



Debt listings on the Vienna Stock Exchange

Listing on the Third Market (MTF) and Official Market



Content

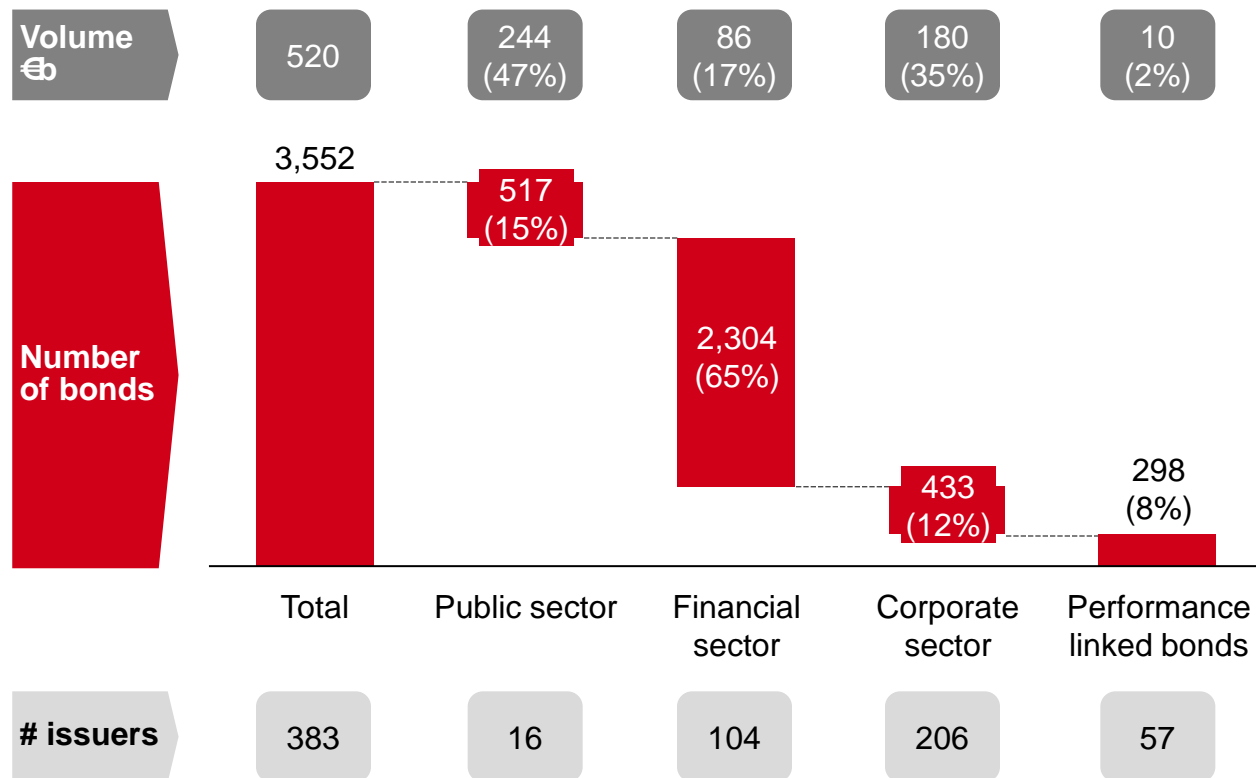
- Overview of the debt listing activity on the Vienna Stock Exchange (“VSE”)
- Listing segments of VSE
- Third Market (MTF): Listing requirements and documents
- “Easy listing”: Fast admission and listing process
- Debt issuance programmes
- Trading, clearing and settlement
- Listing and annual fees
- Summary of the main benefits of the Third Market (MTF)
- Excursus: Official Market





