr>
<tr>
<td>SACB / Mo‘a’rif</td>
<td>173</td>
<td>28</td>
</tr>
<tr>
<td>GS1 Mexico</td>
<td>150</td>
<td>—</td>
</tr>
<tr>
<td>Central Bank of Argentina LEI issuing organization</td>
<td>77</td>
<td>76</td>
</tr>
</tbody>
</table>

* Newly accredited organizations with no LEIs under management in 2016.
Performance
No LEI, no trade

The LEI develops rapidly into the primary identifier for regulatory reporting in derivatives, capital and money markets.

In particular, the requirements of the Markets in Financial Instruments Directive II (MiFID II) and Markets in Financial Instruments Regulation (MiFIR) of the European Union, requiring LEIs for transaction reporting, have led to the regulator’s mantra – no LEI, no trade.

MiFID II and MiFIR, which cover trading venues, investment firms and intermediaries, came into effect on January 3, 2018. Virtually all market participants conducting trade in the European space including its counterparties needed to obtain an LEI before they could trade. Banks and brokers applied LEIs for their clients before trading on their behalf. The regulation is designed to provide investors more protection and make markets more transparent and competitive.

Due to the incoming MiFID II/MiFIR regulation, the end of 2017 marked a major uptick of LEI registration. From the almost 500,000 LEIs issued in 2017, 77% were issued in the fourth quarter.

In order to enable large amounts of LEI issuance, GLEIF continued to promote its “Registration Agent” concept which allows organizations to help their clients to access the network of LEI issuing organizations.

Monthly LEI Issuance 2017
The graph shows the evolution of the monthly LEI issuance during 2017. Towards the end of the year, between 8,000 and 10,500 LEIs were issued daily.
The Board of Directors is pleased to present the GLEIF Annual Report 2017 outlining the main developments and the statements of financial condition, including the independent auditor’s report for the period from December 31, 2016 to December 31, 2017.

GLEIF is a Swiss foundation. The Board of Directors is composed of 18 independent Directors from 16 jurisdictions and several industries. The Board is the highest authority in terms of decision-making of the Foundation and oversees the GLEIF strategy and activities, exercising its powers in the best interest of the Foundation.

GLEIF is subject to oversight by the LEI Regulatory Oversight Committee (LEI ROC).

Core Activities
2017 was a dynamic year for the Foundation and the LEI issuer partners of the Global LEI System. We are pleased to announce that GLEIF achieved strong results, focusing on the execution of core services. The LEI issuance of the LEI issuers exceeded targets. GLEIF delivered more added value services to its users. Our Global LEI Index started to make more relationship entity data available, such as the direct and ultimate parents of legal entities. GLEIF proved to deliver reliable, high-quality data supported by its rigorous Data Quality Management Program.

The GLEIF Board of Directors approved the accreditation of in total 20 LEI issuing organizations. Another 30 potential LEI issuers are currently enrolled in the GLEIF Accreditation Program. More LEI issuers in the system will strengthen the coverage for the LEI program and the federative structure of the Global LEI System.

GLEIF continued to successfully implement its strategy which sets out to strengthen core services, and to address users’ evolving needs.

With close to one million LEIs in our data pool, we offer the largest open source for quality-assured, standardized data for legal entities. Businesses and public authorities around the world can benefit from our data. GLEIF’s position as a trusted partner for legal entity data to the global community grows stronger by the day.

The Board of Directors ensured that public and private users were able to use the LEI data of the Global LEI Index free of charge including the option of a bulk download of all LEIs. Ensuring strong data quality and high-end services for our users form a key achievement of GLEIF in 2017.

Cooperation
The Board of Directors and the CEO together with the Executive Management worked hard to identify and get ahead of challenges, and set out a strategy to help define how to make use of the LEI in markets adjacent to the capital and money markets. Identifying the business needs and taking action to help potential users to make better use of the LEI for their business processes remained key. The CEO and his team acted with conviction and commitment, and demonstrating leadership.

GLEIF has already made substantial progress but its approach should ensure that the LEI becomes a broad public good for the benefit of both the public and private sector users as required in GLEIF’s Statutes. GLEIF, together with the LEI ROC, continue to review the best cooperation model for interested users of the LEI from the public sector. The LEI adds value particularly where public authorities and administrations have to include legal entity data of other jurisdictions in their public services or supervisory responsibilities.

The Board of Directors looks forward to GLEIF engaging with market participants across industries, and welcomes projects launched such as expanding mapping services with business, industry or company identifiers of legal entities.
The Board of Directors believes that both the public and private sectors can achieve considerable benefits using the LEI for identity management systems. This was demonstrated by GLEIF’s research with McKinsey & Company predicting substantial cost savings by using LEIs for core banking functions, client onboarding for KYC, e-invoicing and trade finance, to name just a few.

**LEI Advocacy**

GLEIF delivers key services for identification management of legal entities. We believe GLEIF will further drive innovation by delivering solutions for the demands of the digital age. Those demands are real for e-government purposes and for the digital economy.

Continued advocacy is required at both the national and international levels as well as cooperation between the public and private sector institutions to target user needs effectively. Regulators play a key role by mandating the LEI for regulatory reporting, for supervisory and compliance purposes, and for the public sector at large.

The Members of the Board of Directors and the members of the LEI ROC Plenary reiterated in their joint meeting in October 2017 that they will continue to act as ambassadors to promote the LEI in their jurisdiction or industry. More concerted actions to foster LEI adoption in financial markets and beyond remain key to ensuring that the LEI becomes a broad public good.

As ambassadors, the members of the Board of Directors and the LEI ROC are expected to ensure a global awareness in both the public and private sectors of the benefits of the Global LEI System.

We are pleased to see that further adoption of legislation requiring an LEI emerged in 2017. Most prominent in 2017 was without doubt the MiFID II/MiFIR regulation triggering high volumes of LEIs issuance by requiring LEIs for investment firms and their customers participating in any transactions in the European Union. Also, we have seen, for instance, the mandating of LEIs for OTC derivatives reporting in India as well as for all investors investing in the Malaysian debt securities market. Another example is the Home Mortgage Disclosure Act (HMDA) in the United States, requiring mortgage issuers to have an LEI.

In 2017, Members of the Board of Directors and the CEO had several public-speaking engagements for multiple audiences worldwide. These opportunities supported the exchange of ideas on the use of the LEI and to respond to user demands in the private and public sectors.

**Going Concern**

After a thorough review, the Board of Directors approved the Financial Statements for 2017 and agreed that GLEIF has strong financials and a functional internal control system in place.

The Board of Directors encourages GLEIF’s engagement together with the LEI ROC and the LEI issuers to advocate keeping LEIs active and renewed in time.

The Board of Directors recognizes the large portfolio of planned projects to strengthen or add to the LEI services and views the project risks and the availability of sufficient funds to be manageable.

By order of the Board

Chairman
Governance Statement

GLEIF’s governance reflects its Group of Twenty (G20) and Financial Stability Board (FSB) mandate to ensure that the LEI becomes a broad public good for the benefit of the users of the public and private sectors globally. GLEIF is agnostic to any commercial or political interests. GLEIF continues its commitment as a not-for-profit organization with the highest integrity of its operation and interaction with stakeholders guided by the High Level Principles laid out in the GLEIF Statutes and Annexes.

GLEIF’s dedicated oversight system underscores its global dimension with the LEI Regulatory Oversight Committee (LEI ROC) that includes 71 regulatory organizations (central banks and securities regulators and rule makers) and 19 observers from 50 countries. The global composition of the LEI ROC as our overseer and the international composition of our Board of Directors, with 18 Directors from 16 jurisdictions and several industries, is an expression of our international governance framework. It makes GLEIF unique and should ensure that it realizes its mandate from its founder, the FSB, and its global role for ensuring legal entity identification by the LEI to financial transactions worldwide. The global composition of the LEI ROC as our overseer and the international composition of our Board of Directors, with 18 Directors from 16 jurisdictions and several industries, is an expression of our international governance framework. It makes GLEIF unique and should ensure that it realizes its mandate from its founder, the FSB, and its global role for ensuring legal entity identification by the LEI to financial transactions worldwide.

The Members of the Board of Directors serve on an unpaid basis according to the Statutes. The Members sign a Director’s Agreement for their services to the Board of Directors and annually acknowledge their responsibilities under the GLEIF Conflict of Interest Policy. The Board of Directors held two meetings with the ROC Executive Committee. In addition, the GLEIF Chairman and CEO were invited to report on the status of relevant activities and projects in two ROC Plenary meetings.

Members of the Board of Directors
The Members of the Board of Directors serve on an unpaid basis according to the Statutes. The Members sign a Director’s Agreement for their services to the Board of Directors and annually acknowledge their responsibilities under the GLEIF Conflict of Interest Policy. The Board of Directors focused its oversight on the core activities of the Foundation. This includes the budgeted use of resources, the internal controls, the implementation of the GLEIF Accreditation Program, the large projects like providing ownership entity data in the Global LEI Index and the results of the GLEIF Data Quality Management Program providing accurate and reliable LEI data to its users.

