

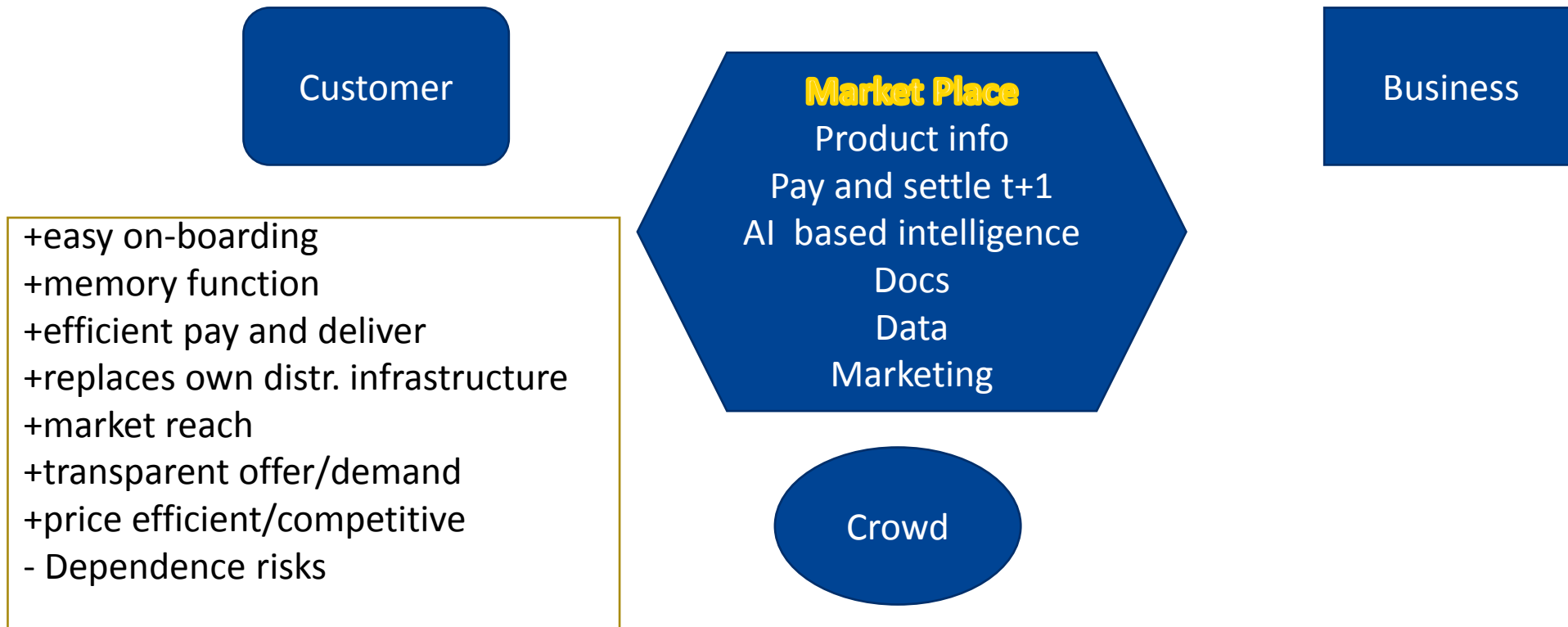
An Approach For a Future Issuance Service Concept

