INTE	RNATIONAL B	OND FI	NANC	E							PROF G A WALKER
TRUSTEE							CUST	DDIAN			
EURO BOND MARKET – HISTORICAL DEVELOPMENT					1T			BOND OPTIONS	(1)	Euro Bonds Plain Vanilla /Varaible	
					PAYING AGENT					Floating Rate Notes (FRNs)	
BONE	STRUCTURES	(1)	Princi	pal Amo	ount	FISCAL	L AGENT	LOAN	BOND DISTINCTION	(3)	Note Issuance Facility (NIFs)
1. Lo	oans & Bonds	(2)		Duratio				(a)	Issue/Sale Formality	(4)	Medium Term Notes (MTNs)
2. St	tructures	(3)	Intere	st Fixed	l/Float		STRUCTURES	(b)	Doc Complexity	(5)	Euronotes
3. Is	sue Procedure	(4)	Drawd	_		(1)	Private Placement	(c)	Transferability	(6)	Perpetuals
	pecial Issues	(5)		epayme	nt	(2)	Prelim Prospectus	(d)	Credit Control	(7)	Warrants
5. C	omment		Obliga	itions		(3)	Impact Day Offering	(è)	Default/Recovery	(8)	Convertibles
ISSUER [ISSUER'S GROUP] ARRAI					NGING BANK			> PUBLIC INVESTORS	(9)	Equity Linked	
				ate Lett	er	_(a)	Appoint Parties		PRIVATE INVESTORS	` ''	Eurocommercial Paper (ECP)
	E PROCEDURE	_		•		(b)	Draft Documentation	` '/	•	(11)	Certificates of Deposit (CDs)
` '	landate Letter	(1)				_	lar <i>Issuer</i> FCA Prospe	ctus Ru	les (PR) (DTR) (LR)	(12)	Multi-Purpose Facilities (MOFFs)
(2) L	aunch Date	(2)	_		Agreeme		Issuer & Managers			- 1	
(3) E	Documentation	(3)	Under	writing	Agreem	ent	Managers & Under	MARK	ET TRENDS	MULT	I-OPTION FUNDING FACILITY
(4) T	Terms Agreed	(4)	Selling	g Agree	ments	SELLIN	IG GROUP	(1)	Immobilisation	(1)	Short-term Multi Advance
(5) S	Signing <mark>SA/MA/U</mark>	A (5)	Manag	jers' Ag	reement			(2)	Dematerialisation	(2)	Medium Term Notes (MTN)
(6) S	Stabilisation	(6)	Trust I	Deed		UW SY	NDICATE	(3)	Disintermediation	(3)	Euro & Dom Commercial Paper
(7) A	Allotment Telex	(7)	Fiscal	/Agency	y Agreen	nent		(4)	Demutualisation	(4)	Banker's Acceptances
(8) T	Trust Deed	(8)	Global	l Bond (TGB)			(5)	Consolidation	(5)	Swingline Facility
(9) L	isting & Admiss.	sion Trac	ding	620 m	embers	1 65 cou	untries Swiss Verein				
(10) C	Closing <i>TEFRA 1</i>	982	ICMA 2	2005 [A	IBD (196	68) / IPN	ЛА (1985) / ISMA(199 <mark>2</mark>)] PAR	TIES	INSTR	RUMENTS
(11) (Global Bond (TG	B) 40	(a)	Standa	ards	(d)	Regulatory Engage	(1)	Issuer	(1)	Short Dated
(12) E	Definitive Bonds		(b)	Sust F	inance	(e)	Network	(2)	Investors	(2)	Bearer (Anonymous)
			(c)	Info &	Dialogu	ıe (f)	Profession Standards	s (3)	Arranger or Lead Ban	k (3)	Unsecured
BONE	STRUCTURES			(a)	Gilt-Ed	lged Sed	curities	(4)	Selling Group	(4)	Negotiable
				(b)	Local A	Authorit	ty Stocks	(5)	Underwriters	(5)	Witholding (Tax) Free
(1)	UK Gilts, Stoc	ks and	Bonds	(c)	Public	Sector	Board Bonds	(6)	Trustee	(6)	Listed or Unlisted
(2)	US Treasury,	Agency	and Mu	unicipal	Bonds			(7)	Payment Agent	(7)	Committed or Uncommitted
	(a)	Treasu	ıries	-				(8)	Fiscal Agent	(8)	Immobilised or Dematerialised
(b) US Federal Agency Securiti				ecuritie	es es		(9)	Guarantor		Promissory Note s 83 BES82	
	(c)	Munici	_				E992T transactions	(10)	Euroclear (1968)	NEGO	TIATION
(3)	Japanese Gov	-	-		ebentur	es	Cedel (70) 66 > 5,000	(11)	Clearstream (2000)	(1)	Stabilisation FCA MAR 2
							Deutsche Borse 69.8	` '	Sub-Custodians	(2)	Listing FCA Listing Rules (LR)
(5)	Other Govern	ment Se	curitie	·S			300,000 secs, 110 cd	` ') Lawyers	(3)	Negotiability Perfect Title
(6)	Corporate Boi	nds		(a)	UK De	benture	s and Loan Stock	(14)	Accountants/Audit	(4)	Clearing Systems
	-										
(7)	Foreign Bonds	S		(b)	US Cor	rporate	Bonds	(15)	Tax Experts	(5)	Governing Law <i>Lex Situs</i>