Board of Directors Meetings
In 2017 the Board of Directors had eight meetings to allow a constant exchange among the Directors, the CEO and his Executive Management team, thus ensuring an adequate oversight of the expanding operations of the Foundation. The Chair and two Vice-Chairs of the LEI ROC are ex officio members of the Board of Directors and participated in all Board of Directors meetings in 2017.

Succession of Members of the Board of Directors
GLEIF’s Board of Directors’ composition reflects its global mandate in terms of geographic and sector representation, and ensuring an appropriate skills mix. The composition of the Board of Directors follows rules set out in the GLEIF Statutes and bylaws. Members are appointed within an open transparent process. The Board of Directors can appoint up to 25 Members to ensure international representation. Newly appointed Directors are subject to a “no objection declaration” of the LEI ROC. The Governance Committee of the Board of Directors continued to conduct a comprehensive succession analysis. Consequently, the appointment and replacement process as well as the transition of Directors is guaranteed. The selection process of new Directors is undertaken under strict confidentiality according to Swiss privacy rules. The Board of Directors approved the appointment of a new Director from South America who started his duties from July 2017. Any newly appointed Member participates in an induction program.

Board Committees
The Board Committees meet at least four times a year, and as deemed necessary, more often to review and advise the Board of Directors on matters related to their mandate. The Chairs of the Board Committees actively report their findings and recommendations to the Board of Directors. The GLEIF Board of Directors was supported by six Board Committees. The Board of Directors approved in 2017 to establish an ad hoc Competition Committee to assess the level of competition of the Global LEI System.
Obligations (CO) that are filed with the Swiss Supervisory Authority for Foundations. It includes the independent auditor's report with an unqualified opinion.

The Audit and Finance Committee reviews the findings of the external audits by Ernst & Young (EY) before the Board of Directors adopts the annual Financial Statements. The Board of Directors approved the terms of engagement, including the engagement letter and the scope of the 2017 financial audit, in its meeting in February 2017. The Members of the Board of Directors confirmed that as far as the Members were aware, there was no relevant audit information of which the external auditor was unaware.

On recommendation of the Audit and Finance Committee, the Board of Directors approved the Financial Statements for 2016, which are included in the Annual Report 2016, in its meeting in April 2017.

**Board Self-Assessment**


The Board of Directors reviewed the self-assessment methodology.

The Members were tasked to evaluate the Board of Directors and their respective Board Committee(s). The Governance Committee provided requested feedback on its findings and recommendations to the Board of Directors.

**LEI Issuers**

GLEIF operates the Global LEI System in conjunction with the LEI issuers. GLEIF sets standards for, supports and oversees the LEI issuers’ operations under the governing Master Agreement ensuring internal controls, data quality metrics, data validation and cost-recovery requirements are performed.

The LEI issuers implemented important guidelines to ensure direct and ultimate parent reporting of registrants.

The GLEIF Executive Management and the LEI issuers hold monthly meetings to progress and expand current services.
## LEI for Business Value

### LEI Services

**PUBLIC SERVICES**

**LEI Data Services**

- **LEI Search**
  - Search for LEIs and corresponding legal entity reference data (LE-RD) via an interface, and display and download the result set.
  - The search functionality enables searching by
    - LEI code
    - Keywords within LE-RD
    - Keywords and range queries within specific fields of LE-RD
  - The result set returned from a search can be downloaded as XML (Common Data File Format), Excel, CSV and JSON files.

### PARTNERSHIP PROGRAM SERVICES

**LEI Data Services**

- Check for Duplicates
- Upload LEI and LE-RD Files

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**GLEIF is committed to delivering trusted services and open, reliable data for unique legal entity identification worldwide.**  
GLEIF manages the only open, non-proprietary entity identification system which is designed as a public good. By providing high-end services to the users of the LEI, GLEIF ensures the integrity of the Global LEI System.  
We strive for operational excellence and continuously seek ways to reduce risks and increase efficiencies. Our services support our user's access to free, accurate reference data, the fulfillment of compliance needs and business intelligence.

We meet our objectives by offering a broad range of services to the public and our partners, such as:
- evaluating the suitability of organizations seeking to operate as issuers of LEIs,
- providing expertise and reliability throughout the organization and management of the system,
- ensuring access to the complete global LEI data pool, free of charge, to users,
- continuously optimizing the quality of the LEI data pool, and
- making available comprehensive information on the LEI and the Global LEI System, as well as timely updates on related global developments and GLEIF activities.
LEI for Business Value
GLEIF is uniquely positioned in the entity identification market

Our Global LEI Index and services connect data of almost one million companies and organizations in over 210 jurisdictions worldwide. Today, the Global LEI Index is the only global online one-stop-shop for open, standardized and high quality legal entity reference data.

Enabling Highest Data Quality
Accurate, complete and up-to-date entity data remains of critical importance. Poorly managed data can trigger high costs and missed profit opportunities for companies. GLEIF puts a strong focus on data quality management. Our goal is to provide services that ensure any user can rely on the highest data quality and open access to the LEI data pool.

Setting high standards for data quality and making sure our guidelines are followed makes us perform to the highest data quality standard. Because data which is not quality-assured data is useless to any bank or regulator. This way we want to make sure we are a reliable partner for our users.

We are committed to keeping data quality marks high and ensure this with our rigid Data Quality Management Program. Based on a set of clearly defined criteria, the GLEIF Data Quality Management Program allows the quality of the LEI data pool to be monitored, assessed and further optimized. By delivering accurate data on companies, quality-assured linkages can be made to other identification systems across companies and sectors. Our aim is to make sure our data is relevant to the needs of our users. Further, we focus on completeness of the LEI data, meaning data should include all of the pertinent business information and is up-to-date. Enriching the LEI data pool with ownership data facilitates the data completeness our users are looking for. Legal entities need to supply accurate reference data that includes both the business card information ("who is who") and relationship information ("who owns whom"). Entity data relationships help companies to clarify exactly who they are dealing with and to comply with regional and international sanctions.

Setting high standards for data quality means that we, together with our users, are able to make the most of the LEI as a tool to enhance risk management, improve operational efficiency, reduce costs, and improve our own understanding of the financial and commercial networks in which we operate. LEI is an open standard and thus an open system that is scalable, extensible, and easily integrable. It is also the only one with an independent management framework, ensuring its integrity and security.

Introducing the LEI into almost any business process with a manual component and that requires counterparty identification and verification can result in more reliable information, efficient operations, significant cost savings, and reduction in the time it takes to onboard clients. These benefits will only grow as more companies and banks work together to encourage the adoption of the LEI. In order to reap these benefits and the potential for further automatization and digitization of financial and commercial transactions, every business should adopt an LEI."
LEI for Business Value
How the LEI can reduce costs and increase operational efficiency

New research undertaken by McKinsey & Company and GLEIF estimate that broader, global adoption of LEIs could yield annual savings of over US$ 150 million within the investment banking industry and up to US$ 500 million for banks in the issuance of letters of credit. Annual savings in investment banking would include at least 10% of total operational costs for onboarding clients and trading processing through the use of the LEI. McKinsey & Company has been working with GLEIF to examine the potential use cases of the LEI in streamlining entity verification processes.

LEIs create value in two ways

- Reducing transactional and operational friction in the identification of transaction counterparties.
- Making important information about the background of a legal entity in a particular transaction more accessible and traceable.

Collectively, these benefits reduce the time spent on identifying counterparties and improve the reliability of information.

The white paper identifies three new use cases for LEIs: capital markets, commercial transactions and the extension of commercial credit. These are especially relevant to large corporations, small businesses and their banking institutions, and investment banks.

Analysis taken as part of this project also indicates that there are multiple additional use cases beyond the three identified: Operational efficiencies, cost savings, reduction of time to transact with clients and more reliable information can be gained by introducing the LEI into almost any process that requires identification and verification of a counterparty and that has a manual component. This resulting easier counterparty identification will open the door to further automation and digitalization of financial and commercial transactions across the globe.

To learn more about how the LEI brings efficiency, transparency and trust to legal entity identification, visit the GLEIF website: www.gleif.org

LEI for Business Value: Use Cases

In capital markets

The LEI’s primary value is derived from reducing the cost of onboarding clients and of middle- and back-office activities related to the processing of stocks, bonds and other securities trades. All such activities could be simplified and streamlined if LEI use were more broadly adopted throughout the lifecycle of the client relationship. The use of the LEI would also reduce the time spent on data correction and reconciliation.

In commercial transactions

LEIs would enable faster processing of letters of credit and better identification of sellers on e-invoicing networks.

In the extension of commercial credit

LEIs would allow for more robust and efficient know-your-customer (KYC) diligence on borrowers, as well as better traceability of information on borrowers from multiple sources.
Partnerships
GLEIF’s global engagement with partners

GLEIF participated in almost 50 conferences, round tables, or promotional meetings with stakeholders, and deepened engagement with communities such as the business registers.

GLEIF hosted the annual GLEIF-LOU meeting with the LEI issuing organizations in Frankfurt to exchange ideas on core projects such as the Level 2 ownership data collection with a view to jointly improve services for the users of the LEI data.

