



## INDEX METHODOLOGY

# ABA NASDAQ COMMUNITY BANK™ INDEX

## ABAQ™

### INDEX DESCRIPTION

The ABA NASDAQ Community Bank Index is designed to track the performance of banks and thrifts or their holding companies listed on The Nasdaq Stock Market as selected by the American Bankers Association (ABA).

### SECURITY ELIGIBILITY CRITERIA

#### Eligible security types

Security types eligible for the Index include common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests and tracking stocks.

#### Multiple classes of securities

If an issuer has listed multiple security classes, all security classes are eligible subject to meeting all other Security Eligibility Criteria.

#### Eligible exchanges

Each security must be listed on The Nasdaq Stock Market.

#### Geographic eligibility

This index does not have a geographic eligibility criterion.

#### Industry or sector eligibility

Each security must either be allocated to the Banks Supersector according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license, or determined to be a bank, thrift or holding company of such by ABA Community Bank (ABA).

### **Market capitalization eligibility**

This index does not have a market capitalization eligibility criterion.

### **Liquidity eligibility**

This index does not have a liquidity eligibility criterion.

### **Seasoning eligibility**

This index does not have a seasoning eligibility criterion.

### **Float eligibility criteria**

This index does not have a float eligibility criterion.

### **Other eligibility criteria**

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

## **INDEX CALENDAR**

### **Reconstitution schedule**

The American Bankers Association selects constituents semi-annually in June and December.

### **Reconstitution reference dates**

The Reconstitution uses data as of the end of April and October.

### **Reconstitution announcement dates**

Index Reconstitutions are not announced.

### **Reconstitution effective dates**

Index Reconstitutions become effective at market open on the first trading day in June and December.

### **Rebalance schedule**

Index weights are determined each day.

## **Rebalance reference dates**

The index weights are determined using security information from the previous trading day, including any necessary adjustments due to corporate actions.

## **Rebalance announcement dates**

Index Rebalances are not announced.

## **Rebalance effective dates**

Index Rebalances become effective at market open.

## **Holiday schedule**

The Index is calculated Monday through Friday, except on days when the Nasdaq Stock Market is closed.

## **Index calculation and dissemination schedule**

The Index is calculated during the trading day based on the Last Sale Price and is disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

# **CONSTITUENT SELECTION**

## **Constituent selection process**

A Reconstitution is conducted on a semi-annual basis, at which time all eligible Securities are considered for Index inclusion based on the following criteria:

- The 50 largest banks or thrifts and their holding companies by asset size, as determined by the most recently available call report data as compiled by the FDIC, are excluded.
- Any banks or thrifts classified as having an “international specialization,” as determined by the most recently available call report data as compiled by the FDIC, provided that such institutions constitute the majority of assets if in a holding company, are excluded.
- Any banks or thrifts classified as having a “credit-card specialization,” as determined by the most recently available call report data as compiled by the FDIC, provided that such institutions constitute the majority of assets if in a holding company, are excluded.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Index is a market capitalization-weighted index.

### Constituent weighting process

Index Security weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities.

Please refer to the **Nasdaq Index Weight Adjustment Guidelines** for further information.

## INDEX MAINTENANCE

### Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable.

Such alterations may include:

- A listings switch to an ineligible Index Exchange.
- Merger, acquisition, or other major corporate event that would otherwise adversely affect the integrity of the Index.

### Replacement policy

Index Securities are not replaced in the Index outside of the Index Reconstitution.

### Addition policy

Index Securities are not added to the Index outside of the Index Reconstitution.

### Corporate actions

In the periods between scheduled index reconstitution and rebalancing events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. With the exception(s) noted below, specific treatment of each type of corporate action or event is described in **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the "Market Cap Corporate Action Method."

## Corporate action exceptions

### Spin-offs

- If the parent is an Index Security and there is a when-issued market for the spinco, the price of the parent is adjusted downward for the value of the spinco. The value of the spinco is calculated as the spin-off ratio multiplied by the when-issued Last Sale Price (“LSP”) of the spinco. There is no adjustment to the Index Shares of the parent. This will result in a divisor adjustment. The spinco is not added to the Index.
- If there is no when-issued market for the spinco, then no price or Index Share adjustment is made to the Index Security. The spinco is not added to the Index.

## Index share adjustments

A change in the total shares outstanding arising from corporate actions or events without an ex-date ordinarily is made to the Index as soon as practicable.

## ADDITIONAL INFORMATION

### Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at <http://indexes.nasdaqomx.com>.

For more information on the general Index Announcement procedures, please refer to the **Nasdaq Index Methodology Guide**.

### Unexpected market closures

For information on Unexpected Market Closures, please refer to the **Nasdaq Index Methodology Guide**.

### Calculation types

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), please refer to the **Calculation Manual – Equities & Commodities**.

### Recalculation and restatement policy

For information on the Recalculation and Restatement Policy, please refer to the **Nasdaq Index Recalculation Policy**.

### Data sources

For information on data sources and the classification of dividends and associated tax rates, please refer to the **Nasdaq Index Methodology Guide**.

## Contact information

For any questions regarding an Index, please contact the Nasdaq Index Client Services team at [indexservices@nasdaq.com](mailto:indexservices@nasdaq.com).

## Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaqomx.com/> as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more detailed information regarding Index Dissemination, see the **Nasdaq Index Methodology Guide**.

## Website

For further information, please refer to Nasdaq GIW website at <https://indexes.nasdaqomx.com/>.

## FTP and dissemination service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

## GOVERNANCE

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the Index determination process. For further details on the Index Methodology and Governance overlay, refer to the **Nasdaq Index Methodology Guide**.

## GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

For the glossary of key terms, please refer to the **Nasdaq Index Methodology Guide**.

## DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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