

## Press Release

### Global X Australia Launches the Global X Australian Bank Credit ETF (ASX: BANK) Tracking New Solactive Australian Bank Credit Index

24 July 2024

**FRANKFURT AM MAIN – Solactive introduces the Solactive Australian Bank Credit Index, a benchmark tracking credit risk across Australia's banking sector, and underlying the new Global X Australian Bank Credit ETF (ASX: BANK). The resilience of the Australian banking system is enhanced by the quantity and quality of capital held by all the banks in Australia, leading to continued strong issuance of corporate bonds and structured credit products.**

The [Solactive Australian Bank Credit Index](#) provides investors with a rules-based approach to gauge credit performance across the capital structure of Australia's banking system. It measures the performance of AUD-denominated senior and subordinate bonds and preferred shares issued by APRA-regulated authorized deposit taking institutions. It delves deeper than traditional market indices by incorporating the entire capital structure of banks, including debt instruments and preferred shares. This unique approach provides a clearer picture of the sector's financial strength and risk profile.

Constituents are selected based on criteria such as minimum size, credit quality, and maturity. Weighting employs evaluated mid-prices incorporating accrued interest. Its transparent, calibrated design aims to facilitate passive strategies seeking diversified exposure to Australia's banking sector credit market, and the methodology incorporates a balance between issuer types and debt classes.

#### **The ETF listed on 24 July on the Australian Stock Exchange (ASX) with ticker "BANK".**

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: *"We are pleased to expand our collaboration with Global X, this time with focus on Australian banks. As vital contributors to the domestic economy and financial stability, these institutions' risk profiles attract both domestic and international investors. Solactive aims to develop solutions that provide targeted exposure to key markets and industries. This index addresses the increasing demand for benchmarks that measure credit risks within Australia's crucial banking sector and aligns with our goal of supporting increased capital flows to the regional economy."*

Evan Metcalf, Chief Executive Officer at Global X ETFs Australia, commented: *"We are pleased to partner with Solactive as the index provider for BANK and deliver Australian investors with untapped potential in the Australian fixed income space. As Australia's first 'three-in-one' passively managed package of senior bonds,*

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*subordinated bonds and hybrid securities, BANK is the only index-based ETF offering exposure to the broader capital stack of Australia's banks in one diversified solution. This product has been built in response to a remarkable period of growth for fixed income ETFs in Australia over the past year. The largest portion of these flows have been directed towards widely diversified solutions and ETFs focusing on floating rate notes, such as subordinated debt. This trend has shown the widespread impact rising interest rates have had on local investor sentiment, sparking an increased desire to reduce the duration of portfolios and seek out appealing yields. With a growing appetite for more short-term fixed income ETFs in the Australian market, our ambition for BANK is to take advantage of this opportunity, as we aim to target a duration of one-to-two-years and a yield of five to seven per cent."*

For more information, please visit:

<http://www.solactive.com>

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## Note to editors

### About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and, with offices in Hong Kong, Toronto, Berlin, Dresden, and Amsterdam, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 300 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 30,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2024, Solactive served approximately 500 clients across the world, with approximately US\$300 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

### Disclaimer

The information in this document does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. Solactive AG and all other companies mentioned in this document are not responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

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