GLEIF continued cooperation with its stakeholder groups including data and technology vendors and large statistical users.

In 2018, GLEIF will widen its dialogue with data users of regulatory organizations and of the Global Systemically Important Financial Institutions (G-SIFIs). GLEIF will further pursue strategic partnerships with companies interested in identification management.
Global Legal Entity Identifier Foundation
Basel, Switzerland

Financial Statements 2017
for the Period from January 1 to December 31, 2017
### Statement of Comprehensive Income
for the Period from January 1 to December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee revenue</td>
<td>3.1</td>
<td>7,786,002</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td></td>
<td>-3,404,031</td>
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<tr>
<td>Social contributions and expenses for pensions and care</td>
<td></td>
<td>-456,337</td>
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<tr>
<td>Personnel expenses</td>
<td>3.2</td>
<td>-3,860,368</td>
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<tr>
<td>Other operating expenses</td>
<td>3.3</td>
<td>-4,058,493</td>
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<tr>
<td>Other operating income</td>
<td>3.4</td>
<td>539,527</td>
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<tr>
<td>Amortization and depreciation expense</td>
<td>4.5/4.6</td>
<td>-214,955</td>
</tr>
<tr>
<td>Operating surplus</td>
<td></td>
<td><strong>191,713</strong></td>
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<tr>
<td>Subsidies and donations</td>
<td>3.5</td>
<td>61,454</td>
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<tr>
<td>Financial income/expense</td>
<td>3.6</td>
<td>-300</td>
</tr>
<tr>
<td>Net surplus</td>
<td></td>
<td><strong>252,867</strong></td>
</tr>
<tr>
<td>Changes of components of net equity from actuarial gains and losses in pension and similar obligations</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to net surplus</td>
<td>44,426</td>
<td>-5,087</td>
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<tr>
<td>Other comprehensive income</td>
<td></td>
<td>44,426</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td><strong>297,293</strong></td>
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</tbody>
</table>
## Balance Sheet
for the Period Ending December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables from LEI issuer fees</td>
<td>4.1</td>
<td>4,889,942</td>
<td>1,409,636</td>
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<tr>
<td>Current financial assets</td>
<td>4.2</td>
<td>5,217</td>
<td>5,203</td>
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<tr>
<td>Other assets</td>
<td>4.3</td>
<td>177,236</td>
<td>470,701</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4.4</td>
<td>3,323,743</td>
<td>5,071,643</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td><strong>8,396,138</strong></td>
<td><strong>6,957,183</strong></td>
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<tr>
<td>Intangible fixed assets</td>
<td>4.5</td>
<td>397,337</td>
<td>146,079</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>4.6</td>
<td>365,818</td>
<td>468,347</td>
</tr>
<tr>
<td>Financial assets</td>
<td>4.2</td>
<td>123,990</td>
<td>108,979</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td><strong>887,145</strong></td>
<td><strong>723,405</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td><strong>9,283,283</strong></td>
<td><strong>7,680,588</strong></td>
</tr>
</tbody>
</table>

| Liabilities and equity                      |       |               |               |
| Payables due to vendors                     | 4.7   | 808,738       | 853,295       |
| Liabilities due to Board Directors          | 6.1   | 29,678        | 74,861        |
| Deferred revenue                            | 4.8   | 3,958,284     | 2,885,333     |
| Other financial liabilities                 | 4.9   | 146,650       | 218,890       |
| Other payables                              | 4.10  | 1,172,911     | 671,199       |
| **Current liabilities**                     |       | **6,116,261** | **4,703,787** |
| Provision for pension costs                 | 3.2   | 22,371        | 39,246        |
| Payables due to vendors                     | 4.7   | 74,362        | 100,308       |
| Financial liabilities                       | 4.9   | 8,098         | 10,892        |
| Deferred subsidies                          | 3.5   | 109,998       | 170,552       |
| **Non-current liabilities**                 |       | **213,929**   | **321,001**   |
| Paid-in Foundation capital                  |       | 55,927        | 55,927        |
| Other reserves                              |       | 29,514        | -1,4912       |
| Retained surplus                            |       | 2,867,652     | 2,614,785     |
| Organizational capital                      | 4.11  | 2,953,093     | 2,655,800     |
| **Total liabilities and equity**            |       | **9,283,283** | **7,680,588** |
## Cash Flow Statement

for the Period from January 1 to December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus</td>
<td>252,867</td>
<td>14,736</td>
</tr>
<tr>
<td>Amortization and depreciation expense</td>
<td>214,955</td>
<td>165,030</td>
</tr>
<tr>
<td>Increase (decrease) of provisions</td>
<td>22,774</td>
<td>19,596</td>
</tr>
<tr>
<td>Financial income/expense</td>
<td>300</td>
<td>-679</td>
</tr>
<tr>
<td>Other non-cash expenses and income</td>
<td>-251,063</td>
<td>160,052</td>
</tr>
<tr>
<td>Increase/decrease of receivables and other current assets</td>
<td>-3,276,455</td>
<td>523,161</td>
</tr>
<tr>
<td>Increase/decrease of liabilities to vendors and other operating liabilities</td>
<td>1,265,472</td>
<td>764,372</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,624</td>
<td>2,322</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-1,765,126</td>
<td>1,648,790</td>
</tr>
<tr>
<td>Acquisition of intangible and tangible fixed assets</td>
<td>-242,554</td>
<td>-233,896</td>
</tr>
<tr>
<td>Acquisition/settlement of financial assets</td>
<td>0</td>
<td>48,978</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-242,554</td>
<td>-184,918</td>
</tr>
<tr>
<td>Repayment of finance lease liabilities</td>
<td>-3,991</td>
<td>-3,796</td>
</tr>
<tr>
<td>Proceeds from other financing liabilities</td>
<td>13,880</td>
<td>-818</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-1,098</td>
<td>-347</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>8,791</td>
<td>-4,961</td>
</tr>
<tr>
<td>Total cash flow effects on cash and cash equivalents</td>
<td>-1,998,889</td>
<td>1,458,911</td>
</tr>
<tr>
<td>Effect of changes in exchange rates on cash and cash equivalents</td>
<td>250,989</td>
<td>-140,889</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>5,071,643</td>
<td>3,752,821</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>3,323,743</td>
<td>5,071,643</td>
</tr>
</tbody>
</table>

## Statement of Changes in Organizational Capital

<table>
<thead>
<tr>
<th>Notes</th>
<th>Paid-in Foundation capital</th>
<th>Other reserves, actuarial gains and losses from pension obligations</th>
<th>Retained surplus</th>
<th>Organizational capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2015</td>
<td>4.11</td>
<td>55,927</td>
<td>-9,825</td>
<td>2,600,049</td>
</tr>
<tr>
<td>Net surplus</td>
<td>0</td>
<td>0</td>
<td>14,736</td>
<td>14,736</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>0</td>
<td>-5,087</td>
<td>0</td>
<td>-5,087</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>0</td>
<td>-5,087</td>
<td>14,736</td>
<td>9,649</td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>4.11</td>
<td>55,927</td>
<td>-14,912</td>
<td>2,614,785</td>
</tr>
<tr>
<td>Net surplus</td>
<td>0</td>
<td>0</td>
<td>252,867</td>
<td>252,867</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>0</td>
<td>44,426</td>
<td>0</td>
<td>44,426</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>0</td>
<td>44,426</td>
<td>252,867</td>
<td>297,293</td>
</tr>
<tr>
<td>Balance as of December 31, 2017</td>
<td>4.11</td>
<td>55,927</td>
<td>29,514</td>
<td>2,867,652</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements 2017

1. Information on GLEIF

The accompanying financial statements present the operations of Global Legal Entity Identifier Foundation with its registered office in Basel, Switzerland (hereinafter: “GLEIF” or “the Foundation”).

GLEIF is a foundation according to Swiss civil law, and registered under no. CHE-200.595.965 in the commercial register of Basel-Stadt, Switzerland. The address of the Foundation is St. Alban-Vorstadt 5, 4002 Basel, Switzerland. In February 2015, GLEIF began operating a permanent establishment in Frankfurt am Main, Germany, where the main operating activities of the Foundation are located.

GLEIF was founded on June 26, 2014 by the Financial Stability Board, an association under Swiss law. The purpose of GLEIF is to establish, maintain and monitor the Global Legal Entity Identifier System (“Global LEI System”) which provides a worldwide unique identification number (the “LEI”) for all parties of financial transactions.

The establishment of this system has been required by the Heads of State and Government of the Group of Twenty, calling the Financial Stability Board to coordinate the work among the regulatory bodies. Prior to the foundation of GLEIF, the Financial Stability Board established the Regulatory Oversight Committee (“LEI ROC”) which had set forth requirements for the structure of the Global LEI System and for the managing, monitoring and standard setting functions, as well as the internal structure and the funding of the GLEIF. The LEI ROC has, as stipulated in Article 4 of the Statutes, the regulatory oversight of the Global LEI System, including the activities of GLEIF, in the broad public interest.

