

# **Bloomberg Eurozone Top 30 Banking Decrement 50 Point Index Methodology**

---

## Table of Contents

Introduction.....	3
Section 1: Overview .....	3
Section 2: Index Eligibility Process .....	3
Parent Index .....	3
Section 3: Index Construction Process.....	3
Index Selection Process .....	3
Index Weighting .....	3
Index Rebalance and Reconstitution .....	4
Section 4: Index Maintenance.....	4
Index Calculation.....	4
Deletion Policy.....	5
Addition Policy.....	5
Replacement Policy .....	5
Corporate Actions .....	5
Stakeholder Engagement.....	5
Risks .....	5
Limitations of the Index.....	6
Section 5: Benchmark Oversight and Governance.....	7
Benchmark Governance, Audit and Review Structure .....	7
Index and Data Reviews.....	7
Internal and External Reviews.....	7
Expert Judgement.....	7
Data Providers and Data Extrapolation .....	7
Conflicts of Interest.....	7
Restatement Policy .....	7

## Introduction

The Bloomberg Eurozone Top 30 Banking Index is designed to represent the largest thirty companies by float market capitalization within the Eurozone Developed Market. A company's sector allocation is defined per Bloomberg BICS Level 2 classifications.

The Bloomberg Eurozone Top 30 Banking Decrement 50 Point Index is designed to represent the performance of the Bloomberg Eurozone Top 30 Banking Total Return Index from which a predetermined fee is withdrawn on daily basis. The predetermined fee is in the form of index points deducted from the underlying Bloomberg Eurozone Top 30 Banking Total Return Index.

## Section 1: Overview

Name	Bloomberg Eurozone Top 30 Banking Index
Ticker	EZBNK30P,EZBNK30T,EZBNK30N
Currency	EURO
Inception Date	March 21, 2022
Base Date	March 30, 2015
Publication	Weekdays

The below table shows the parameters applied to calculate the Bloomberg Eurozone Top 30 Banking Decrement 50 Point Index:

Decrement Index Ticker	Decrement Index Name	Decrement Type	Decrement Point	Index Base Date	Index Base Value	Underlying Index Ticker	Underlying Index	Underlying Index Currency	Day Count Convention
EZBK30PT	Bloomberg Eurozone Top 30 Banking Decrement 50 Point Index	Fixed Point	50	30-Mar-15	1550.00	EZBNK30T	Bloomberg Eurozone Top 30 Banking Total Return Index	EUR	365
EZB30PT2	Bloomberg Eurozone Top 30 Banking Decrement 50 Point (1000 on May 17) Index	Fixed Point	50	30-Mar-15	1213.99	EZBNK30T	Bloomberg Eurozone Top 30 Banking Total Return Index	EUR	365

## Section 2: Index Eligibility Process

### Parent Index

In order to be eligible for the Bloomberg Eurozone Top 30 Banking Index, a security must be a member of:

- Bloomberg Eurozone Developed Market Large, Mid & Small Cap Universe

## Section 3: Index Construction Process

### Index Selection Process

In order for a security to be included in the Index, it must satisfy the following conditions:

1. Member of a member of the parent universe mentioned in Section 2: Index Eligibility Process
2. Have a Banking sector classification as defined by our BICS Level 2 classification data

The BICS eligible securities are then grouped at their company level and sorted by their company free float market capitalization. The top 30 companies are then selected to represent the basket.

\*More than 30 securities may represent the basket\*

### Index Weighting

A security's weight is determined by its Free Float Market Capitalization such that:

$$W_i = \frac{FMC_i}{\sum_1^M FMC_i}$$

Where:

$W_i$	Initial weight of security i
M	Number of Index Members
FMC	Free Float Market Capitalization of security i

## Index Rebalance and Reconstitution

As per WAGGE Schedule, the index will reconstitute semiannually and will rebalance quarterly.

The Index members' pro-forma weights are calculated based on the securities' closing market price as of the Free-Float Fixing Day.

### *Index Reconstitution Selection Dates*

As per WAGGE schedule i.e. Last Wednesday of January and July.

### *Index Reconstitution Announcement Dates*

The Index reconstitutions are announced 10 days prior to the Index Reconstitution Effective Dates.

### *Index Reconstitution Effective Dates*

As per WAGGE schedule i.e., 2<sup>nd</sup> Wednesday of March and September.

### *Index Rebalance Selection Dates*

As per WAGGE schedule i.e. Last Wednesday of January, April, July and October.

### *Index Rebalance Announcement Dates*

The Index rebalance changes are announced 10 days prior to the Index Rebalance Effective Dates.

### *Index Rebalance Effective Dates*

As per WAGGE schedule i.e., 2<sup>nd</sup> Wednesday of March, June, September and December.

## Section 4: Index Maintenance

### Index Calculation

For more information regarding the decrement return calculations, please refer to the formula in 2.1.2 in the [Bloomberg Decrement Index Methodology](#).

Refer to the [Bloomberg Global Equity Indices Methodology](#) for total return index calculation details.

## Deletion Policy

Index securities are not deleted outside of the semi-annual Index Reconstitution except in the case of a delisting.

## Addition Policy

Index securities are not added outside of the Index reconstitution.

- IPOs that qualify to be fast tracked to the underlying parent universe are not added to the Index.
- For a spin-off, a child distributed from an Index Member is added to the Index on the ex-date and will remain in the Index if it qualifies to remain in the underlying parent universe. The security will then be assessed as part of the forthcoming Index Reconstitution.

## Replacement Policy

Index securities are not replaced outside of the Index reconstitution.

## Corporate Actions

Refer to [Bloomberg Global Equity Indices Non-Market Cap Corporate Action Methodology](#) for the treatment of corporate actions.