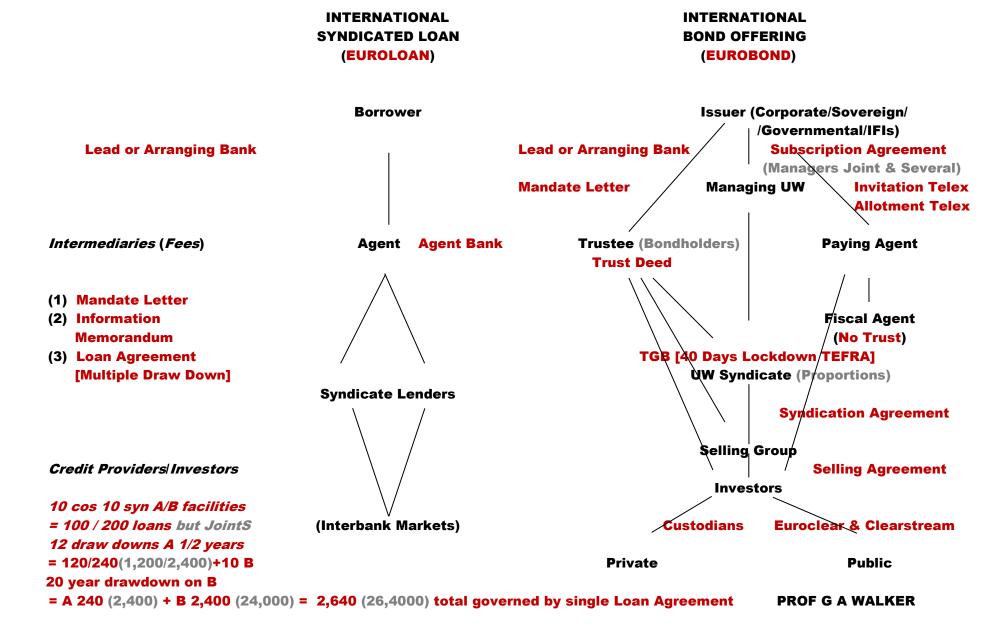
Bond Finance

			Bonu i mance			
HISTORICAL 1300s	EURONOTE (NB) & CP (Bank) BOND	YEILDS (<i>Return on B</i>	ond or C	Coupon Payments over	Life Bond) INVESTOPEDIA
(1) Monte Commune Florence	e (1) Underwritten	(1)	Coupon Rate	Annua	l Coupon Face Value	
(2) Annuities <i>Habsburgs Net</i>	h (2) Issue Days / Hours	(2)	Current Yield	Annua	l Coupon Bond Price	
(3) Shares <i>East India <mark>1609</mark></i>	(3) Maturities Fixed 7/365	(3)	Yield to Maturity	(YTM)	Future Cash Flows	Price = Discounted Cash Flow
(4) 3% <i>Ann</i> 1726 / <i>Consols</i> 17	751 (4) Settle 7 / same Day	(4)	Bond Equivalent Yie	ld (<i>BEY</i>)	Half YTM (6 months)	Yield to Maturity
(5) Eurobonds Auto 1 7 1963	(5) £500,000 / £100,000	(5)	Effective Annual Yie	ld (<i>EAY</i>)	Total Profit or Return	n (including Compound Returns
Aberdeen Harbour 1136 King	g David I of Scotland Autostra	ide 1 7 1	963 (SG Warburg \$15	5m 5½%	Guaranteed 1972/78)	through Bondholder Reinvestment)
ADVANTAGES	DISADVANTAGES	EUROB	OND VARATIONS	FRN V	ARATIONS	
(1) Transferability	(1) Cost	(1) Zer	o Coupon Bonds 0 DD	(1) Flo	or FRNs	(7) Step Down FRNs
(2) Anonymity	(2) Complexity	(2) For	eign Currency Bonds	(2) Dro	p Lock FRNs	(8) Step Up FRNs
(3) Flexibility Management	(3) Constraint but Choice	(3) Rev	erse Dual Currency	(3) D oı	uble Drop Lock FRNs	(9) Margin as a percentage FRN
(4) Liquidity	(4) Regulation & Taxation	(4) Firs	t Coupon on Partly P	aid (4) C	ap FRNs	(10) Floating then Zero FRNs
(5) Disposability	(5) Market Volatility	` '	rency Change Bond	(5) Cal	ler (Minimax) FRNs	(11) Fixed then Floating FRNs
Bubble Act 1720 (1825) proh	nibition co unless royal charte	er (6) An	nuity Bonds	(6) Inv	erse FRNs	(12) Variable Rate Notes (VRNs)
0,	4 (£5/ £5 - £700), JSCA 1856, I		' ''	1985, CA	2006	(13) Zero Coupon (or Deep Discount)
OPERATIONAL LOAN & BON		_	OF BONDS			(14) Rolling Rate Notes (RRNs)
(1) Disclosure requirements	Comply Registration Obligs	(1) Fac	e of Bond		se to Pay Bearer	(15) Bunny (or Multiplier)
(2) Documentation	More Complex Documents	• •	cal Agency or PA TD	•	ss Incorporation	(16) Lender's Option Borrower's
(3) Advance of Funds	Single Advance (Tap Issue)	` '			r / Pass Delivery / Full	
(4) Currency Conversion	Impracticable	(4) Cov			nless Trustee	(17) Borrowers' Option Lender's
(5) Interest	Fixed of Floating / No Penalt				ured & Pari Passu am	
(6) Repayment	Limited Bullet, Instal, Fund				-	(18) Graduated Rate / Indexed
(7) Voluntary prepayment	Excluded (Selection by Lot)	` '				or Stock Exchange Docs
(8) Margin protections	No Increase Costs / Illegality	y (8) Inte	erest	(a)	Fixed Rate	Annually in Arrears (End Redeem)
6		(0) -	4.	(b)		Reference Agent Fix Rate (IBOR)
(9) Payments & Equality	Coupons & No Pro Rata	` '	emption	(c)	Zero Coupon	Deep Discount (30%) (RFRate)
[Coupons, Receipts, Talons]	, ,	Single	Instalment (a) Bullet	` '	•	ble Interest Swap
[25 = 2 New sheet of Coupon	-	ust Dafa	(b) Instal			c Instalments / Drawing
(40) Morroutice	Limited poss Cancellation (N				<u>-</u>	-
(10) Warranties	Subscription Agreement	` '	rpetuals	_	edeemable on Default	_
(11) Covenants	Limited (Accts / Listing or SI	, , ,	<u>-</u>		•	%). Not Penalty. Select by Lot
` ,	Less Strict / Grace / No-action	. ,	•			Tax (or Sig Increased Liability)
(13) Modifications	Consent unless BH Meetings Fully Negotiable				ns. Choice if Exchange	Purchase. Poss Re-issue.
(14) Transfer (Assign / Nov) (15) Prescription Statutory	Contractual Cancellation	` '	yments escription	=	ory or Contractual (Ge	
(16) Events of Default	Generous	` '	ents of Default		•	nce, Cross-Default, Insolvency,
(10) Events of Delauit	Jener vus	` '			• •	& possibly Substantial Disposals
(17) Acceleration (Consent)	RH Action unless Trustee		forcement	-		ustee (No-action clause & powers Tr)
(18) Notices & Governing La		` '	verning Law	Same	striction unless by 110	PROF G A WALKER
(10) Houses & Governing La	v Canaa	(10) 90	Tolling Law	Janie		I NOI OA WALKLIN

