S&P Dow Jones Indices

A Division of S&P Global

CONSULTATION

Consultation on the European, North American, and Global iBoxx Indices

LONDON, NOVEMBER 4, 2026: S&P Dow Jones Indices ("S&P DJI") is conducting a consultation with market participants on potential changes to the European, North American, and Global iBoxx indices.

BACKGROUND

iBoxx indices measure the performance of global bond markets. As part of the Annual Index Review (AIR), S&P DJI considers potential updates to the rules governing iBoxx indices. Following bilateral client discussion and the recent 2026 iBoxx European and North American Annual Index Review Global Advisory Panel, S&P DJI is consulting on four potential methodology changes. The topics are detailed below.

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A) iBoxx Indices – Workout Date for Financial Subordinated Bonds

PROPOSAL

For dated and undated callable financial hybrid capital bonds (“financial subordinated bonds”), iBoxx indices currently set the workout date – used to determine index eligibility and the maturity sub-index – to the first call date. S&P DJI proposes to set the workout date to the later of the first call date and the first reset date for bonds with a short par-call window prior to the reset date.

An increasing number of subordinated bonds from financial issuers, notably European and U.K. institutions, are issued with a short par-call window, typically three or six months ahead of the first coupon reset date. For these structures, the economic incentive to call arises at the first reset date rather than at the start of the par-call window.

The proposal aligns financial subordinated bonds with the existing iBoxx treatment of other callable bonds. For callable bonds that are not subordinated, the workout date to determine index eligibility and maturity sub-index is generally measured to the final maturity date. For non-financial hybrid capital bonds with an interest rate reset, the workout date is already set to the first reset date. Treating financial subordinated bonds to the first reset date would create a consistent approach across all instruments, with the first call date continuing to be treated as an early redemption date.

The proposed change would only affect the workout date used to determine a bond's time to maturity, and therefore its index eligibility and maturity sub-index assignment. The standard bond analytics calculation would not be affected. These are calculated to worst and continue to consider all call dates, including the first call date and the first reset date. Index-level analytics would change only to the extent that index membership changes. If a bond has no reset date after the first call date, or the first reset date falls more than 12 months after the first call date, the workout date would remain the first call date.

IMPACT ANALYSIS

As of September 30, 2026, 590 of the 1,189 callable financial subordinated bonds with a first reset date analyzed in the global iBoxx bond universe would have had a later workout date had the proposed change been in place at that time. Almost all affected bonds would move by approximately three or six months.

Segment	Rating	Affected Bonds	Shift ~3 Months	Shift ~6 Months	Other Shift*
EUR	Investment Grade	159	103	56	0
EUR	High Yield	43	36	4	3
GBP	Investment Grade	24	18	6	0
GBP	High Yield	1	1	0	0
USD	Investment Grade	66	48	16	2
USD	High Yield	20	18	2	0
USD	Unrated	3	1	1	1
SGD	Investment Grade	4	4	0	0
AUD	Investment Grade	1	0	1	0
NZD	Investment Grade	1	1	0	0
Contingent Convertibles	All	268	18	244	6
Total		**590**	**248**	**330**	**12**

* Workout date changes other than approximately three or six months.

As of September 30, 2026, 159 investment grade rated EUR-denominated bonds would have a later workout date. 103 shifted by approximately three months and 56 by approximately six months. Across all currencies and bond types, at least 111 affected bonds would have moved into a longer maturity bucket (0-1, 1-3, 3-5, 5-7, 7-10, 10+) as a result of the change.

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The full list of affected bonds, by currency and credit quality, is available *here*.

Impacted Index Families:

- All iBoxx index families
- Any custom index that uses the above index families as the index universe

QUESTIONS

1) **Should the workout date for callable financial subordinated bonds be set to the later of the first call date and the first reset date?**
2) **Should the proposed change apply to all callable financial subordinated bonds, including AT1 and RT1 bonds?**
3) **Should the change be applied to all affected bonds at a single month-end rebalancing, or should implementation be phased to limit turnover in maturity-restricted indices?**
4) **Should the proposed change be implemented now or deferred until market conventions for these structures are more established?**

CONSULTATION

B) iBoxx Indices – Review of the Hybrid Bond Definition

PROPOSAL

iBoxx indices classify a bond as a hybrid bond if the bond satisfies the following four criteria:

- is subordinated
- has deferrable coupons
- perpetual or long-dated (more than 25 years to maturity at issuance)
- has a first non-call period of at least five years.

S&P DJI proposes to remove the minimum five-year first non-call period from the hybrid bond definition, while retaining the remaining three criteria. A first non-call period of five years or more reflects common market convention for hybrid bonds rather than a defining feature, and other major index providers do not apply a minimum non-call period in their hybrid definitions. Recent issuance includes structures that the market and rating agencies treat as hybrid bonds despite a first non-call period of less than five years, such as the EUR 500 million perpetual non-call three-year tranche issued by Stora Enso Oyj in April 2026.

The proposal aims to ensure that the hybrid bond definition reflects current market practice and is applied consistently across all iBoxx indices.

IMPACT ANALYSIS

As of September 30, 2026, the following two bonds would have been classified as hybrid bonds had the proposed change been in place at that time.