## Stakeholder Engagement

Bloomberg Index Services Limited ("BISL") is in regular and ongoing engagement with its users through various channels, including via help desks, sales personnel, and direct communication with product personnel. To help ensure that the Index remains an accurate representation of global equities defined in the methodology, BISL endeavors to meaningfully incorporate these engagements into improvements in processes and service. Prior to any material change that might meaningfully impact users, BISL consults more broadly with stakeholders, where appropriate, before a recommendation is presented to the Product, Risk & Operations Committee ("PROC") for approval. This concept of shared ownership enables BISL to produce the most relevant Index and helps ensure responsiveness to user needs.

## Risks

The following is a summary of certain risks associated with the Index but is not meant to be an exhaustive list of all risks associated with the Index. Although the Index is designed to be representative of the markets it is measuring, it may not be representative of every use case. There is also inherent, though transparent, judgment in its construction, as outlined in this methodology. The Index is designed for general applicability and not to address the individual circumstances and needs of users. BISL does not advise about the usefulness of the Index to a particular circumstance; users are therefore encouraged to seek their own counsel for such matters. This methodology is subject to change, which may impact its usefulness to users. Although efforts will be made to alert users of any change, every individual user may not be aware of them. Such changes may also significantly impact the usefulness of the Index. BISL may also decide to cease publication of this Index. BISL maintains internal policies regarding user transitions, but no guarantee is given that an adequate alternative is available generally or for a particular use case. Markets for stocks, as with all markets, can be volatile. As the Index is designed to measure this market, it could be materially impacted by market movements, thus significantly affecting the use or

usefulness of the Index for some or all users. Also, certain equity markets are less liquid than others – even the most liquid markets may suffer periods of illiquidity. Illiquidity can have an impact on the quality or amount of data available to BISL for calculation and may cause the Index to produce unpredictable results.

The decrement feature reduces the Index value. Such decrement represents a predetermined reduction relative to the return of the Underlying Index.

### **Limitations of the Index**

Though the Index is designed to be representative of the markets it measures or otherwise aligns with its stated objective, it may not be representative in every case or achieve its stated objective in all instances. It is designed and calculated strictly to follow the rules of this methodology, and any Index level or other output is limited in its usefulness to such design and calculation.

Markets can be volatile, including those market interests that the Index measures or upon which the Index is dependent to achieve its stated objective. For example, illiquidity can have an impact on the quality or amount of data available to the administrator for calculation and may cause the Index to produce unpredictable or unanticipated results.

In addition, market trends and changes to market structure may render the objective of the Index unachievable or to become impractical to replicate by investors.

In particular, the Index measures global equity markets. As with all equity investing, the Index is exposed to market risk. The value of equities fluctuates with the changes in economic forecasts, interest rate policies established by central banks and perceived geo-political risk. The Index does not consider the cost of replication and as a result a tracking portfolio's returns will underperform the Index with all else equal. As the Index is designed to measure those markets, it could be materially impacted by market movements, thus significantly impacting the use or usefulness of the fixings for some or all users.

In addition, certain Sub-Indices may be designed to measure smaller subsets of the Index such as specific styles, size, and sector. Some of these Sub-Indices have very few qualifying constituents and may have none for a period. During such period, the Sub-Index will continue to be published at its last value, effectively reporting a 0% return, until new constituents qualify. If no constituents are expected to qualify (due to changes in market structure and other factors), the Sub-Index may be discontinued. In such an event, this discontinuation will be announced to index users.

## **Section 5: Benchmark Oversight and Governance**

### **Benchmark Governance, Audit and Review Structure**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Index and Data Reviews**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Internal and External Reviews**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Expert Judgement**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Data Providers and Data Extrapolation**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Conflicts of Interest**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

### **Restatement Policy**

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

**Take the next step.**

For additional information, please contact the Bloomberg Help Desk or log into the Customer Service Center at <https://service.bloomberg.com> <https://www.bloomberg.com/professional/product/indices/>

New York  
+1-212-318-2000

London  
+44-20-7330-7500

Singapore  
+65-6212-1000

Hong Kong  
+852-2977-6000

Tokyo  
+81-3-3201-8900

Sydney  
+61-2-9777-8600

**Disclaimers**

BLOOMBERG, BLOOMBERG INDICES and Bloomberg Global Equity Indices (the "Indices") are trademarks or service marks of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited, the administrator of the Indices (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Indices. Bloomberg makes no warranty, express or implied, as to the Indices or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an Index. Back-tested performance is not actual performance. Past performance is not an indication of future results. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with the Indices or any data or values relating thereto - whether arising from their negligence or otherwise. This document constitutes the provision of factual information, rather than financial product advice. Nothing in the Indices shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to "buy", "sell", "hold", or to enter or not to enter into any other transaction involving any specific interest or interests) by Bloomberg or a recommendation as to an investment or other strategy by Bloomberg. Data and other information available via the Indices should not be considered as information sufficient upon which to base an investment decision. All information provided by the Indices is impersonal and not tailored to the needs of any person, entity or group of persons. Bloomberg does not express an opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind. Customers should consider obtaining independent advice before making any financial decisions. © 2024 Bloomberg. All rights reserved. This document and its contents may not be forwarded or redistributed without the prior consent of Bloomberg.

The BLOOMBERG TERMINAL service and Bloomberg data products (the "Services") are owned and distributed by Bloomberg Finance L.P. ("BFLP") except (i) in Argentina, Australia and certain jurisdictions in the Pacific islands, Bermuda, China, India, Japan, Korea and New Zealand, where Bloomberg L.P. and its subsidiaries distribute these products, and (ii) in Singapore and the jurisdictions serviced by Bloomberg's Singapore office, where a subsidiary of BFLP distributes these products.