GLEIF is under supervision of the Swiss Supervisory Board of Foundations since the establishment of the GLEIF in June 2014.

The financial statements have been authorized for publication by the Board of Directors on March 14, 2018.
2. Basis of Presentation and Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). GLEIF also prepares a set of statutory financial statements in accordance with the Swiss Code of Obligations.

These financial statements are presented in US dollars (US$), with rounding to the nearest dollar, unless otherwise stated.

The financial statements are prepared on the historical cost basis, unless otherwise stated in the accounting policies.

The accounting policies set out below are unchanged from the prior period and have been applied consistently throughout both periods.

2.1 Foreign Currency

The functional currency of GLEIF is the US dollar, as the Foundation generates its revenues and receives almost all cash flows from the LEI issuers (also referred to as Local Operating Units (“LOU”)) in this currency.

Transactions that are denominated in a currency other than the US dollar are recorded at the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are retranslated into US dollars applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in income.

The exchange rates of the most significant foreign currencies are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro to US dollar</td>
<td>1.1993</td>
<td>1.0541</td>
</tr>
<tr>
<td>Swiss franc to US dollar</td>
<td>1.0249</td>
<td>0.9816</td>
</tr>
</tbody>
</table>

2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates and excluding taxes or duty. Revenue is recognized over the term of the license period on an accrual basis.

The revenue of GLEIF is based on arrangements with the LEI issuers to pay to GLEIF a fixed service fee for each LEI issued and served by the respective issuer.

The license period of a LEI is one year from the date of issuance or renewal. During this period, the LEI issuers are responsible to manage and maintain the integrity and accuracy of the LEI entry data and of the related changes. The services provided by GLEIF to the LEI issuers relate to quality assurance, standardization, and certain other work with regard to the LEI issuers’ management of LEIs. Accordingly, the revenue of GLEIF is related to the terms of the contracts between the LEI issuers and the LEI users, and defers the revenue which is allocated to the portion of the LEI service periods remaining after the balance sheet date. The outstanding portion of the LEI service periods is estimated based on quarterly performance reports of each LEI issuer.

The service contracts agreed with the LEI issuers in the past years (”commitment letter”) set forth a fixed annual service fee for each LEI issued or renewed in the respective calendar year. Quarterly or annual advances are paid by the LEI issuer during the year, and only the final invoice or credit note is accounted for as a receivable or payable in the balance sheet. The revenue portion deferred to the next fiscal year from these kind of arrangements is shown as a separate deferral liability.

During 2017, the new “master agreement” arrangement has been set forth for the majority of LEI issuers. Under this contract, the LEI issuer pays a quarterly service fee based on all active LEIs under its management at the end of the quarter. According to the revenue recognition assumptions described above, 50% of the service fee charged at the end of each quarter is not recognized until the subsequent quarter. For service fees under this new agreement, GLEIF only reflects in the balance sheet the 50% portion of the quarterly service fee relating to the services recognized for the ending quarter as revenue during the period, the remaining 50% that has neither been earned nor billed at quarter end is not shown in the balance sheet but only recognized in the subsequent quarter.

2.3 Government Grants

A government grant or assistance is recognized only when there is reasonable assurance that GLEIF will comply with any conditions attached to the grant and the grant will be received. The grant is recognized as income over the period necessary to match with the related costs, for which they are intended to compensate, on a systematic basis. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognized as income in the period in which it is receivable. A grant relating to assets (capitalized expenditure) is recognized as deferred income (liability), and released in accordance with the amortization of the related assets.
Provisions for pension obligations are recognized by using the projected unit credit method. Additions to provisions and reversals are generally recognized in the income statements. The present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of termination as far as they exceed the expected economic benefits of the contract.

A provision is recognized in the balance sheet when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract.

Provisions for pension obligations are recognized by using the projected unit credit method, based on reasonable assumptions for the long-term expected rate of salary increases and benefit increases, demographic assumptions and long-term interest rates as of the balance sheet date. The related plan assets are recognized at their fair value, in accordance with IAS 19.

A provision is recognized in the balance sheet when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the income statements.

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Interest income and expense are recognized using the effective interest method. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

Since 2015, the Foundation’s activities are located in Basel, Switzerland, and in Frankfurt am Main, Germany. GLEIF is free from Swiss income taxes based on an assessment of the tax authority Basel-Stadt, Switzerland. In Germany, the activities of GLEIF to manage and monitor the Global LEI System are free from corporate and trade tax on income by law.

A provision is recognized in the balance sheet when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the income statements.

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A provision is recognized in the balance sheet when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the income statements.

Provisions for pension obligations are recognized by using the projected unit credit method, based on reasonable assumptions for the long-term expected rate of salary increases and benefit increases, demographic assumptions and long-term interest rates as of the balance sheet date. The related plan assets are recognized at their fair value, in accordance with IAS 19.

Interest income and expense are recognized using the effective interest method. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

Since 2015, the Foundation’s activities are located in Basel, Switzerland, and in Frankfurt am Main, Germany. GLEIF is free from Swiss income taxes based on an assessment of the tax authority Basel-Stadt, Switzerland. In Germany, the activities of GLEIF to manage and monitor the Global LEI System are free from corporate and trade tax on income by law.
Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost – to which they are assigned.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and have less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

Loans and Receivables: Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

Financial Liabilities: The Foundation measures financial liabilities at amortized cost using the effective interest method.

2.11 Accounting Pronouncements Applied in the Financial Statements

GLEIF has applied all IFRS accounting pronouncements which are effective for this reporting period. The Foundation has not adopted standards already issued but not yet effective for this reporting period.

2.12 Not Yet Adopted Recent Accounting Pronouncements

The following pronouncements issued by the IASB are not yet effective and have not yet been adopted by the Foundation:

In July 2014, the IASB published the final version of IFRS 9: Financial Instruments. The new standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity’s risk management activities especially with regard to managing non-financial risks. The new standard is effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. The classification and measurement of financial instruments under the new standard will not have a material impact on the Foundation’s financial statements.

In May 2014, the IASB issued IFRS 15: Revenue from Contracts with Customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is assets and liabilities arising from contracts with customers, depending on the relationship between the entity’s performance and the customer’s payment. In addition, the new standard requires a set of quantitative and qualitative disclosures to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 supersedes IAS 11: Construction Contracts and IAS 18: Revenue as well as related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018; early application is permitted. Based on the current revenue structure of GLEIF, the Foundation assesses that the adoption of IFRS 15 will not have a material impact on the financial statements.

In January 2016, the IASB issued IFRS 16, Leases. It supersedes IAS 17 and related interpretations. The new standard eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value, and depreciation of lease assets separately from interest on lease liabilities in the income statement. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted when IFRS 15 is also applied. Based on the current lease contracts which are mainly classified as operating lease in accordance with IAS 17, the Foundation assesses that the adoption will cause a material increase of assets and related lease liabilities. GLEIF does not plan to adopt any new pronouncement prior to the regular effective date.

2.13 Critical Accounting Estimates

The financial statements are prepared in accordance with IFRS as issued by the IASB. The significant accounting policies, as described above and in this section, are essential to understanding the Foundation’s results of operations, financial positions, and cash flows. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates may have a material impact on the results of operations, financial positions and cash flows.

Revenue Recognition on Service Contracts: The allocation of revenue relating to the Foundation’s service contracts with LEI issuers to the appropriate accounting periods is based on reasonable estimates of the timing of the underlying LEI service contracts between the LEI issuers and the LEI users. The Foundation receives quarterly reports from the LEI issuers detailing the number of new LEIs issued and the related start of a standard one-year service period, is distributed on a straight-line basis within the reported quarters. Changes in these estimates may lead to an increase or decrease of revenue.
3. Statement of Comprehensive Income

3.1 Fee Revenues

The revenues split in regions (based on the legal seat of the LEI issuers) as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>7,561,198</td>
<td>6,149,061</td>
</tr>
<tr>
<td>Asia</td>
<td>109,602</td>
<td>89,572</td>
</tr>
<tr>
<td>North and South America</td>
<td>103,443</td>
<td>603</td>
</tr>
<tr>
<td>Other regions</td>
<td>11,759</td>
<td>6,404</td>
</tr>
<tr>
<td><strong>Fee revenues</strong></td>
<td>7,786,002</td>
<td>6,245,640</td>
</tr>
</tbody>
</table>

While a significant portion of the overall GLEIF fees are from LEI issuers with a legal seat in Europe, the underlying cash flows of the GLEIF are generated by a very geographically diverse population of LEI registrants. As a result, the GLEIF does not have a material concentration of its cash flows given the location of LEI registrants.

3.2 Personnel Expenses

The personnel expenses consist of the fixed and accrued variable remuneration as well as the bonus accrual for employees employed by the Foundation. Social, pension and care contributions are also included as part of these expenses.

As of year end 2017 GLEIF employed 34 (2016: 24) employees. The average headcount for 2017 is 29 (2016: 22) employees.

Pension Plan

Under Swiss law, GLEIF has to arrange for an affiliation contract with a pension fund for the Swiss employees to comply with legal requirements. The pension fund has to provide at least occupational benefits according to law.

