

iBoxx European & North American Annual Index Review 2023

Preliminary Agenda

Technical Advisory Committee: 19th October 2023

General Advisory Committee: 24th October 2023

US Advisory Committee: 2nd November 2023

Cross Index Topics

1. Granular classification for Banks

- Creation of sub-sector definition for banks to distinguish between:
 - o Globally systemic banks
 - o Diversified banks
 - o Regional banks

2. Update classification for Agencies

- Narrower definition to focus on financing activities only
- Additional distinction between “Domestic Agencies” and “Non-Domestic Agencies”

3. Expansion of iBoxx USD Emerging Markets indices

- Overall set of indices for sovereigns, sub-sovereigns and corporates
- Extension of coverage to maturity
- Inclusion of sovereigns with an average rating of CC & C as well as non-rated sovereigns
- USD 250 million cut-off for all bonds

4. Inclusion of senior bank fixed-to-float bonds in the iBoxx EUR Liquid High Yield index

- Only bullet senior bank bonds are currently eligible, whilst most new issuance is issued as fixed-to-floaters
- Align inclusion of Bank fixed-to-float bonds in the iBoxx EUR Liquid High Yield Index

5. Inclusion of payment-in-kind (PIK) bonds in liquid indices

- For index families that contain PIK bonds, those bonds may also be considered for inclusion in the related liquid indices
- No change for index families that exclude PIK bonds

6. Add and align Secured/ Unsecured bond information for iBoxx USD Developed Markets High Yield and iBoxx GBP High Yield index families

- Proposal to add bond level classification information of “Senior Secured”/ “Senior Unsecured” in field “Seniority Level 2”
- Aligning the seniority classification with the existing approach in iBoxx EUR HY

USD Index Topics

7. Review of preferred securities for USD benchmark indices

- Preferred securities from bank and insurance issuers may be considered for inclusion

Any other business

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