



INDEX-LINKED BONDS

VP SECURITIES EXPANDS ITS FUNCTIONALITY
SUPPORTING INDEX-LINKED BONDS.



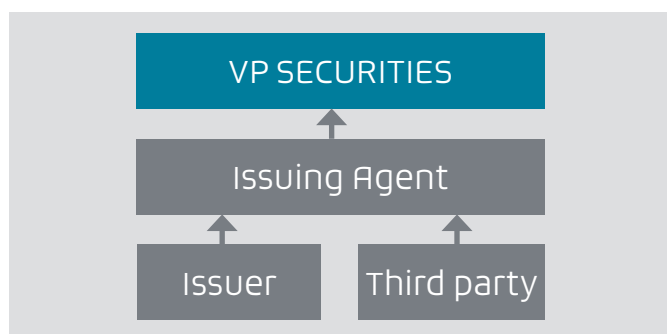
Index-linked bonds are important investment instruments for investors with commitments that are sensitive to inflation or other developments that can be reflected in indices. Currently VP SECURITIES (VP) supports eight different indices that can all be used with bullet loans, serial and annuity loans.

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

Support for any indices

From July 2016, issuers can issue bonds linked to any index. This is possible by introducing the role of a Calculating Agent, which will calculate the applicable co-efficients and supply them to VP.

From July 2016, VP has supported the registration of such bonds - with index loan type 15 - and from end-September 2016, VP supports the calculation and pay-outs of interest and redemption on these bonds.



■ Can take on the role of Calculating Agent

The Issuing Agent will supply the relevant index coefficients to VP 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 VP 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. VP 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

Contact us



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