



London
Stock Exchange

Listing Debt on London Stock Exchange



The London Offer

Profile: Our issuers benefit from the significant global profile of a London presence as well as access to a deep international investor community.

Long Standing Experience:

- More than 17,000 debt instruments actively listed on LSE's fixed income markets
- More than £3.5 trillion GBP equivalent raised
- Experience working with respected sovereign and quasi-sovereign issuers from over 59 jurisdictions
- Over 7,700 International Issuers on our debt markets
- Debt issued in 38 currencies

Issuer Profile Raising:

- **PR & Press:** debt listings in London are supported by a range of London Stock Exchange marketing and PR initiatives, tailored to suit the needs of issuers.
- **Market Open:** Any high profile issuance can be timed with a Market Opening ceremony and followed by a press release from our Group. High level government officials could also be invited which is also associated with extensive press coverage

Offering issuers flexibility and a choice of high-quality listed markets:

- London Stock Exchange's **Main Market** and **Professional Securities Market (PSM)** are both seen as 'best in class' among investors
- Our fixed income markets also offer a dedicated specialist offering for Islamic finance Sukuk instruments, Green Bonds, Retail Bonds as well as 'Masala' and 'Dim-Sum' bonds.

Innovation:

- **Green Bonds:** a range of dedicated 'green bond' segments, offering a flexible range of market models, covering both Regulated Market (RM) and MTF segments, comprising retail and wholesale, and offering the choice of trade reporting, end-of-day and continuous quoting. No other global exchange has such a comprehensive specialist offering for green bonds.
- **Order book for Retail Bonds:** LSE's flagship retail market allows for both primary issuance and secondary trading of retail denominated bonds and has been growing very popular among issuers of all currencies as an alternative funding source and among investors as the first transparent, regulated investment option of its kind in the UK. Retail bonds can also be held in an ISA, which is a tax-free savings account

Secondary Market Trading and Pricing

Deep, Liquid Bond Markets:

- Bond markets are moving away from less transparent OTC trading towards more liquid platform trading
- LSEG has developed highly liquid and transparent electronic fixed income order books that allow for both primary and secondary access and trading to international investors
- LSE's fixed income order books offer a range of secondary market solutions, from OTC-style trade reporting to end-of-day pricing to fully electronic continuous market maker quoting
- These include order books for some of the largest government bond markets in the world.
- 70% of global secondary market bond trading takes place in London

High Regulatory Standards

- UK's capital markets regulation is based on European Union Directives governing listing documentation, eligibility rules and ongoing disclosure requirements.
- UK debt markets' high standards ensure credibility amongst the global investor base and the UK Listings Authority (UKLA) maintains a reputation for its a robust and balanced approach to implementing the listing rules.

Predictable UKLA Turnaround times:

- Up to 4 clear working days after first submission and subsequent submissions within 2 clear working days.
- This applies to plain vanilla debt securities, redemption-linked securities, Medium term note programmes, securitised derivatives and supplementary prospectuses/listing particulars for non-equity securities.
- For MTNs, approval for the base prospectus only is required. Subsequent draw-down issues allowed at any time during the 1 year validity period of the prospectus, subject to publication of Final Terms and Prospectus Supplement s(if applicable) by 2pm the day before issue.
- [UKLA Checklist](#) can be used by issuers prior to submission to avoid delays

UKLA Fees: a one-off £ 2,000 Vetting fee is applied (no extra annual or application fees).

International Competitiveness

Competitive Fee Structure:

- LSE fees are calculated on a sliding scale, based on issue size and type of issue.
- No fee is payable for setting up an MTN program.
- No annual fee is payable in respect of debt securities on the London Stock Exchange's markets

Eurobonds & International Issuers

Face Value (£m)		Fee (£)
Greater than or equal to	Less than	
0	50	2,500
50	100	4,000
100	and above	4,200

Issuers under debt issuance programs

Face Value (£m)		Fee (£)
Greater than or equal to	Less than	
0	25	300
25	50	1,750
50	100	2,700
100	500	3,600
500	above	3,650



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London Market Overview

The London advantage

London Stock Exchange Group operates at the heart of the world's financial centre. Working with us gives our customers unique access to the global connectivity of the City of London.



