

Conditions and Handling of the Strip Programme for Government Bonds

CONDITIONS

Bond stripping

Bond stripping is the division of a partial debenture into the capital and interest coupons („strips“) by a commercial investor. Bond stripping by private investors is not permitted.

ISIN – Code

The bond, the bond capital and the bond interest coupons are allocated separate ISIN – Codes.

Strip conditions

The government bond conditions (trustee investment status, termination, and the like) also apply to strips.

Collective certificate

A government bond's partial debentures and strips are represented collectively by a collective certificate.

Stock exchange listing and eligibility as collateral

The strips will be listed at least in the Official Market at the Vienna Stock Exchange at the earliest date possible. An application for inclusion in the list of assets eligible for use as tier 1 collateral in ESCB credit operations will be made.

Limitation of claims

The claims deriving from strips expire after 30 years.

EXECUTION

Handling

Strip programme transactions are handled by the relevant deposit bank according to the Guidelines of the Oesterreichische Kontrollbank as Central Securities Depository.

Management

The strips are administered by the Central Securities Depository, whose consent is required for every bond stripping.

Time limits

Bond stripping is possible from the beginning of the term until one week before maturity of the strips.

Reconstitution

On request, partial debentures are reconstructed from individual strips within one collective certificate.

Strip package

Bond stripping and reconstitution are handled in packages of partial debenture nominals of € 5 million.

Maximum volume

Bond stripping can only be carried out provided that the outstanding unstripped partial debenture nominal of a government bond is at least € 2 billion for the whole of its term.