

S&P Dow Jones Indices' Consultation of the S&P International Sovereign Ex-U.S. Bond Indices Eligibility Criteria Results

NEW YORK, DECEMBER 29, 2020: S&P Dow Jones Indices ("S&P DJI") has conducted a consultation with market participants on a potential change to the S&P International Sovereign Ex-U.S. Bond Indices.

In order to enhance the credit rating quality and liquidity of qualifying bonds, S&P DJI is establishing minimum issuer credit rating requirements for any current, or potential new, countries to remain or become eligible for index inclusion. In addition, S&P DJI will modify the current minimum par amounts outstanding threshold for some countries and establish a minimum for others that presently don't have a minimum threshold. The tables below summarize the changes.

| | | Methodology | |
|---|---------|--|--|
| Change | Current | Updated | |
| Eligibility Criteria: Minimum Issuer Credit Rating for Current Countries | -- | Minimum Country Issuer Rating. At each monthly rebalancing, a country must have a minimum issuer credit rating of BBB- to remain eligible for index inclusion. ¹ | |
| Eligibility Criteria: Minimum Issuer Credit Rating for New Countries | -- | Minimum Country Issuer Rating. At each annual rebalancing, a country must have a minimum issuer credit rating of BBB- to be eligible for index inclusion. ¹ | |

Minimum Par Amounts Outstanding Threshold Changes

| Country | Current | Updated |
|----------------|------------|-------------|
| Australia | A\$ 1 bn | A\$ 2.5 bn |
| Hong Kong | HKD 300 mn | HKD 2.4 bn |
| Israel | ILS 1 bn | ILS 15 bn |
| Japan | ¥500 bn* | ¥500 bn |
| New Zealand | NZ\$ 1 bn | NZ\$ 2.5 bn |
| Singapore | S\$ 1.5 bn | S\$ 3 bn |
| South Korea | KRW 1 tn | KRW 2.5 tn |
| Switzerland | SFr 4 bn | SFr 2.5 bn |
| Cyprus | - | €2.5 bn |
| Czech Republic | - | Kč 50 bn |
| Estonia | - | €2.5 bn |
| Iceland | - | kr 75 bn |
| Latvia | - | €2.5 bn |
| Lithuania | - | €2.5 bn |
| Malta | - | €2.5 bn |
| Slovakia | - | €2.5 bn |
| Slovenia | - | €2.5 bn |

¹ S&P DJI will use the lowest available issuer credit rating from S&P Global Ratings (SPGR), Moody's Investors Services (MIS), and Fitch Ratings (FR).

| Country | Current | Updated |
|---------|---------|------------|
| Taiwan | - | NT\$ 75 bn |

* Threshold for all but 20- and 30-year bonds, which are set at a ¥450 bn minimum (applies only when a bond enters the index).

For more information about the indices, please refer to the S&P International Sovereign Ex-U.S. Bond Indices Methodology available [here](#).

These changes will become effective prior to the market open on Thursday, April 1, 2021.

Impact Analysis

Potential Country Inclusions. Based on proforma calculations as of October 30, 2020, the below two countries could potentially be added to the indices at the upcoming annual rebalancing, effective Thursday, April 1, 2021:

- Taiwan
- Israel

Please note the S&P International Sovereign Ex-U.S. Bond Indices Methodology on S&P DJI's website will be updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

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