In 2015 GLEIF set up a pension plan in Switzerland with AXA Vorsorgestiftung, as a collective foundation. Based on the plan rules and pension law in Switzerland the plan qualifies as a defined benefit scheme under IFRS. The insurance plan is contribution-based. The plan contains a cash balance benefit formula. Under Swiss law, the pension fund guarantees the vested benefit amount as confirmed annually to members.

The collective foundation of AXA guarantees a 40% coverage of the retirement accounts covered by an insurance. The other assets are pooled for all affiliated companies. The collective foundation can adjust risk and cost contributions according to the circumstances. The employer has to cover at least half of all contributions. The collective foundation is able to withdraw from the contract with the employer. In that case, the company needs to affiliate with another pension institution.


Actuarial gains of US$ 53,432 (2016: US$ 1,461) from the defined benefit obligation, net of US$ 9,006 losses (2016: US$ 6,548) from the return on plan assets have been recognized as other comprehensive income.


The weighted average duration of the obligation is 18.8 (2016: 18.9) years. The employee and employer contributions expected for the next fiscal year are US$ 6,703 each.

For the calculation of the defined benefit obligation a discount rate of 0.7% (2016: 0.7%) and a long-term salary increase rate of 1.0% (2016: 1.0%) is used. Mortality, risk of disability, and turnover rates are set in accordance with the statistical database BVG 2015.

For the most important parameters which influence the pension obligation of the employer a sensitivity analysis has been performed. The discount rate and the assumption for salary increases are modified by a certain percentage. Sensitivity on mortality is calculated by changing the mortality with a constant factor for all age groups, resulting in a change of the longevity for the ages by one year longer or shorter as the baseline value. The sensitivity analysis results are as follows:
Investment of assets is carried out by the governing bodies of the AXA Vorsorgestiftung or by mandated parties. The structure of the plan assets by classes is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Defined benefit obligation with a change of</td>
<td></td>
</tr>
<tr>
<td>discounting rate by +0.25% / -0.25%</td>
<td>44,977 49,487</td>
</tr>
<tr>
<td>future salary increases by -0.25% / +0.25%</td>
<td>47,020 47,232</td>
</tr>
<tr>
<td>life expectancy -1 year / +1 year</td>
<td>46,701 47,546</td>
</tr>
</tbody>
</table>

The currency losses result from payment of invoices in foreign currency as well as the translation of monetary balances as at the end of 2017. Currency gains of US$ 451,851 (2016: US$ 124,823) are shown within the other operating income, resulting in a net currency gain of US$ 232,444 (2016: US$ 152,166 net currency loss).

The consulting and advice item includes US$ 100,633 (2016: US$ 35,366) research costs.

In 2017, GLEIF changed its value-added tax (VAT) assessment related to the revenues recognized on the service contracts with certain LEI issuers in the current and previous year. The Foundation has accrued US$ 195,000 for potential losses related to European LEI issuers who have not yet provided a VAT registration number. Accordingly, the service fee for these LEI issuers would not be eligible for VAT exemption.
Operating Leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

<table>
<thead>
<tr>
<th>Minimum lease payments</th>
<th>Office building</th>
<th>Employee apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>US$374,192</td>
<td>US$4,137</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>US$686,018</td>
<td>0</td>
</tr>
<tr>
<td>Total future minimum lease payments</td>
<td>US$1,060,210</td>
<td>US$4,137</td>
</tr>
</tbody>
</table>

In April 2015 GLEIF entered into an operating lease agreement to rent office premises located in Bleichstrasse 59, Frankfurt am Main. The lease period is fixed for five years commencing on November 1, 2015 with the option to renew for a further five years. The option is expected to be exercised 12 months before the end of the initial five-year contract period. The agreement grants a 7-months rent-free period as an incentive to GLEIF. This incentive will be amortized over the initial five-year rental period.

In July 2015 GLEIF entered into an operating lease agreement to rent an apartment located in Frankfurt am Main. The lease period is unlimited, however it was fixed for one year commencing on August 1, 2015. After the conclusion of the fixed period, GLEIF has an option to terminate the agreement with an advance notice period of two months.

3.4 Other Operating Income

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Currency gains</td>
<td>US$451,851</td>
</tr>
<tr>
<td>Release of prior-year liabilities</td>
<td>US$37,368</td>
</tr>
<tr>
<td>Refunds and reimbursements</td>
<td>US$49,838</td>
</tr>
<tr>
<td>Other</td>
<td>US$470</td>
</tr>
<tr>
<td>Other operating income</td>
<td>US$539,527</td>
</tr>
</tbody>
</table>

3.5 Subsidies and Donations

In 2016 and 2015 GLEIF received assistance from a government authority of the region of Hessen, Germany ("Hessisches Ministerium für Wirtschaft, Verkehr und Landesentwicklung"). The assistance was limited to a maximum of EUR 250,000 in each year. In order to receive the assistance GLEIF was required to incur certain qualifying expenditure. GLEIF complied fully with the terms of the subsidy and in turn received the full amount of EUR 250,000 (US$260,725 in 2016 and US$274,400 in 2015). GLEIF has not benefited from any other form of government assistance. There are no unfulfilled conditions or other contingencies attaching to government assistance that has been recognized.

The portions of the subsidies attributable to capital expenditures (tangible and intangible fixed assets), advance payments and deferred expenses have been deferred, and is amortized over the useful life of the related fixed assets. The total cash flow from the subsidy in the prior year was US$260,725.

The cash flow of the subsidies and donations is presented within the cash flow from operations.

3.6 Financial Income/Expense

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Subsidy granted in 2015</td>
<td>US$20,359</td>
</tr>
<tr>
<td>Subsidy granted in 2016</td>
<td>US$41,095</td>
</tr>
<tr>
<td>Income from subsidies and donations</td>
<td>US$61,454</td>
</tr>
<tr>
<td>Interest income</td>
<td>US$4,092</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>US$4,392</td>
</tr>
<tr>
<td>Financial result</td>
<td>US$-300</td>
</tr>
</tbody>
</table>
4. Balance Sheets

4.1 Receivables from LEI Issuers’ Fees

In 2017, GLEIF changed its value-added tax (VAT) assessment related to the revenues recognized on the service contracts with certain LEI issuers in the current and previous year. The Foundation has recognized US$ 400,926 receivables from German LEI issuers for which VAT will be re-invoiced. Correspondingly, an additional US$ 400,926 was recognized as VAT payables. As in the prior year, all receivables from LEI issuers fees will be due after the balance sheet date. As of the balance sheet date, there are no indications that the receivables will not be settled, and thus no allowances are recorded.

4.2 Current and Non-Current Financial Assets

GLEIF management has assessed the fair value of the security deposit balances to be equal to their carrying amounts as the market deposit rates are as low as 0%.

The balance outstanding as at December 31, 2017 relates to security deposits for the operating lease contracts that the Foundation entered into during 2015.

The outstanding deposits receivable analysis is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance payments for software development expenses</td>
<td>30,926</td>
<td>186,330</td>
</tr>
<tr>
<td>VAT refunds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>0</td>
<td>130,742</td>
</tr>
<tr>
<td>Switzerland</td>
<td>17,169</td>
<td>16,590</td>
</tr>
<tr>
<td>Russia</td>
<td>0</td>
<td>195</td>
</tr>
<tr>
<td>Prepaid IT licenses and maintenance</td>
<td>55,140</td>
<td>65,007</td>
</tr>
<tr>
<td>Annual newsletter subscriptions</td>
<td>8,124</td>
<td>24,493</td>
</tr>
<tr>
<td>Prepaid insurances</td>
<td>13,361</td>
<td>12,973</td>
</tr>
<tr>
<td>Prepaid travel expenses</td>
<td>14,044</td>
<td>7,300</td>
</tr>
<tr>
<td>Other prepaid expenses</td>
<td>10,050</td>
<td>14,713</td>
</tr>
<tr>
<td>Receivables due from employees</td>
<td>22,054</td>
<td>12,358</td>
</tr>
<tr>
<td>Reimbursements due from social organizations</td>
<td>7,347</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>Other current assets</td>
<td>177,236</td>
<td>470,701</td>
</tr>
</tbody>
</table>

4.3 Other Current Assets

The position consists of current bank accounts and cash on hand.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>3,323,743</td>
<td>5,071,643</td>
</tr>
</tbody>
</table>

GLEIF management has assessed the fair value of the security deposit balances to be equal to their carrying amounts as the market deposit rates are as low as 0%.
The finance lease contract concerns specific computer equipment, the contract terms are disclosed under note 4.9. Legal ownership will not be transferred under these terms. No asset is pledged as security for liabilities of the Foundation. Nevertheless, in accordance with general purchase conditions in Germany, most vendors will withhold the legal ownership of assets delivered until the purchase price is fully paid.

The Global LEI System IT solutions contain specific developed software for the maintenance and quality assurance of the Global LEI System databases as well as data exchange tools for the communication between GLEIF and the LEI issuers. US$ 121,130 of the 2017 investments were already paid in 2016 as advance payments.