Design on a white piece of paper

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DISTRIBUTION OF GOODS AND SERVICES AHEAD OF FINANCE

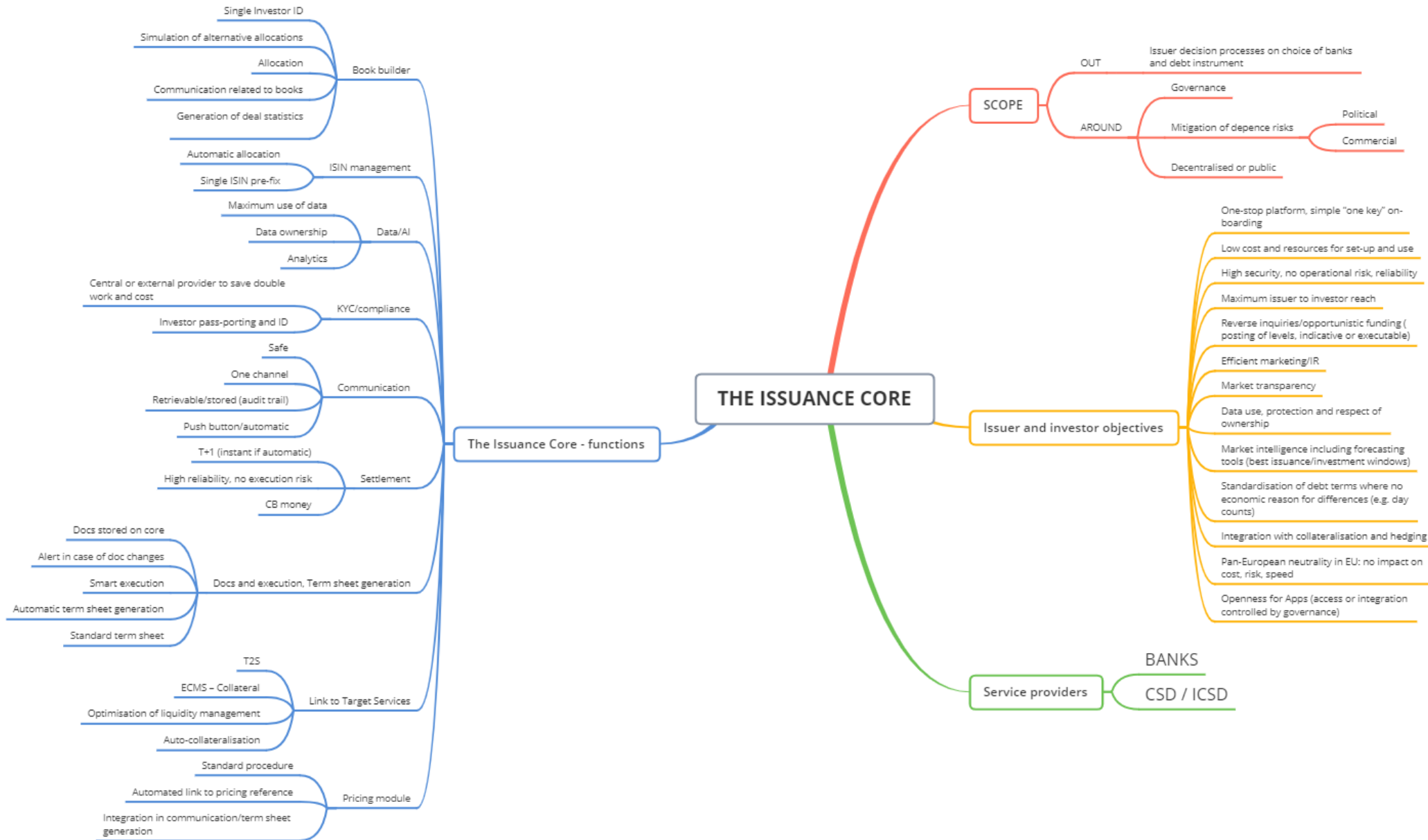
Goods and services are different from financial products, however efficiently distributed:

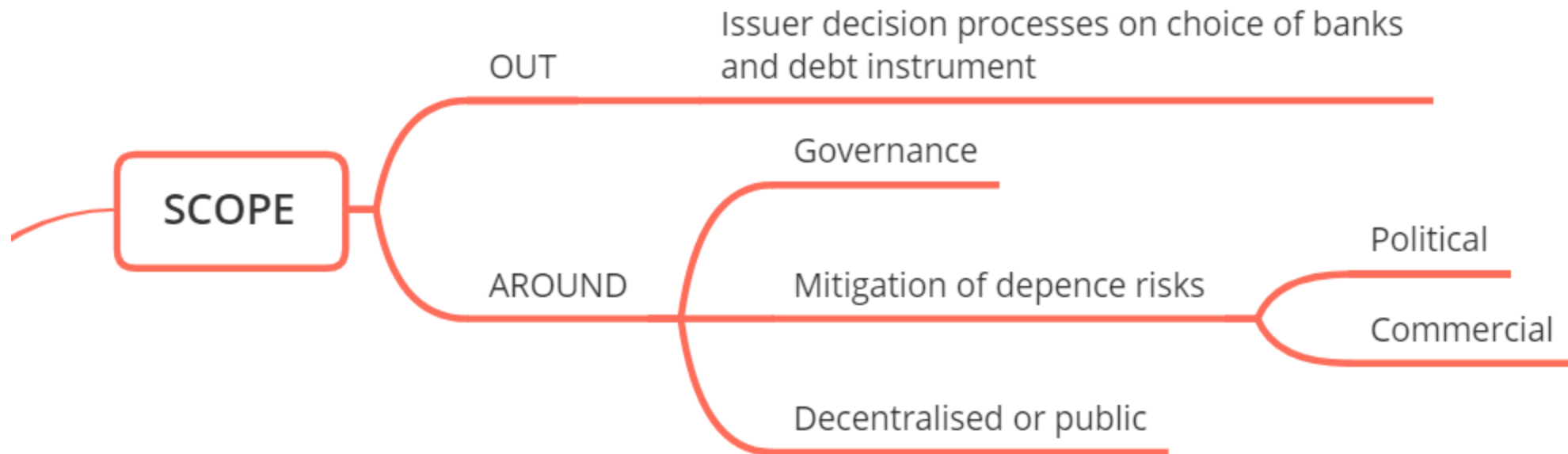


THE APPROACH – A PROPOSAL

- Debt issuance concept on a blank piece of paper
- A different Approach:
 - **Start from an issuance concept instead from current issuance infrastructure**
 - First, determine “if I had a wish” objectives of stakeholders
 - Second, derive the functional “ideal” solutions to best meet objectives:
a **F**uture **I**ssuance **S**ervice **C**oncept
- A different approach to quantification as well:
 - What does it cost that we forgo the **FISC**?
= opportunity cost of current situation

A FUTURE ISSUANCE SERVICE CONCEPT





Issuer and investor objectives

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graph LR; A[Issuer and investor objectives] --- B[One-stop platform, simple "one key" on-boarding]; A --- C[Low cost and resources for set-up and use]; A --- D[High security, no operational risk, reliability]; A --- E[Maximum issuer to investor reach]; A --- F[Reverse inquiries/opportunistic funding (posting of levels, indicative or executable)]; A --- G[Efficient marketing/IR]; A --- H[Market transparency]; A --- I[Data use, protection and respect of ownership]; A --- J[Market intelligence including forecasting tools (best issuance/investment windows)]; A --- K[Standardisation of debt terms where no economic reason for differences (e.g. day counts)]; A --- L[Integration with collateralisation and hedging]; A --- M[Pan-European neutrality in EU: no impact on cost, risk, speed]; A --- N[Openness for Apps (access or integration controlled by governance)];
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One-stop platform, simple "one key" on-boarding

Low cost and resources for set-up and use

High security, no operational risk, reliability

Maximum issuer to investor reach

Reverse inquiries/opportunistic funding (posting of levels, indicative or executable)

Efficient marketing/IR

Market transparency

Data use, protection and respect of ownership

Market intelligence including forecasting tools (best issuance/investment windows)