ISIN	Issuer	Ticker	Currency	First Settlement Date	Workout Date	Coupon (%)
XS3306627780	Stora Enso Oyj	STERV	EUR	04/17/2026	04/17/2029	5.625
XS2793946315	China Huaneng Group Hong Kong Treasury Management Holding Ltd	HUANEN	USD	07/05/2024	07/05/2027	5.300

Impacted Index Families:

- All iBoxx index families
- Any custom index that uses the iBoxx hybrid bond classification

QUESTIONS

5) **Should the minimum five-year first non-call period be removed from the iBoxx hybrid bond definition?**

CONSULTATION

C) iBoxx Indices – Day Count Conventions for 144A / RegS Bond Pairs

PROPOSAL

Certain bonds in CAD, EUR, GBP, and USD are issued in two economically identical versions, one under Rule 144A and one under Regulation S (RegS). For 144A / RegS bond pairs documented as 30/360, iBoxx indices currently set the convention by the issuer's country of incorporation: 30A/360 for issuers incorporated in the United States or Canada and 30E/360 for all others. Under 30E/360, the 31st is always treated as the 30th, whereas under 30A/360, the end date is treated as the 30th only if the start date is the 30th or 31st.

S&P DJI proposes to apply a default day count convention, based on the bond's currency, to both versions of each 144A / RegS bond pair documented as 30/360.

Currency	Proposed Day Count Convention
EUR	30E/360
GBP	30E/360
USD	30A/360
CAD	30A/360

144A / RegS bond pairs documented with other day count conventions would not be affected.

IMPACT ANALYSIS

The impact of the proposed change is limited to accrued interest, and related analytics around month-end. As of September 30, 2026, 2,074 of the approximately 19,000 bonds in the iBoxx EUR, GBP and USD Investment Grade universe would have had a different day count convention had the proposed change been in place at that time, almost all USD-denominated.

The largest month-end valuation difference observed was approximately USD $1 million, arising from a one-day difference in accrued interest. The difference reverses at the next coupon date, and the total coupon paid is unchanged.

Impacted Index Families:

- All iBoxx index families that include 144A / RegS bond pairs
- Any custom index that uses the above index families as the index universe

QUESTIONS

6) **Should 144A / RegS bond pairs documented as 30/360 use a day count convention based on the bond's currency (USD and CAD: 30A/360; EUR and GBP: 30E/360) for both versions?**

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D) iBoxx Inflation-Linked Indices – Inclusion of Danish Government Inflation-Linked Bonds

PROPOSAL

The iBoxx Inflation-Linked indices currently include government inflation-linked bonds from the United States, France, Italy, the United Kingdom, Germany, Spain, Canada, Japan, Sweden, Australia, New Zealand, and Israel.

S&P DJI proposes to include Danish government inflation-linked bonds in the iBoxx Inflation-Linked indices. Issuance of these bonds has grown consistently in recent years, so inclusion would broaden the indices' country coverage and enhance the representation of the developed-market inflation-linked bond universe.

Danish government inflation-linked bonds would be subject to the existing eligibility criteria of the iBoxx Inflation-Linked indices, with a minimum amount outstanding threshold of 3bn DKK.

IMPACT ANALYSIS

As of September 30, 2026, the two Danish government inflation-linked bonds below would have been eligible for inclusion had the proposed change been in place at that time. Denmark would have entered the iBoxx Global Inflation-Linked Index with a weight of approximately 0.18%, with the weights of existing countries effectively unchanged. New Zealand is currently the country with the smallest index weight at approximately 0.42% in the iBoxx Global Inflation-Linked Index.

ISIN	Issuer	Currency	Maturity Date	Amount Outstanding (DKK billion)
DK0009923724	Kingdom of Denmark	DKK	11/15/2030	23.18
DK0009924458	Kingdom of Denmark	DKK	11/15/2034	20.84

Impacted Index Families:

- iBoxx Inflation-Linked indices
- Any custom index that uses the iBoxx Inflation-Linked indices as the index universe

QUESTIONS

7) **Should Danish government inflation-linked bonds become eligible for the iBoxx Inflation-Linked index family?**
8) **Do you agree with the proposed minimum amount outstanding for DKK-denominated inflation-linked bonds of DKK 3 billion?**

CONSULTATION

IMPLEMENTATION TIMING

S&P DJI will announce each adopted proposal's detailed implementation timing with the consultation results.

QUESTIONS

9) **Do you have any comments on any of the above proposals that you would like S&P DJI to consider?**

Additional data and analysis may be made available in the Client Resource Center *www.spglobal.com/spdji/en/client-services/*, which may be updated from time to time throughout the consultation without notice. The information will be posted for the duration of the consultation and up to 30 days thereafter at S&P DJI's discretion. Additional data and analysis may also be made available upon request.

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate market participants' views and preferences. Please respond to this survey by **December 4, 2026**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available *here*.

Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no obligation to comply with any of the responses. The consultation may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the change(s) will be announced to clients and posted to the S&P DJI website with prior notice ahead of the effective date.

Thank you for taking the time to complete this survey.

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

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit *www.spglobal.com/spdji*.

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