Listing activity on VSE currently focused on financial and corporate bonds

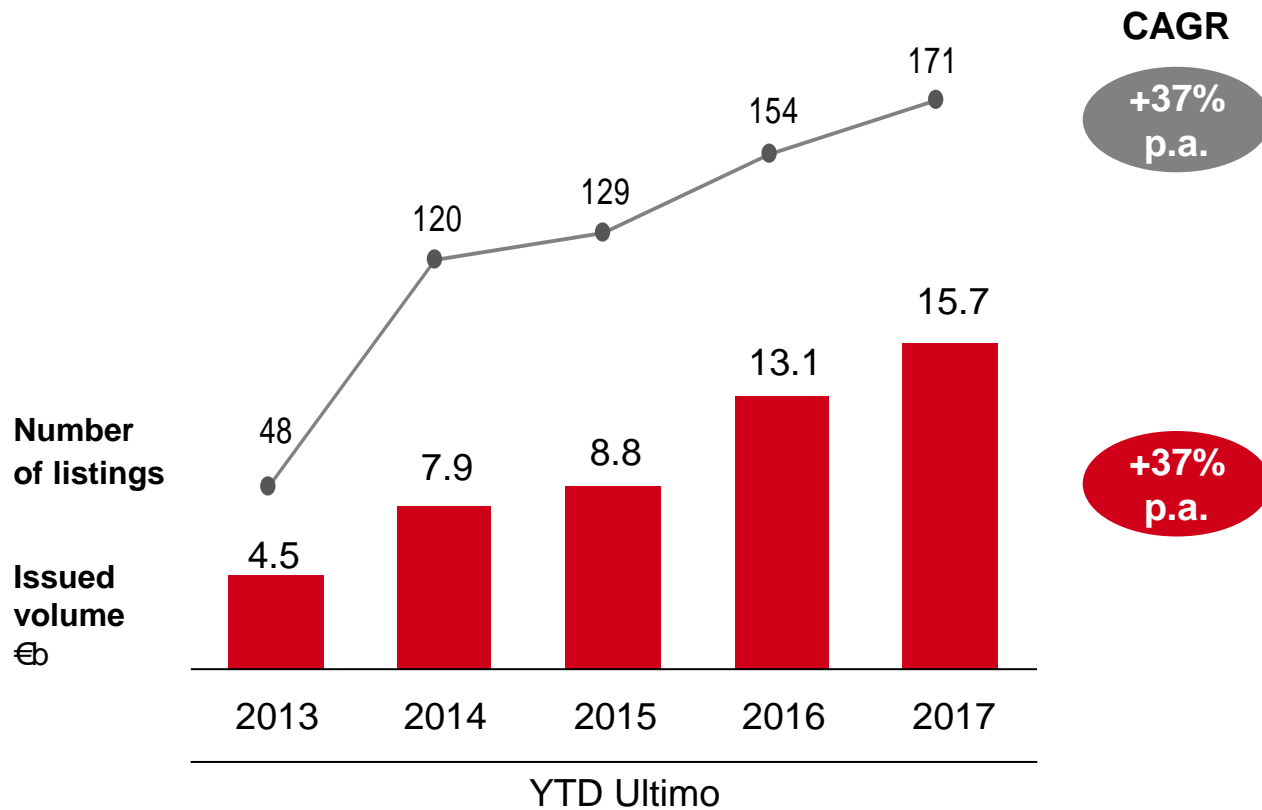
Number and issued volume of bonds listed on VSE per 31/12/2017





