

Article Title: Criteria | Governments | Sovereigns: Advance Notice Of Proposed Criteria Change: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology Data: (EDITOR'S NOTE: —An updated version of this article, "Advance Notice Of Proposed Criteria Change: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology," was published on Nov. 16, 2018.) S&P; Global Ratings is planning to propose revisions to its methodology and assumptions used for rating multilateral lending institutions (MLIs) and other supranational institutions as in the article entitled "Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology," published on Nov. 26, 2012. The proposed MLI criteria revision reflects our commitment to update our criteria periodically to take into account evolving credit and market conditions, and further strengthen the robustness and relevance of our ratings. We are also aiming to ensure consistency in the general calibration of the criteria given the increase in risk weights that we have proposed for our risk-adjusted capital framework (RACF) in a number of credit risk categories, including sovereign exposures (see "Request for Comment: Bank Capital Methodology and Assumptions," published on July 6, 2016, and "Report Updates Market About Next Steps In The Process To Revise The Bank Capital Criteria," published on Dec. 20, 2016). We expect that the criteria revisions will cover various aspects of our current methodology and assumptions such as capital and earnings and funding and liquidity. In this respect, we would typically expect to review, among other matters, how we reflect "preferred creditor treatment" and "diversification and concentration," two specific adjustments applicable to MLIs that are not in the scope of the proposed RACF criteria (see "Key Considerations For Multilateral Lending Institutions In Our Proposed Bank Capital Criteria Update," Aug. 30, 2016). In 2017, we expect to publish a request for comment outlining our proposed criteria changes for rating MLIs and other supranational institutions, and then consider market feedback before publishing our updated MLI criteria. The potential rating changes will depend on the final MLI criteria adopted, as well as our assessment of each rated issuer or issue to which the revised MLI criteria will apply. If adopted, these proposed criteria would supersede the current criteria "Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology," published on Nov. 26, 2012. In the likely event that this MLI criteria review process may not be concluded by the time we publish our revised RACF criteria (given our current estimated timeline for publishing the RACF criteria), MLIs will be out of scope of the revised RACF criteria until such time as the MLI criteria are revised and published. This will ensure we avoid unintended consequences of the RACF revision on MLI ratings until we have revised the MLI criteria. In this scenario, we would continue to apply our current RACF and MLI criteria in rating MLIs. When the updated MLI criteria become effective, we will bring MLIs within the scope of the revised RACF criteria. Related Criteria And Research Related Criteria Request for Comment: Bank Capital Methodology and Assumptions, July 6, 2016 Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Nov. 26, 2012 Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012 Principles Of Credit Ratings, Feb. 16, 2011 Bank Capital Methodology And Assumptions, Dec. 6, 2010 Related Research Report Updates Market About Next Steps In The Process To Revise The Bank Capital Criteria, Dec. 20, 2016 Key Considerations For Multilateral Lending Institutions In Our Proposed Bank Capital Criteria Update, Aug. 30, 2016 The Application Of Key Aspects Of The Proposed Bank Capital Criteria Update, July 6, 2016 Credit FAQ: What's New With S&P; Global Ratings' Risk-Adjusted Capital Framework? July 6, 2016