

PRESS RELEASE

S&P BSE Private Banks Index Consultation Results

MUMBAI, MAY 31 2019: Asia Index Private Limited (“AIPL”) has conducted a consultation with members of the investment community on a potential change to the S&P BSE Private Banks Index.

On January 10, 2019, the Securities and Exchange Board of India (“SEBI”) issued a circular¹ providing capping norms for sectoral and thematic indices.

In order to align the S&P BSE Private Banks Index with the SEBI capping norms, AIPL will change the index’s constituent weighting scheme as detailed in the table below.

Change	Methodology	
	Previous	Updated
Constituent Weighting	<p>Constituents are weighted by float-adjusted market capitalization (“FMC”) at each quarter effective at the open of the Monday following the third Friday of March, June, September and December. Weights are subject to the following constraints in the order detailed below :</p> <ul style="list-style-type: none"> • Single constituent weights are capped at 22.5%. • All constituents that weigh less than or equal to 4.5% should cumulatively weigh at least 16.5%. <p>To adhere to these constraints, the weights of all stocks weighing between 4.5% and 22.5% (“Type 1”) are proportionally redistributed to the stocks weighing less than 4.5% (“Type 2”). However, no stock’s weight can be reduced or increased beyond 4.5% for Type 1 and Type 2 stocks, respectively.</p> <p>In extreme cases, these capping constraints may not be achievable. In such instances, the individual stock weight cap of 22.5% is reduced by 0.5% until Type 2 stocks have a cumulative weight of at least 16.5%. If the capping constraints are still not achievable, the Committee will determine the appropriate modifications to the index weighting rules.</p>	<p>Constituents are weighted by FMC at each quarter effective at the open of the Monday following the third Friday of March, June, September and December. Weights are subject to the following constraints:</p> <ol style="list-style-type: none"> 1. Single constituent weights are capped at 33%. 2. The aggregate weight of the top three index constituents shall not be more than 63% of the index. 3. If the above constraints are breached, any excess weight is proportionately redistributed to all uncapped stocks. As part of the redistribution, the ranking of stocks based on final weights will remain in line with their rankings based on FMC.

This change will become effective prior to the market open on Monday, June 24, 2019, in conjunction with the June 2019 rebalancing.

Please note the methodology document located on the BSE website (www.bseindia.com) and AIPL website (www.asiaindex.co.in) is being updated to reflect this change.

Please contact Client Services at index_services@spglobal.com with any questions or requests for further information.

¹ For details on the SEBI norms, please refer to SEBI circular no: SEBI/HO/IMD/DF3/CIR/P/2019/011 available at www.sebi.gov.in/legal/circulars/jan-2019/portfolio-concentration-norms-for-equity-exchange-traded-funds-etfs-and-index-funds_41588.html.

About ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

About BSE Ltd

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder base that includes the leading global exchange- Deutsche Bourse, as a strategic partner. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds and stock lending and borrowing. BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments. Indian Clearing Corporation Limited, a wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on the BSE trading platform and provides full novation, guaranteeing the settlement of all bonafide trades executed. BSE Institute Ltd, another fully owned subsidiary of BSE runs one of the most respected capital market educational institutes in the country. Central Depository Services Ltd. (CDSL), a subsidiary of BSE, is one of the two Depositories in India.

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