The other intangible assets contain standard software licenses. The prepayments relate to a new ERP system which will be introduced in early 2018.

All intangible fixed assets stem from external developments or purchases.

### 4.5 Intangible Fixed Assets

The carrying amounts of all intangible fixed assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Global LEI System IT solutions</th>
<th>Other intangible assets</th>
<th>Prepayments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated cost</td>
<td>150,251</td>
<td>16,753</td>
<td>0</td>
<td>167,004</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-11,975</td>
<td>-8,950</td>
<td>0</td>
<td>-20,925</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2016</td>
<td>138,276</td>
<td>7,803</td>
<td>0</td>
<td>146,079</td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount as of Jan. 1, 2016</td>
<td>0</td>
<td>10,907</td>
<td>0</td>
<td>10,907</td>
</tr>
<tr>
<td>Additions</td>
<td>150,251</td>
<td>514</td>
<td>0</td>
<td>150,765</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-11,975</td>
<td>-3,618</td>
<td>0</td>
<td>-15,593</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2016</td>
<td>138,276</td>
<td>7,803</td>
<td>0</td>
<td>146,079</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated cost</td>
<td>384,465</td>
<td>20,053</td>
<td>82,867</td>
<td>487,385</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-77,901</td>
<td>-12,147</td>
<td>0</td>
<td>-90,048</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2017</td>
<td>306,564</td>
<td>7,906</td>
<td>82,867</td>
<td>397,337</td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount as of Jan. 1, 2017</td>
<td>138,276</td>
<td>7,803</td>
<td>0</td>
<td>146,079</td>
</tr>
<tr>
<td>Additions</td>
<td>234,214</td>
<td>3,300</td>
<td>82,867</td>
<td>320,381</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-65,926</td>
<td>-3,197</td>
<td>0</td>
<td>-69,123</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2017</td>
<td>306,564</td>
<td>7,906</td>
<td>82,867</td>
<td>397,337</td>
</tr>
</tbody>
</table>

The Global LEI System IT solutions contain specific developed software for the maintenance and quality assurance of the Global LEI System databases as well as data exchange tools for the communication between GLEIF and the LEI issuers. US$ 121,130 of the 2017 investments were already paid in 2016 as advance payments.

The other intangible assets contain standard software licenses. The prepayments relate to a new ERP system which will be introduced in early 2018.

All intangible fixed assets stem from external developments or purchases.

### 4.6 Tangible Fixed Assets

The carrying amount of all tangible fixed assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Technical and computer equipment</th>
<th>Office equipment</th>
<th>Apartment equipment</th>
<th>Motor vehicles</th>
<th>Finance lease assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated cost</td>
<td>354,912</td>
<td>251,678</td>
<td>9,564</td>
<td>70,466</td>
<td>19,657</td>
<td>706,277</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-128,917</td>
<td>-79,039</td>
<td>-7,760</td>
<td>-17,621</td>
<td>-4,593</td>
<td>-237,930</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2016</td>
<td>225,995</td>
<td>172,639</td>
<td>1,804</td>
<td>52,845</td>
<td>15,064</td>
<td>468,347</td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount as of Jan. 1, 2016</td>
<td>270,500</td>
<td>177,972</td>
<td>2,592</td>
<td>64,592</td>
<td>18,997</td>
<td>534,653</td>
</tr>
<tr>
<td>Additions</td>
<td>47,669</td>
<td>35,461</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>83,130</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-92,174</td>
<td>-40,794</td>
<td>-788</td>
<td>-11,747</td>
<td>-3,933</td>
<td>-149,436</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2017</td>
<td>156,588</td>
<td>155,611</td>
<td>1,390</td>
<td>52,845</td>
<td>15,064</td>
<td>365,818</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated cost</td>
<td>383,654</td>
<td>261,534</td>
<td>11,251</td>
<td>70,466</td>
<td>19,657</td>
<td>746,562</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-227,066</td>
<td>-105,923</td>
<td>-9,861</td>
<td>-8,526</td>
<td>-30,888</td>
<td>-380,744</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2017</td>
<td>156,588</td>
<td>155,611</td>
<td>1,390</td>
<td>52,845</td>
<td>15,064</td>
<td>365,818</td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount as of Jan. 1, 2017</td>
<td>138,276</td>
<td>7,803</td>
<td>0</td>
<td>146,079</td>
<td>0</td>
<td>146,079</td>
</tr>
<tr>
<td>Additions</td>
<td>30,429</td>
<td>9,856</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40,285</td>
</tr>
<tr>
<td>Transfer – Accumulated cost</td>
<td>-1,687</td>
<td>0</td>
<td>1,687</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-99,368</td>
<td>-26,884</td>
<td>-882</td>
<td>-11,747</td>
<td>-3,933</td>
<td>-142,814</td>
</tr>
<tr>
<td>Transfer – Accumulated depreciation</td>
<td>1,219</td>
<td>0</td>
<td>-1,219</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31, 2017</td>
<td>156,588</td>
<td>155,611</td>
<td>1,390</td>
<td>41,098</td>
<td>11,131</td>
<td>365,818</td>
</tr>
</tbody>
</table>

The finance lease contract concerns specific computer equipment, the contract terms are disclosed under note 4.9. Legal ownership will not be transferred under these terms. No asset is pledged as security for liabilities of the Foundation. Nevertheless, in accordance with general purchase conditions in Germany, most vendors will withhold the legal ownership of assets delivered until the purchase price is fully paid.
4.7 Payables to Vendors

Payables Due within Three Months: The majority of the current payables to vendors, including accrued payables, are due or will become due within three months after the balance sheet date. Normal payment terms agreed with the vendors range between 7 and 30 days after invoicing.

Payables Due Later than Three Months: US$ 114,724 (December 31, 2016: US$ 135,432) payables relate to a deferred rent liability which reflects the amortization of an initial seven-month rental-free period over the five-year initial fixed rental period. This accrued liability is split into a long-term portion of US$ 74,362 (December 31, 2016: US$ 100,308) and a short term portion of US$ 40,362 (December 31, 2016: US$ 35,124) of which US$ 30,272 (December 31, 2016: US$ 26,343) are due between four and twelve months after the balance sheet date. This liability is recognized with its present value by using an appropriate interest rate for corporate bonds.

4.8 Deferred Revenue

The deferred revenue is accrued in accordance with the outstanding portions of LEI service periods within the Global LEI System. See section 2.2. above.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Amortization in the following year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>until March 31</td>
<td>1,511,701</td>
<td>1,327,756</td>
</tr>
<tr>
<td>until June 30</td>
<td>1,134,155</td>
<td>860,730</td>
</tr>
<tr>
<td>until September 30</td>
<td>912,309</td>
<td>515,383</td>
</tr>
<tr>
<td>until December 31</td>
<td>400,117</td>
<td>181,664</td>
</tr>
<tr>
<td>Total deferred revenue</td>
<td>3,958,284</td>
<td>2,845,533</td>
</tr>
</tbody>
</table>

4.9 Financial Liabilities

The short-term bank liabilities reflect the balances on the foundation’s credit card accounts. The liabilities due to LEI issuers arise from the annually true-up of the volume of LEIs managed by the LEI issuers. If the effective annual fee is lower than the amounts paid in advance, GLEIF issues a credit for such an overpayment.

Finance Lease

In September 2015 GLEIF entered into a finance lease agreement to rent certain items of office equipment. The rental period is five years commencing November 2015. The interest rate has been calculated to approximately 2.02% over the rental period. The rental payments are equal and are payable monthly over the rental period. The ownership of the equipment does not pass to the Foundation at any time during the rental period.

The gross minimum lease payments and the related present values are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present value</td>
<td>Gross amount</td>
</tr>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Finance lease liabilities due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>4,294</td>
<td>4,502</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>8,098</td>
<td>8,255</td>
</tr>
<tr>
<td>Total finance lease liabilities</td>
<td>12,392</td>
<td>12,757</td>
</tr>
</tbody>
</table>
The reconciliation of the changes in liabilities arising from financing activities with the related cash flows is shown in the following table:

<table>
<thead>
<tr>
<th>January to December 2017</th>
<th>January to December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leasing liabilities</td>
</tr>
<tr>
<td>Carrying amount as of Jan. 1</td>
<td>14,591</td>
</tr>
<tr>
<td>Charges from financing cash flows</td>
<td>-3,991</td>
</tr>
<tr>
<td>Currency revaluation</td>
<td>1,792</td>
</tr>
<tr>
<td>Carrying amount as of Dec. 31</td>
<td>12,392</td>
</tr>
</tbody>
</table>

### 4.10 Other Payables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage and church tax payables</td>
<td>69,863</td>
<td>47,774</td>
</tr>
<tr>
<td>Social security liabilities</td>
<td>34,905</td>
<td>36,729</td>
</tr>
<tr>
<td>Outstanding vacation</td>
<td>134,927</td>
<td>66,769</td>
</tr>
<tr>
<td>VAT payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>198,088</td>
<td>0</td>
</tr>
<tr>
<td>Variable salary</td>
<td>337,049</td>
<td>264,990</td>
</tr>
<tr>
<td>Bonuses</td>
<td>345,536</td>
<td>226,117</td>
</tr>
<tr>
<td>Other liabilities due to employees</td>
<td>47,380</td>
<td>24,275</td>
</tr>
<tr>
<td>Other</td>
<td>3,163</td>
<td>4,545</td>
</tr>
<tr>
<td>Other payables</td>
<td>1,172,911</td>
<td>671,199</td>
</tr>
</tbody>
</table>

The variable remuneration to the GLEIF employees are accrued for in 2017 in accordance with the employment contracts. The bonuses to employees are accrued in accordance with board and management decisions.