International bond listings in Vienna are growing fast

New primary listing of bonds by international issuers on VSE

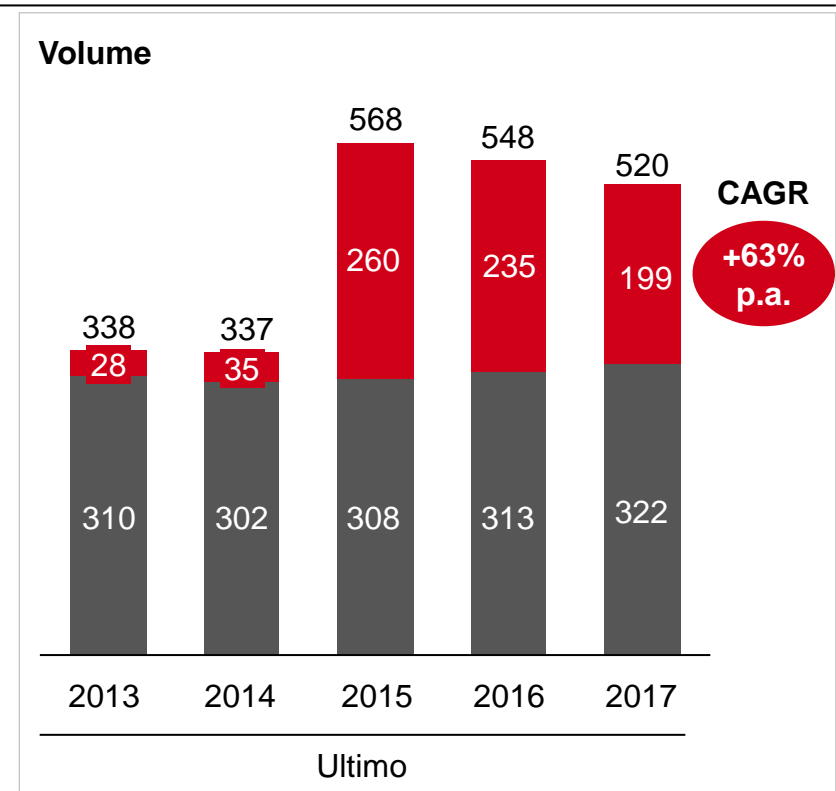
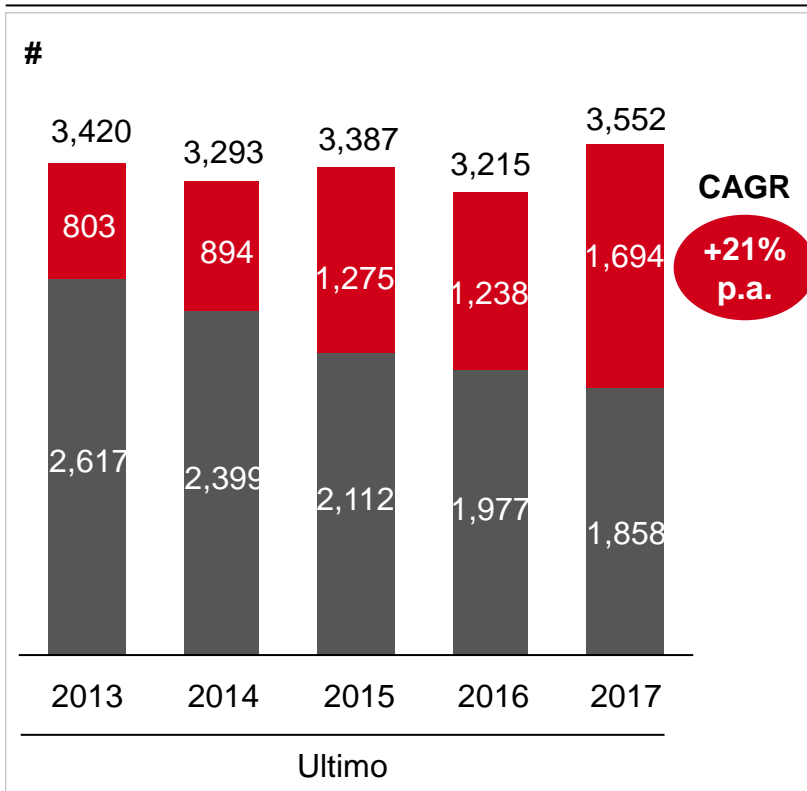




Number of bonds listed on the Third Market (MTF) have increased significantly

Outstanding bonds

■ Third Market (MTF)
■ Official Market





Main countries of VSE international bond listing activity



Examples show diverse international bond listing portfolio at VSE

Selection of international corporate bond issuers



Plus:

- Structured notes, loan-linked notes, asset-backed securities issued by Irish and Lux SPVs
- Credit-linked notes (CLN), collateralized loan obligations (CLO) and repacked notes by international banks