London's investment pool

London has the largest pool of investors dedicated to international companies

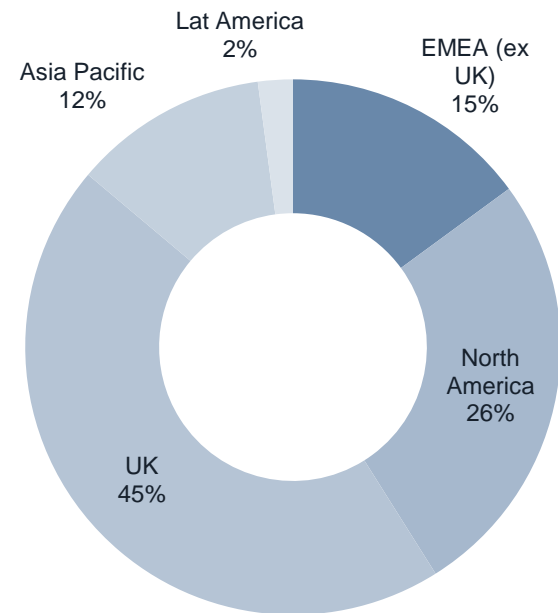


Source : Factset

International investor base

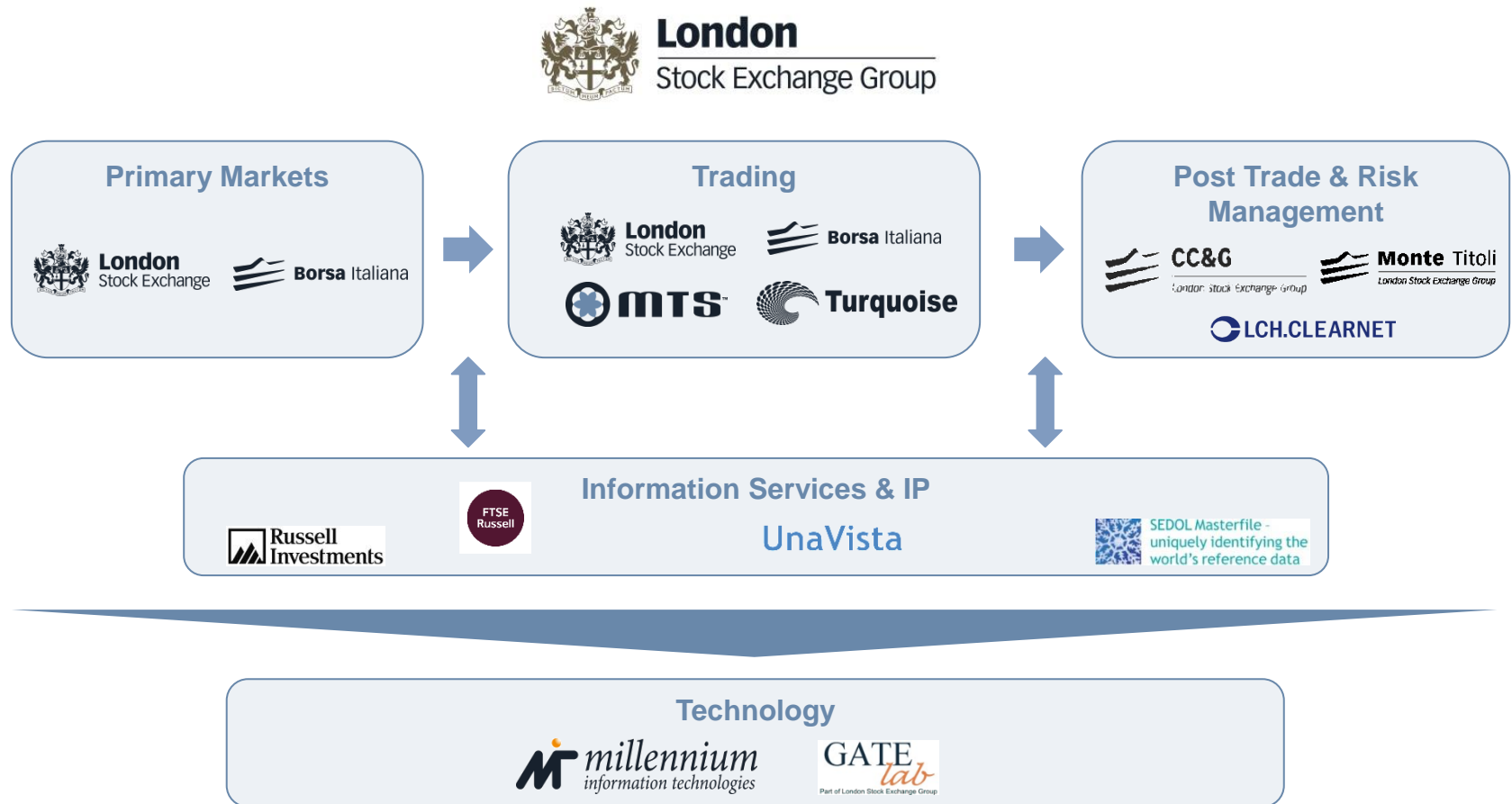
- London, more than any other financial centre, offers a long-standing globally oriented investor base
- UK investors have diversified portfolios and are used to supporting companies' international development
- Institutional investors in the other major listing venues tend to be more domestically focused
- Global investment portfolios ensure that investors appropriately value businesses with a global profile and aspirations