The outstanding vacation liability in 2017 reflects the accrued salary and social contribution payments for the respective time.

### 4.11 Organizational Capital

The Foundation's initial paid-in foundation capital in an amount of CHF 50,000 was contributed by the Financial Stability Board, according to Article 7 of the GLEIF Statutes. With consent of the GLEIF Board of Directors, the Financial Stability Board is permitted, but not obliged to make additional contributions.

The total comprehensive income earned in 2017 will be allocated to the Foundation's reserves.

According to Article 10 of the GLEIF Statutes, any surplus generated by GLEIF is dedicated to pursue the purposes of the Foundation. Any distribution payment to Directors, employees or third parties, other than those made with the consent of the GLEIF Board of Directors and in accordance with the Foundation's purpose, is not permitted.

The Foundation's capital does not entitle the founder to receive distributions, or any repayment of the capital contributed.

Together with the retained surplus and other reserves, the total organizational capital is US$ 2,953,093. According to the Statutes, GLEIF must operate on a not-for-profit basis. In order to ensure the sustainable performance of the Foundation, the GLEIF Board of Directors and management believe that a reasonable level of total capital reserves is necessary.
5. Financial Instruments

5.1 Additional Disclosures on Financial Instruments

The following table presents carrying amounts of each category of financial assets and financial liabilities:

<table>
<thead>
<tr>
<th>Financial assets measured at cost or amortized cost</th>
<th>Dec. 31, 2017</th>
<th>Dec. 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term security deposits</td>
<td>123,990</td>
<td>108,979</td>
</tr>
<tr>
<td>Receivables from LEI issuer fees</td>
<td>4,889,942</td>
<td>1,409,636</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,323,743</td>
<td>5,071,643</td>
</tr>
<tr>
<td>Other non-derivative financial assets</td>
<td>5,217</td>
<td>5,203</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,342,892</strong></td>
<td><strong>6,595,461</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables due to vendors</td>
<td>883,100</td>
<td>953,603</td>
</tr>
<tr>
<td>Liabilities due to Board Directors</td>
<td>29,678</td>
<td>74,868</td>
</tr>
<tr>
<td>Finance lease liability</td>
<td>12,392</td>
<td>14,591</td>
</tr>
<tr>
<td>Liabilities due to banks</td>
<td>20,449</td>
<td>5,130</td>
</tr>
<tr>
<td>Liabilities due to LEI issuers</td>
<td>121,907</td>
<td>210,063</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,067,526</strong></td>
<td><strong>1,258,255</strong></td>
</tr>
</tbody>
</table>

Total interest income, interest expense and total expenses from financial instruments are:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total interest income</td>
<td>999</td>
</tr>
<tr>
<td>Total interest expense</td>
<td>989</td>
</tr>
<tr>
<td>Total bank transaction expenses</td>
<td>4,517</td>
</tr>
</tbody>
</table>

The bank transaction expenses are presented under the operating expenses.

5.2 Financial Risk Management

The Foundation’s operating business as well as its intended future investment and financing activities are affected by changes in foreign exchange rates, and interest rates. In order to optimize the allocation of the financial resources, GLEIF identifies, analyzes and manages the associated market risks. The Foundation seeks to manage and control these risks primarily through its regular operating and financing activities.

Foreign Currency Exchange Rate Risk

The intended operating structure of GLEIF exposes the Foundation to foreign currency exchange rate risks, particularly regarding fluctuations between the US dollar and the Swiss franc as well as the euro, in the ordinary course of business. Based on an annual budget and monthly interim statements, the Foundation plans the future financial disbursements in each significant transaction currency to mitigate the risk exposure to unpredicted and unwanted currency exchange earnings.

IFRS 7 requires a presentation of the effects of hypothetical changes of currency relations on surplus and equity using a sensitivity analysis. The changes of currency prices are related to all financial instruments outstanding at the end of the reporting period. To determine the net foreign currency risk the financial instruments are categorized according to their foreign currency, and a 10% increase or decrease is assumed for the transaction currency. The following table shows the effect for the two main foreign transaction currencies.
Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises whenever interest terms of financial assets and liabilities are different. Due to the short-term structure of a majority of financial assets and liabilities in the balance sheet as of December 31, 2017, the interest rate risk exposure of GLEIF is low.

Liquidity Risk
Liquidity risk results from the Foundation’s potential inability to meet its financial liabilities, in particular for ongoing cash requirements from operating activities. Due to the quarterly installments and quarterly invoicing agreed in both kinds of arrangements with the LEI issuers, and the repeating cash structure of the most important operating expenses, the GLEIF management is able to mitigate liquidity risks.

Credit Risk
Credit risk from fee receivables and other financial receivables includes the risk that receivables will be collected late or not at all. These risks are analyzed and monitored by the management. The Foundation mitigates the default risks by assessing the financial strength of an LEI issuer candidate during the accrediting and monitoring processes. However, default risk cannot be excluded with absolute certainty. The maximum default risk amount is the carrying amount of the financial asset. No collateral or insurance is agreed with regard to the default risk.

GLEIF has two major banking relationships. The majority of its cash holdings is concentrated with one of these banks.

<table>
<thead>
<tr>
<th>10% increase of transaction currency</th>
<th>10% decrease of transaction currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss franc</td>
<td>Swiss franc</td>
</tr>
<tr>
<td>12,593</td>
<td>-12,593</td>
</tr>
<tr>
<td>Euro</td>
<td>Euro</td>
</tr>
<tr>
<td>258,639</td>
<td>258,639</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>271,232</td>
<td>271,232</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effect on equity</th>
<th>Effect on surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Other Information and Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Related Party Transactions</td>
</tr>
<tr>
<td>Related individuals of GLEIF include the Members of the Board of Directors, the Chief Executive Officer and the Executive Management, and the members of the Regulatory Oversight Committee. Related organizations include the Financial Stability Board.</td>
</tr>
<tr>
<td>The following table discloses the current and prior year transactions with related parties, and the payables due December 31, 2017 and 2016:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel expense reimbursement</td>
<td>248,791</td>
<td>296,78</td>
<td>268,798</td>
<td>74,868</td>
</tr>
<tr>
<td>Key management personnel</td>
<td></td>
<td></td>
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<tr>
<td>Fixed remuneration</td>
<td>835,883</td>
<td>2,998</td>
<td>887,729</td>
<td>22,265</td>
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<tr>
<td>Variable remuneration and bonus</td>
<td>306,229</td>
<td>311,851</td>
<td>226,103</td>
<td>226,103</td>
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<tr>
<td>Travel expense reimbursement</td>
<td>117,593</td>
<td>2,893</td>
<td>80,315</td>
<td>1,665</td>
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<tr>
<td>Other related parties</td>
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<td></td>
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<tr>
<td>Remuneration</td>
<td>0</td>
<td>0</td>
<td>55,800</td>
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<tr>
<td>Travel expenses reimbursement</td>
<td>0</td>
<td>0</td>
<td>15,306</td>
<td>0</td>
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<tr>
<td></td>
<td>1,508,496</td>
<td>347,420</td>
<td>1,534,051</td>
<td>324,901</td>
</tr>
</tbody>
</table>
The Directors did not receive remuneration for their services as Members of the Board of Directors, with the exception of the reimbursement of their travel costs.

The 2017 and 2016 travel reimbursement expenses and liabilities for the Board Directors include claimed expenses as well as accrued expenses for outstanding reimbursement. In 2017, US$ 15,000 accrued liabilities for 2016 Board travel expenses are released.

The key management personnel of GLEIF consist of the CEO, the CFO, the Head of Business Operations and the General Counsel.

The expenses for the pension scheme for Swiss employees in the favor of the Executive Management are US$ 34,071 (2016: US$ 35,841).

The first Directors were nominated in December 2013 by the Founder, the Financial Stability Board, and appointed at the inception of the Foundation on June 26, 2014 as per Article 14 of the GLEIF Statutes. Article 17 of the GLEIF Statutes stipulates that Directors are eligible for a term of two years, renewable (with consent of the Board of Directors) for an additional term of two years. To initiate a staggered rotation half of the initial Board of Directors were allowed to serve for a period of three years. The Board of Directors approved in its meeting in October 2016 that all eight Directors with a term of three years were allowed to serve an additional term of two years from June 2017 to June 2019.

For all subsequent Board Directors, a nomination procedure is coordinated by the Chairman of the Board of Directors. Irrespective of this procedure the Founder has the right to remove or nominate a Director of the Board based on a recommendation of the LEI ROC, as defined in Article 15 of the GLEIF Statutes.