The world's leading financial institutions are trading members of VSE

Selection of international trading members

Morgan Stanley



J.P.Morgan





Overview of the listing segments

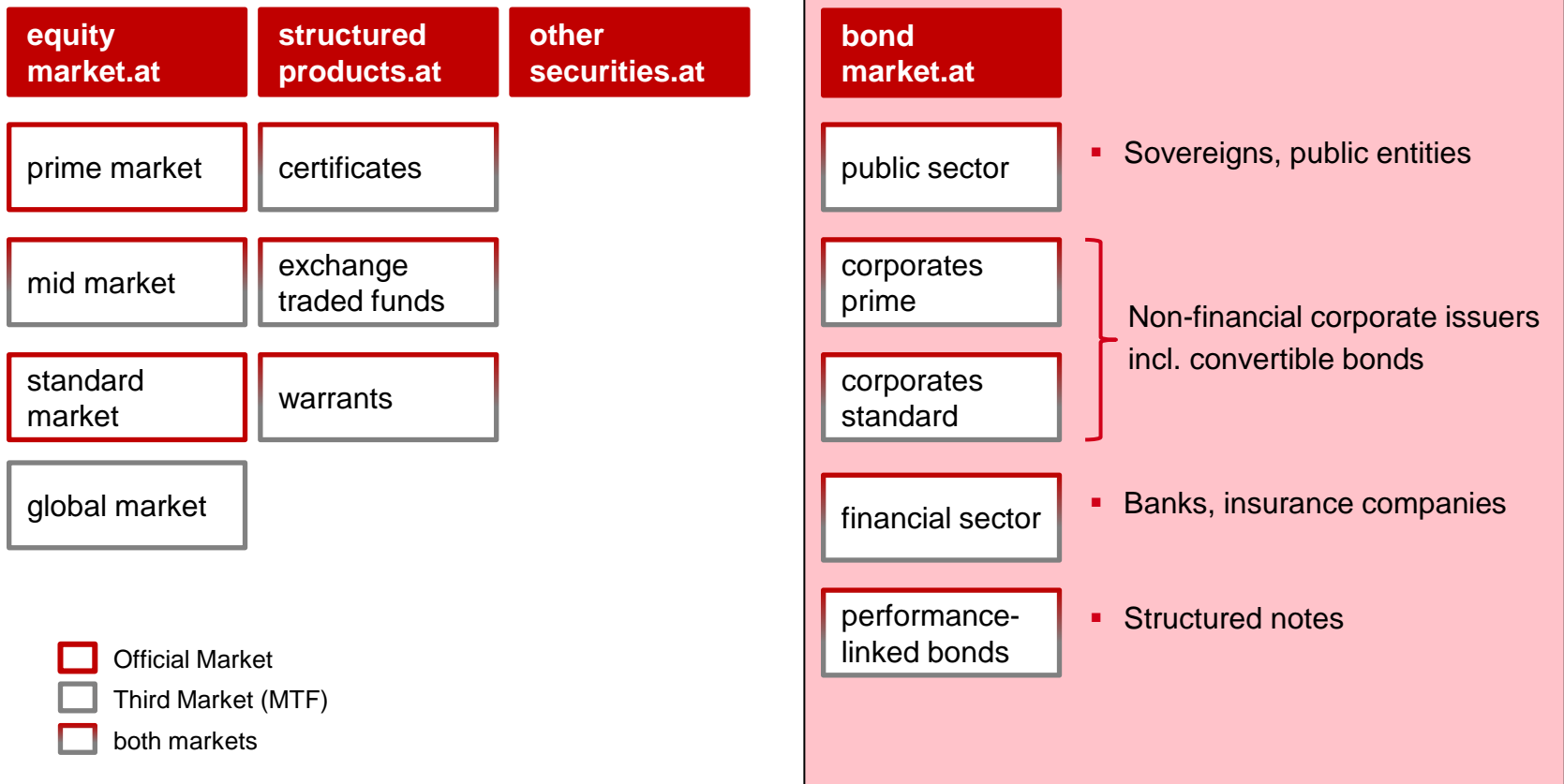
Flexible and independent admission procedure ensures speedy processes