EUROLOAN & EUROBOND LAW

PROF G A WALKER

STRUCTURAL SUMMARY



Bond Finance

	OBOND ISSUE E <i>line</i>		Beginning of 'Grey Market	PROF G A WALKER	
MARKETING		D DAY - 7	D DAY	D-DAY +14	D-DAY+21
		PRE-LAUNCH	LAUNCH AND	SIGNING	CLOSING
Lead or Arranging Bank Approach		SYNDICATION Public Announcement		1 week after singing SA	
	Initial Client Request Mandate Letter		Invitation and	Subscription	Manager's Agreement
or Approach		and Due Diligence	Allotment Telex	Agreement	(Market Disruption clause)
			or Fax	Legal Commitment	Agency Agreement
(1)	Private Placeme	nt		-	(Fiscal or Paying Agent)
	Managers subscribe whole issue and place directly.		Key terms except Coupon and I (Par, Discount or Premium)	Underwriting Agreement	
(2)	Preliminary Pros	pectus Offering			
	_	r 'Pathfinder' Prospectus to test t public offering. <i>Eurobond/US/Ca</i>	Preliminary Offering n Circular	Offering Circular	Conditions Precedent
(3)	Impact Day Offer	ings <i>UK Domestic</i>	Subject to Contract	Signing Auditor's Comfort Letter	Closing Letter
	Managers fix issue terr advertisement on impa	ns and announce offering by public ct day.	Pagman Spa V Feed Prod [1987] 2 Lloyds Rep 601	Trust Deed	
	'Bought Deals'	Gen Pre-priced & Open-p	priced		[Guarantees]
	No preliminary prospec	ctus with managers buy themselves an narket on dealer screens at time terms		Listing	
	•	ow. Managers place issue with client			Payment
Struc	ctures .	Instruments -	[Co	mmon Denositaryl Global Bo	ands TGP

Structures -		Instr	uments -	[Common Depositary] Global Bonds TGB Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA]				
(1) Immobilisation		(1)	Short Dated					
(2)	Dematerialisation	(2)	Bearer			[40 Day Lockdown]		
(3)	Disintermediation	(3)	Unsecured	(6)	Listed or Unlisted	Delivery global and final bonds		
(4)	Demutualisation	(4)	Negotiable	(7)	Committed or Uncommitted`	Closing Certificate		
(5)	Consolidation	(5)	Deposited	(8)	Promissory Notes			
						PROF G A WALKER		