The Chief Executive Officer is Stephan Wolf, residing in Westbaden, Germany. He started in his role in October 2014.

The Board of Directors appointed Thomas Sprecher, Zurich, Switzerland, as Secretary of the Board on June 26, 2014.

Signing authorities have been established as per GLEIF Statute Article 35 “Signatures.”

Basel, March 14, 2018

### 7. Board of Directors, Secretary and Chief Executive Officer

The Board of Directors consisted of the following individuals on December 31, 2017:

<table>
<thead>
<tr>
<th>Name</th>
<th>Term</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerardus Hartsink</td>
<td>3 years</td>
<td>Hilversum, the Netherlands</td>
</tr>
<tr>
<td>Nabil Al-Mubarak</td>
<td>2 years</td>
<td>Riyadh, Saudi Arabia</td>
</tr>
<tr>
<td>Jefferson Braswell</td>
<td>3 years</td>
<td>San Francisco, United States of America</td>
</tr>
<tr>
<td>Bo Chen</td>
<td>3 years</td>
<td>Beijing, China</td>
</tr>
<tr>
<td>Arthur Cousins</td>
<td>2 years</td>
<td>Johannesburg, South Africa</td>
</tr>
<tr>
<td>Robin Doyle</td>
<td>3 years</td>
<td>New York, United States of America</td>
</tr>
<tr>
<td>Daniel Goroff</td>
<td>2 years</td>
<td>New York, United States of America</td>
</tr>
<tr>
<td>Hiroshi Kawagoe</td>
<td>2 years</td>
<td>Tokyo, Japan</td>
</tr>
<tr>
<td>Paul Kennedy</td>
<td>2 years</td>
<td>Beecroft, Australia</td>
</tr>
<tr>
<td>Wolfgang König</td>
<td>3 years</td>
<td>Geelhausen, Germany</td>
</tr>
<tr>
<td>Alfredo Reyes Krafft</td>
<td>2 years</td>
<td>Mexico City, Mexico</td>
</tr>
<tr>
<td>Hyoun-Seok Lim</td>
<td>2 years</td>
<td>Seoul, Republic of Korea</td>
</tr>
<tr>
<td>Ravi Mathur</td>
<td>3 years</td>
<td>Gurgaon, India</td>
</tr>
<tr>
<td>Bruno Schütterle</td>
<td>3 years</td>
<td>Bad Ragaz, Switzerland</td>
</tr>
<tr>
<td>Christopher Taggart</td>
<td>3 years</td>
<td>London, United Kingdom</td>
</tr>
<tr>
<td>Elemer Terták</td>
<td>2 years</td>
<td>Brussels, Belgium</td>
</tr>
<tr>
<td>Kam Keung Tse</td>
<td>2 years</td>
<td>Hong Kong, China</td>
</tr>
<tr>
<td>Henrique de Rezende Vergara</td>
<td>nominated July, 2017</td>
<td>São Paulo, Brazil</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the Board of Directors of
Global Legal Entity Identifier Foundation, Basle

Zurich, 14 March 2018

Independent auditor’s report on the audit of the financial statements

Opinion
In accordance with the terms of our engagement, we have audited the financial statements of the Global Legal Entity Identifier Foundation (GLEIF), which comprise the statement of financial position as of 31 December 2017 and the statement of comprehensive income, statement of changes in organizational capital and statement of cash flows for the year then ended 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the GLEIF as of 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the GLEIF in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the GLEIF’s 2017 Annual Report
Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The Board of Directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Board of Directors, CEO, LEI ROC Chairs and Executive Team

As of December 31, 2017, the Board of Directors was comprised of 18 Directors of which the Chairman and 11 Directors were appointed by the FSB on a recommendation of the LEI ROC from industry and regulatory organizations who bring their expertise and experience to the GLEIF.

All Members of the Board of Directors serve the Global LEI System on an unpaid basis. They are eligible for reimbursement of reasonable expenses relating to their responsibilities as governed by Article 19 of the Statutes and the GLEIF Board of Directors Expense Policy.

---

<table>
<thead>
<tr>
<th>GLEIF Board Directors</th>
<th>Board of Directors</th>
<th>Committee of Chairs</th>
<th>Audit and Finance Committee</th>
<th>Governance and Operations Committee</th>
<th>Technology and Operations Committee</th>
<th>Business Development</th>
<th>Ad hoc Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerard Hartsink</td>
<td>Chair</td>
<td></td>
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<tr>
<td>Nabil Al-Mubarak</td>
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<tr>
<td>Jefferson Braswell</td>
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<td>Bo Chen</td>
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<td>Arthur Cousins</td>
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<td>Robin Doyle</td>
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<td>Daniel Goroff</td>
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<td>Hiroshi Kawagoe</td>
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<td>Paul Kennedy</td>
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<tr>
<td>Wolfgang König</td>
<td>Vice-Chair</td>
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<td>Alfredo R. Krafft</td>
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<td>Hyoung-Seok Lim</td>
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<td>Ravi Mathur</td>
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<tr>
<td>Bruno Schütterle</td>
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<tr>
<td>Chris Taggart</td>
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<tr>
<td>Kam Keung Tse</td>
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<td></td>
<td></td>
<td></td>
<td>Chair</td>
</tr>
<tr>
<td>Henrique de Rezende Vergara</td>
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</table>

Composition of the Board of Directors and Committees as of December 31, 2017.
Members of the Board of Directors
as of December 31, 2017

Director: Gerard Hartsink
Role: Chairman
Affiliation: China Financial Computerization
Role: General Manager

Director: Bo Chen
Role: Managing Director for Corporate Regulatory Strategy & Policy
Affiliation: JPMorgan Chase
Role: General Manager

Director: Robin Doyle
Role: Managing Director for Corporate Regulatory Strategy & Policy
Affiliation: JPMorgan Chase
Role: General Manager

Director: Wolfgang König
Role: Research Fellow
Affiliation: Johann Wolfgang Goethe University
Role: Founding Partner & Chief Executive Officer

Director: Robin Doyle
Role: Managing Director for Corporate Regulatory Strategy & Policy
Affiliation: JPMorgan Chase
Role: General Manager

Director: Hyoung-Seok Lim
Role: Research Fellow
Affiliation: Korea Institute of Finance
Role: Co-Founder & Chief Executive Officer

Director: Wolfgang König
Role: Research Fellow
Affiliation: Johann Wolfgang Goethe University
Role: Founding Partner & Chief Executive Officer

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Role: Research Fellow
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Role: Research Fellow
Affiliation: Johann Wolfgang Goethe University
Role: Founding Partner & Chief Executive Officer

Director: Hyoung-Seok Lim
Role: Research Fellow
Affiliation: Korea Institute of Finance
Role: Co-Founder & Chief Executive Officer
Chief Executive Officer

Stephan Wolf
CEO – GLEIF

LEI ROC Chairs

Observers

LEI ROC Chair:
Michael Ritter
Deutsche Bundesbank, Germany
Role: Head of Central Credit Register

LEI ROC Chair:
Joseph Tracy
Federal Reserve Bank of Dallas, USA
Role: Executive Vice President and Special Advisor to the President

LEI ROC Chair:
Nanda S. Dave
Reserve Bank of India
Role: Head of the Department of Payment and Settlement Systems

LEI ROC Vice-Chair:
Stephan Wolf
CEO – GLEIF

LEI ROC Vice-Chair:
Joseph Tracy
Federal Reserve Bank of Dallas, USA
Role: Executive Vice President and Special Advisor to the President

LEI ROC Vice-Chair:
Nanda S. Dave
Reserve Bank of India
Role: Head of the Department of Payment and Settlement Systems
Overview of Professional Advisors

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Country of Origin</th>
<th>Type of Service</th>
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</thead>
<tbody>
<tr>
<td>Niederer, Kraft &amp; Frey AG</td>
<td>Switzerland</td>
<td>Legal Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board Secretary</td>
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<tr>
<td>CMS von Erlach Poncet Ltd.</td>
<td>Switzerland</td>
<td>Legal Services</td>
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<td>Trademark</td>
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<td>LEI issuer Contracts</td>
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<td>WP StB Christian Hecht</td>
<td>Germany</td>
<td>Accounting &amp; Tax Services</td>
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<td>Format A AG until 01.2017</td>
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<tr>
<td>Ernst &amp; Young Ltd. (EY)</td>
<td>Switzerland</td>
<td>Statutory Audit</td>
</tr>
</tbody>
</table>

General Information

Images
People:
Manuel Barth: manuel-barth.com
Jens Ripperger: ripperger.de
Marco Stirn: fotostudio9.de
Katrin Hoffmann: Foto Studio Hoffmann
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Getty Images: gettyimages.com
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Diagrams:
Karin Lange: lange-di.com

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506700GE1G29325QX363
LEI issuer:
Swiss Federal Statistical Office (FSO)
Supervision:
Swiss Federal Supervisory Authority for Foundations, Bern
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The GLEIF Website Terms
Graphics, Layout and Typesetting
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