Top 50 UK investors' holdings, by region



Source : Factset

London Stock Exchange Group Depth and Breadth



Source: www.lseg.com

London Stock Exchange Group Markets

LSEG operates a range of world class regulated trading markets and MTFs covering various asset classes and products

Equities



- London Main Market
- Italian MTA
- **Turquoise** The pan European MTF
- **AIM** The world's leading SME market
- European leading **ETF** market venue

Debt



- London Main Market
- London PSM
- **MTS** Europe's leading government bond market
- **MOT** The world's leading retail bond market
- **ORB** The new UK retail bond market
- **EuroTLX** The first European retail bond MTF

Derivatives & Commodities



- IDEM derivatives
- LSE Derivatives
- IDEX Electricity
- Agrex Durum wheat commodities market

Not all markets shown



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Debt Markets

Debt markets overview

- London Stock Exchange is one of the **world's major centres** for issuing and listing of all types of debt securities
- London is the leading global centre for **international eurobonds** – London-based firms account for 60% of the primary market and 70% of the secondary market
- **1,700+ bonds** were issued on London Stock Exchange's debt markets in 2015, raising more than **\$421billion** equivalent, in **24 different currencies**.
- London-listed Eurobonds give international governments and companies, the **opportunity to integrate into global financial markets**, using London as a gateway to access an international pool of capital.
- Range of secondary market solutions, from OTC-style trade reporting to end-of-day pricing to fully electronic continuous market maker quoting

A choice of debt-listed markets

Main Market

- Listed, EU-Regulated Market under MiFID
- Full Prospectus required
- Securities subject to Chapters 2 and 17 of the UK Listing Rules
- Admission of both 'wholesale' and 'retail' bonds

Professional Securities Market

- Listed, Exchange-Regulated
- No requirement for full Prospectus, only Listing Particulars necessary
- Subject to Chapter 4 of the Listing Rules
- Admission of 'wholesale' securities only



Eligibility requirements for both markets:

- Minimum value of issue of £200,000
- Free transferability of debt securities
- All Securities of same class to be listed

Benefits of Professional Securities Market

PSM offers greater flexibility for issuers in terms of documentation required (listing particulars rather than full prospectus) and continuing disclosure obligations. Because London Stock Exchange's PSM has full 'listed' status, it offers companies all the benefits of admission to the UKLA's Official List

- Outside scope of EU Prospectus and Transparency Directives
- Designed to meet financing needs of issuers who do not require EU passport
- Offers alternative for issuers not wishing to prepare financial information to IFRS, and ability to report under national GAAP
- Distinction between wholesale and retail does not apply, which allows securities to be issued in denominations lower than €100K but under the wholesale regime
- Offers full listed status but with lower levels of disclosure and continuing obligations than what would be required on EU-Regulated Main Market
- Offers a number of secondary market order-book solutions while providing access to London's deep pool of international eurobond liquidity
- Offers cost savings as London is the only major European listing venue with no annual fees to debt issuers

Summary of Options - Next Steps

- Primary Market Listing:
 - ✓ Main Market
 - ✓ Professional Securities Market
- Secondary Market - Admission to Trading:
 - ✓ OTC 'trade-reporting only' segments
 - ✓ OFIS electronic segments offering either end-of-day pricing or continuous on-screen market maker tradable liquidity
- Exchange Admission documents required:
 - ✓ Electronic copy of Prospectus/Offering Circular/Pricing Supplement/Final Terms documentation
 - ✓ Copy of relevant Board Minutes
 - ✓ Copy of Regulated Information Service, e.g. RNS, announcement relating to the admission
 - ✓ Written confirmation of the number of securities to be issued
 - ✓ Completed Exchange Form 1

- London Stock Exchange's Capital Markets Days facilitate face-to-face, scheduled dialogue between companies and institutional investors. This is usually done to highlight a specific region or sector focus.
- Our central position within the London financial markets offers an unbiased arena in which to bring together select groups of companies with the most extensive possible network of appropriate potential investors.

Format

Market Opening: Unique opportunity for all companies, dignitaries and sponsors are invited to open London's market at 08:00 on the day of the event. This is filmed and can be accessed by international TV stations broadcasted in their relevant regions. A photographer is also present.

Presentations: Welcome by a senior executive of the London Stock Exchange, giving an overview of the market/sector. Summary of the IPO process by top City advisors and investors. Each company will have an opportunity to explain its investment story.

1-2-1 meetings: Highly targeted individual meetings pre arranged by the Exchange. Each company has its own private meeting room the entire day which is fully equipped with all AV capabilities.

Maximising exposure: Through the Exchange's press team from organisations such as the BBC, The Wall Street Journal, the Financial Times, CNBC & Sky News.



**WELCOME
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Order book trading

Order book for Fixed Income Securities

- In January 2014, in response to customer demand, LSE expanded order book trading to a wider range of securities and launched the Order book for Fixed Income Securities (OFIS) as a complement to the Order book for Retail Bonds.
- OFIS is an electronic trading service for order book trading of corporate bonds and other debt securities; it offers enhanced secondary market transparency and trading functionality for a broad universe of bonds.
- Supports both domestic and international debt; different segments and sectors can accommodate retail or wholesale denominated securities.
- It also includes Multilateral Trading Facility (MTF) segments which provide the ability for member firms to trade non-London listed securities on an MTF managed and supervised by London Stock Exchange.

OFIS market structure

Offers electronic order book trading for:

- London listed debt instruments:
 - ✓ Regulated market
 - ✓ Separate sectors for retail and wholesale denominations
- Debt listed on another EEA exchanges:
 - ✓ Exchange regulated segment for international debt (MTF)
 - ✓ Separate sectors for retail and wholesale denominations
- Also offers dedicated trading segments for 'green' bonds
- Flexible model offers 'end-of-day only' pricing or continuous market maker quoting.

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