	Official Market	Third Market (MTF)
Type of market	EU-regulated market according to MiFID	Exchange-regulated Multilateral Trading Facility
Applicant	Application by the issuer and an exchange member	Application by an EU bank, EU investment firm, law firm or the issuer
Prospectus requirement	Prospectus according to regulation EC/809/2004	NO prospectus requirement for entry
Admission to listing	VSE is the competent authority for admission to listing and trading securities on the Official Market and the Third Market (MTF)	



Clear market segmentation at VSE

Market segmentation



Third Market (MTF) – Listing requirements and documents

Required documents (to bonds@wienerborse.at)

- **Description of the issuer**¹ („information memorandum“) according to Annex A of the „Rules for the operation of the Third Market“ or offering memorandum (if existing)
- **Terms and conditions** of the bond/final terms + completed data spreadsheet
- Completed and duly signed **application form**
- **Corporate documents:**
 - **Articles of association** of the issuer
 - **Board resolution** about the issue of the bond
 - Extract from the **commercial register** (if not available: certificate of incorporation)
 - Last annual **financial statements** (if existing) – audited or unaudited, national accounting standards sufficient
- **No prospectus requirement for listing on the Third Market (MTF)! If an approved prospectus exists, it might be provided to VSE instead of an information or offering memorandum.**

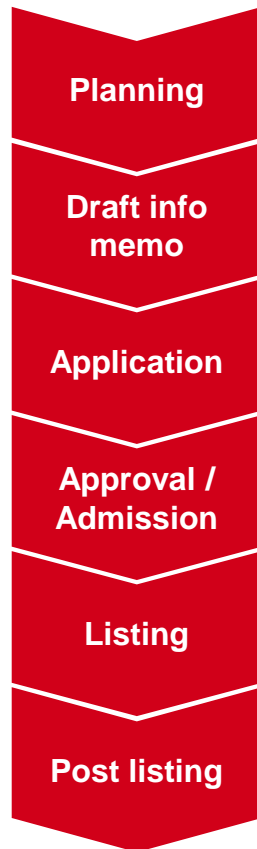
Other aspects

- **Application form** signed by EU bank, EU investment firm, law firm or the issuer
- Language regime: **Documents in English**, other languages for corporate documents accepted (e.g. Italian, Spanish, French)
- In the context of MiFID II / MiFIR and MAR, the VSE is obliged to collect a **Legal Entity Identifier (LEI)** code from any issuer operating on its markets
- All documents are treated **strictly confidential** by VSE, no document will be disclosed or published
- **No stipulations** concerning
 - issue **size**, **denomination** and trading **currency**
 - **minimum life** of the issuer,
 - **ISIN** codes (any ISIN accepted),
 - **clearing systems/CSDs**
 - **form** of the notes (bearer and registered)
 - **legal system** under which the bond is issued

¹ in case there is no approved prospectus; only required for non-banks and issuers without any financial instruments listed on a regulated/equivalent third country market



“Easy listing”: Fast admission and listing process



- Informal contact with the experienced debt listing team of VSE
- Discussion of the structure and timeline (intended listing date)

- Approval of the final draft by the VSE
- Only applicable to non-bank issuers without any financial instruments listed on a regulated market or on an equivalent third country market

- Submission of all documents in electronic form (pdf)
- Duly signed and properly completed application form

- Within 3 working days after final submission of the documents

- 2 days after admission
- Setup on trading system XETRA®, billing

- Requirements according to MAR
- Notification of the VSE in case of material changes

Third Market (MTF) – Continuing obligations at VSE

Notification of VSE in case of material changes

- concerning **the bond** (especially early redemption, default, interest rate change for floating rate notes)
- concerning **the issuer** (especially change to the legal status of the issuer, change in the company name of the issuer)
- **Submission** of such information by the applicant according to the **rules of the Third Market**
- However, if the **issuer has approved the application** for admission to trading, these reporting obligations do not apply to the applicant

NO...