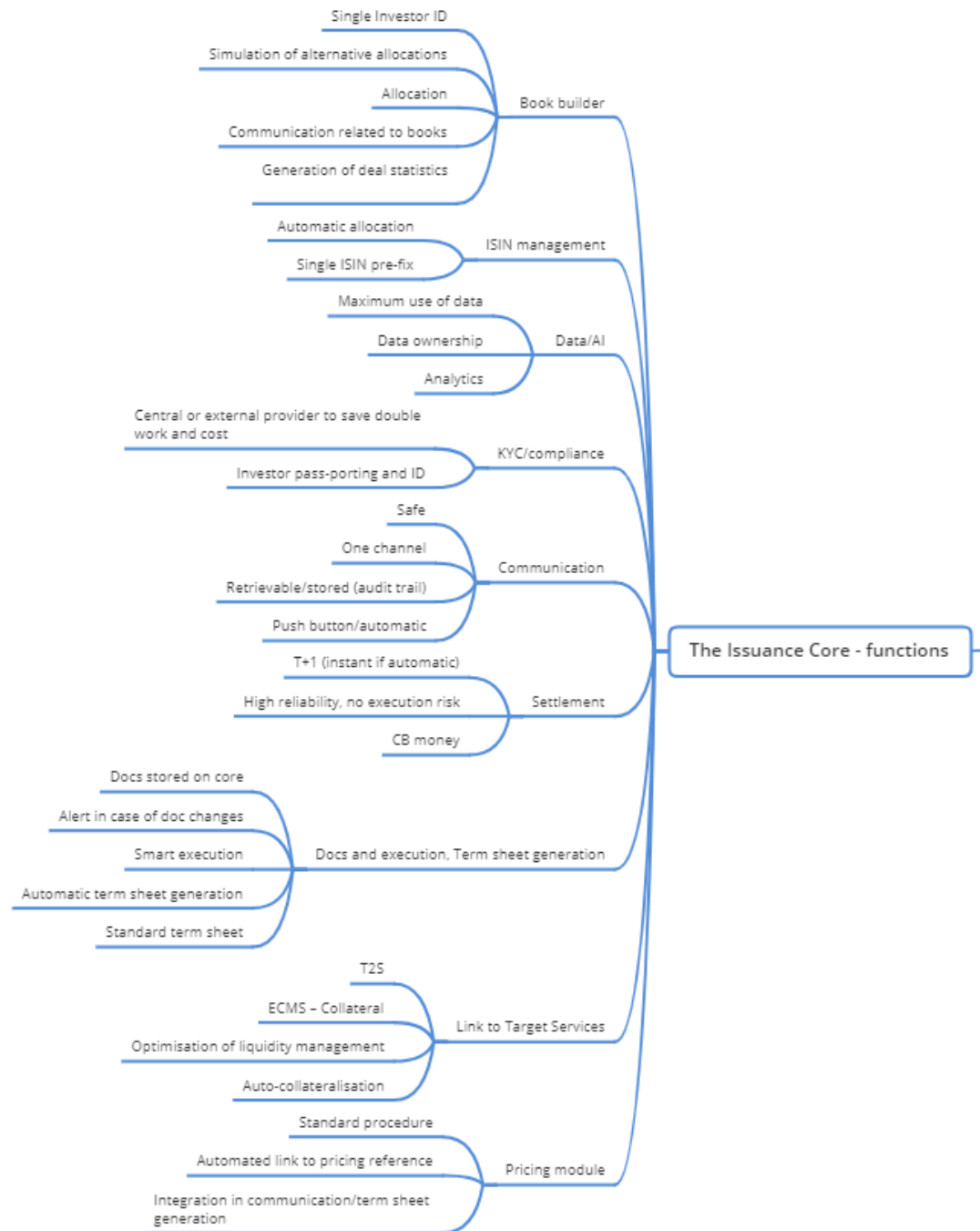
Standardisation of debt terms where no economic reason for differences (e.g. day counts)

Integration with collateralisation and hedging

Pan-European neutrality in EU: no impact on cost, risk, speed

Openness for Apps (access or integration controlled by governance)





DIMCG – TOWARDS A FUTURE ISSUANCE SERVICE CONCEPT

- Complement Issuance Core by banks, CSDs, other service providers
- Proposal: DIMCG work streams to analyse the functional boxes of the Issuance Core
 - Do we agree on the objectives?
 - Gap analyses FISC functions versus current)
 - Evaluate means to close the gap (technical, proofs of concept, cost)
 - Quantify opportunity cost of missing out on the Issuance Core
- Scope: Issuance core for syndication, private placements, auctions
- Technology: Screen digital applications and technology for use cases in Issuance Core

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