

Index-Linked Bonds

Euronext Securities Copenhagen expands its functionality supporting index-linked bonds.

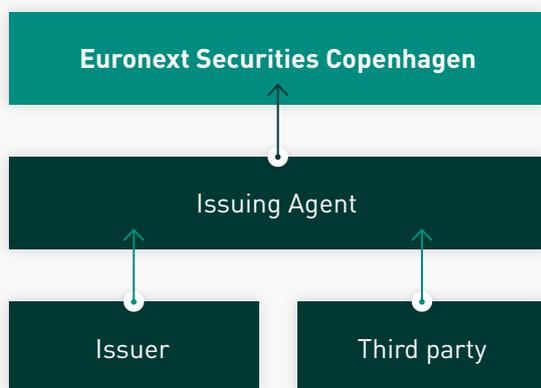


Index-linked bonds are important investment instruments for investors with commitments that are sensitive to inflation or other developments that can be reflected in indices. Currently Euronext Securities Copenhagen (ES-CPH) supports eight different indices that can all be used with bullet loans, serial and annuity loans.

Due to the rising demand of investors to link the bond's payouts to different kind of indices Euronext Securities Copenhagen has decided to re-design the process of issuing index-linked bonds by adding a new role.

Support for any indices

From 2016 Euronext Securities Copenhagen have been facilitating Issuance, registration, calculation in addition to interest pay-outs and redemption of bonds linked to any index. This includes index loan type 15. The Issuer will have the role of a Calculating Agent, calculating the applicable co-efficients and supply them to Euronext Securities Copenhagen.



The Issuing Agent will supply the relevant index coefficients to Euronext Securities Copenhagen via the online web service vp.ONLINE. The issuer can act as Calculating Agent, calculate the index coefficients, and supply them to the Issuing Agent. It is also possible that the Issuing Agent or a third party acts as the Calculating Agent.

For calculation and pay-out of interest and redemption, the Euronext Securities Copenhagen system will use the latest registered index coefficient – even if it is not new. Not only does the new functionality give the issuers freedom to use any index, but it also makes it possible to have less frequent indexing. For example, it will be possible to have four terms a year but only indexing once a year. That is up to – and will be managed by – the issuer – and described in the prospectus.

To give the issuer the best flexibility possible, these index coefficients from the Calculating Agent will only be used and published for indexing of interest and/or redemption payments. Euronext Securities Copenhagen will not calculate or publish any daily coefficient. If a daily coefficient is needed please see the relevant prospectus or contact the issuer or Calculating Agent for more information.

Benefits



Faster time
to market



Any index



Not necessarily
indexing at every
term

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