- No disclosure requirements for the issuer (e.g. annual financial statements)
- No stipulations concerning ongoing disclosure about the underlyings of structured notes
- No stipulations concerning ongoing disclosure about the guarantor (in case the notes are guaranteed)
- No duty to submit annual financial statements to VSE

(per e-mail to bonds@wienerborse.at)



Market Abuse Regulation (MAR) – Issuers' obligations

Valid for regulated markets as well as MTFs according to MAR

- **Ad hoc disclosure** (Art.17) of insider information: Price-sensitive information concerning bond issuers comprises primarily
 - Default concerning interest or redemption payment
 - Material change of the issuer's credit rating
- **List of insiders** (Art.18): Comprising all persons with access to insider information, briefing of these persons. The list of insiders has to be kept with the issuer and to be updated in case of changes.
- **Directors' Dealings announcement** (Art.19): Persons in managing positions as well as their close relatives (spouse and children of the managing person) have to report own dealings in listed securities of the issuer (shares + bonds) to the issuer as well as to the authority of the country where the issuer has its registered seat latest 3 days after the trade.
Disclosure of these director's dealings by the issuer via an EU wide dissemination system (e.g. Reuters, Bloomberg) and on the officially appointed mechanism (OAM) of the country where the issuer has its registered seat within 3 days after the trade.



Debt issuance programmes

Quick and simple listing solution for multiple securities under one programme

Admission of programmes to the VSE:

- Application for the programme to be listed on the
 - Official Market: Electronic version (pdf-file) of the approved/passported base prospectus
 - Third Market (MTF): a programme memorandum is sufficient
- Corporate documents as described on page 11
- No fees for the admission of the programme itself, only for the tranches listed under the programme

Listing process for notes issued under the programme:

- No separate admission of the single notes/series issued under the programme
- Submission of the final terms (pricing supplement) + simple data spreadsheet via e-mail to bonds@wienerbourse.at
- Split of RegS and Rule 144A Notes (if applicable)
- Listing on the Third Market (MTF) within 2 days after submitting the final terms



Clear setup for trading, clearing and settlement

Trading in bonds

- Bonds are traded on XETRA® trading system
- Trading is done in a midday auction once a day – a price only occurs if a bid order and an ask order match
- Open order book
- No obligation to trade, provide liquidity or to quote prices
- Bid and/or ask quotes possible for valuation of the bond (no costs for quotes)

Clearing and settlement

- Global certificates have to be deposited with a custodian: Monte Titoli, Clearstream, Euroclear, the Austrian central custodian OeKB CSD or other custodians having a clearing link with OeKB CSD
- For the Third Market: Listing of registered notes is possible
- For trades executed on the VSE: The Central Counterpart Austria (CCP.A) acts as central counterpart for all trades (regulated market + MTF)
- Clearing: t + 2, clearing in EUR (also for bonds denominated in non-EUR currencies)

Dissemination of exchange prices

Bond and certificate prices are disseminated

- real-time via all major data vendors (Reuters, Bloomberg etc.)
- via the website of VSE (www.wienerborse.at)
- Best bid and best ask quote are shown on the website of VSE and also disseminated to data vendors

Competitive listing fees (one-off)

Listing fees per bond (ISIN)

Financial and Public Sector					
Number of bonds per issuer	1-10	11-20	21-30	31-50	More than 50
Official Market	€1,700	€1,500	€1,200	€900	€500
Third Market (MTF)	€500				

Corporate Sector	
Official Market	€2,700
Third Market (MTF) – standard rate	€1,700
Third Market (MTF) – special rate, if issuers/ guarantors are listed on an EU regulated market	€1,000

Extras

- Bonds with a tenor of 1 year maximum: € 500 listing fee, these short term bonds are excluded from the schedule
- Stand alone issues: Fee for the admission procedure of € 200 per bond (ISIN) will be added to the listing fee



Competitive annual fees

Annual fees per bond (ISIN)

Financial and Public Sector		Annual cap
Official Market	€200	€7,800
Third Market (MTF)	€100	no cap

