The move towards harmonisation has created a more international mindset amongst investors. For example, 47%\(^1\) of the debt instruments issued in Denmark are owned by international investors; in Norway the figure is 49%\(^2\).

Recent issuances have demonstrated that there are proven alternatives to the Global Note centric process. Thanks to an efficient network of connected CSDs, issuers can reach the same number of investor and depth of order book via Euronext Securities as they could with the traditional global approach.

Investors are not deterred by the local set-up and the liquidity levels are the same. And what about dematerialisation? Indications are that global note- and certificate-based issuance is soon to be a relic of the past. According to the CSDR regulations, all new issuances should be dematerialised from 2023.

Why should your next international issuance go through our local CSD?

Issuing locally supports the regional capital market
Issuers and investor banks benefit from local issuance.

Easy central bank money issuance through T2S
End-to-end flow in Central Bank money thanks to the T2S platform reduces settlement risk.

Competitive reach towards investors
Tried and tested operational set-up reaching all investors’ and intermediaries’ preferred securities accounts thanks to a competitive network of direct CSD links.

Euronext Securities have the same investor reach as Clearstream Bank Luxembourg and Euroclear Bank, but regional investors will benefit from lower costs arising from safekeeping their bonds in local CSDs rather than ICSDs.

Harmonised process across the Nordics
Issuers with a pan-Nordic or pan-European operation benefit from harmonisation.

Reduction of legal documentation costs
Issuers benefit from issuing their bonds under local law, reducing the cost base for legal documentation by 3 to 5 times.

True dematerialized issuances
Reduction of complexity and costs by true dematerialized issuance

Learning from issuers who are now issuing through their local CSDs

The switch from issuing through Global Notes programmes under UK law to dematerialised issuances under European laws through the local CSD has been made many times before. If you are considering making the change, these key questions from issuers who have already successfully switched to “glocal” issuances, with our answers, may be helpful.
We were able to get the best pricing ever. The spreads at issuance were very aligned with the ones in the secondary market, which means we were able to price at fair value, both on the 10-year and 20-year bond.

Key questions can be answered... with cases of precedence

Dematerialisation
Using Global Notes under UK law requires issuance of certificates into one of the ICSDs. Are the alternatives acceptable to investors?
CSDR stipulates that new issuances after 2023 should be done in a dematerialised manner. Euronext Securities provide truly dematerialised issuances and investors are comfortable with this process. There is precedence in issuances done under UK law, with the Note under local law (dematerialisation).

The plumbing
Can local CSDs reach the same investors as Global Notes issued through ICSDs?
Euronext CSDs have ECB-eligible links to all the big European Investor hubs, ensuring smooth operations.

ECB eligibility
With a Global Note the Issuer can be sure of ECB eligibility. Is that still the case if the bond is issued via a local CSD?
Euronext Securities have issued numerous international bonds locally and can prove their ECB eligibility.

Liquidity
Will there be the same liquidity in an issuance through a local CSD as with an issuance through the ICSD?
Recent cases of issuance through a local CSD show oversubscription in the primary distribution, and secondary market spreads were in line with a price at fair value.

Market practice (XS ISIN)
Will the investors have a lot of questions due to a different set-up and a different ISIN prefix than XS?
Evidence shows that investors are agnostic to the ISIN prefix and have a good understanding of the alternative way of working.

Different laws
Is it a problem for a company to be incorporated in one country and to issue under another local law?
Euronext Securities can present prospectuses, which are governed by one law, with specific sections related to local law – this is an established market practice and investors are used to it.

Selected cross-border bond issuance case studies

<table>
<thead>
<tr>
<th>Jyske Realkredit:</th>
<th>Tryg:</th>
<th>Euronext:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2021 - Covered Bond</td>
<td>February 2021 – Tier 1</td>
<td>May 2021</td>
</tr>
<tr>
<td>Amount: EUR 500 million</td>
<td>Amount: SEK 1 billion</td>
<td>Amount: EUR 1.8 billion</td>
</tr>
<tr>
<td>Maturity: 6.75 years</td>
<td>Maturity: Perpetual</td>
<td>Maturity: 5, 10 and 20 years in 3 tranches</td>
</tr>
<tr>
<td>Listing: Nasdaq OMX Copenhagen</td>
<td>Listing: Oslo Børs</td>
<td>Listing: Dublin</td>
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</tbody>
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We had expected to price between 3Month STIBOR + 250-275bp, and we ended with a price of 3Month STIBOR + 240bp, so we were pleased with that outcome as well.

Anders Lund Hansen
Head of Mortgage ALM, Jyske Bank

When I look in my order book, there’s no difference between this issuance and our previous ones. We have 83 active investors in our issuance, and we haven’t received a single question about the DK ISIN. This shows that this is a fully accepted solution seen from the European markets’ standpoint.

Barbara Plucnar Jensen
CFO, Tryg

We were able to get the best pricing ever. The spreads at issuance were very aligned with the ones in the secondary market, which means we were able to price at fair value, both on the 10-year and 20-year bond.

Giorgio Modica
CFO, Euronext

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