Corporate Sector		Annual cap
Official Market	€300	€7,800
Third Market (MTF)	€200	no cap

Calculation and payment

- Payable upfront
- Annual fees are charged for each calendar year of the listing (up to 20 calendar years)
- Cap for each issuer for all new listings within a calendar year
- Proportionate redemption of the annual fee in case of early redemption of the bond (provided that the issuer did not reach the cap in the year of the first listing of the concrete bond)



Main advantages at a glance

Listing on the Third Market (MTF)

- **No listing agent registration required:** direct and non-bureaucratic interaction with experienced experts of the VSE debt listing team ensures a smooth admission process at all stages
- **No prospectus required:** issuer description and terms & conditions are sufficient; no issuer description required for companies with financial instruments already listed on a regulated or equivalent third country market
- **Flexible language regime:** Documents in English, certain languages are accepted for corporate documents submitted to VSE (e.g. Italian, Spanish, French)
- **Financial statements** do not need to be audited or published by the issuer
- **Confidentiality:** All documents sent to VSE for listing purposes are treated strictly confidential by VSE, no document will be disclosed or published
- **Convertible bonds:** underlying shares do not need to be listed, no prospectus required
- **No ongoing disclosure requirements** for the issuer except MAR
- **Bonds are set up in XETRA® trading system**, but there is no obligation to quote prices
- **Competitive fee structure**



Excursus: Official Market – Listing requirements and documents

Required documents (to bonds@wienerborse.at)

- **Prospectus:** Either base prospectus to list an issuance programme or stand alone prospectus
Prospectus **approved by Austrian FMA or passported** according to regulation EC/809/2004: Electronic version (pdf-file) of the prospectus, hard copies only on request of Vienna Stock Exchange
- **Terms and conditions** of the bond/final terms + completed excel data spreadsheet
- **Corporate documents:**
 - **Articles of association** of the issuer
 - **Board resolution** about the issue of the bond
 - Extract from the **commercial register** (if not available: certificate of incorporation)
 - Last audited annual **financial statements** (IFRS)
 - **Issuer's compliance code** (internal directive how to handle price sensitive information)

Other aspects

- **Application:** Signed by the issuer and co-signed by a member of the VSE
- Language regime: **Documents in English**, certain other languages for corporate documents accepted (e.g., Italian, Spanish, French)
- **Board resolution:** An English confirmation is sufficient that the submitted board resolution in another language is the true and original resolution for the relevant bond issue
- **Principal amount** at least EUR 250.000
- **No free float requirement:** Private placements with just one single investor possible

Comparison: Official Market vs Third Market (MTF)

	Official Market	Third Market (MTF)
Listing requirement		
Prospectus pursuant to the Prospectus Directive	Yes	No
Continuing obligations		
Annual report (§ 124 Stock Exchange Act 2018)	Yes ^{1 2}	No
Semi-annual report (§ 125 Stock Exchange Act 2018)	Yes ^{1 2}	No
Changes to the terms & conditions of the bond (§ 139 Stock Exchange Act 2018)	Yes ² (Publication)	Yes (notification to VSE only)
Selection of home Member State (§ 1 Z. 14 Stock Exchange Act 2018)	Yes	No
Ad hoc disclosure (Art. 17 MAR)	Yes ²	Yes
List of insiders (Art. 18 MAR)	Yes	Yes
Directors' Dealings announcement (Art. 19 MAR)	Yes	Yes
IFRS obligation (Art. 4 IAS regulation)	Yes (consolidated accounts)	No
Other information		
e.g. interest rate adjustments (floater)	Yes	Yes
e.g. exercising conversion rights (convertibles)	Yes	Yes
Voluntary Delisting (§ 38 Stock Exchange Act 2018)	Yes ³ (three month period)	Yes (notification to VSE only, one month period)

¹ exempted if the issued bonds have denomination of EUR 100,000 or above

² Publication; submission to the competent authority and Officially Appointed Mechanism (OAM) only in the selected home Member State of the issuer

³ under full reserve to investor protection; if security has been listed for at least 3 years



Contacts for international debt listings

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