Generalitat de Catalunya
Departament d'Economia i Finances
**Direcció General de Política Financera
i Assegurances**
Subdirecció General de Deute Públic i Operacions Financeres

Announcement:
Day count convention and criteria
Bond Regular Issue Program
Generalitat de Catalunya

With the objective of making possible to compare prices quoted for Generalitat de Catalunya assets with the rest similar assets, issued in different markets and countries, the new valuation criteria are defined and will be applied to the Generalitat de Catalunya bonds. The harmonization of the conditions has been made following as close as possible the recommendations of EFFAS European Bond Commission, the Bank of Spain and others Spanish public habitual issuers.

Each yield's price for bonds issued by the competitive auction will be calculated with three decimals by the formula that follows

$$P = \sum_{i=1}^{m} \frac{F_i}{(1+r)^{q_i + (d_i \;/ B_i)}} - C$$

$$R = \left[(1 + r)^{n} - 1 \right] x100$$

Where:

- *P* is the stop-out price or weighted average price expressed in percentage and excluding accrued coupon;
- *R* is the annual yield rate for the stop-out accepted and weighted average price expressed in percentage;
- *r* is the yield rate for coupon accrual period (annual, semi-annual, quarterly, etc.);
- *n* is the number of complete coupon payments per year (it will be 1 for zero-coupon issues or discount issues);
- F_i is the total amount of each cash flow (coupon and/or repayment) in percentage;
- *m* is the number of coupon and repayment to redemption;

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- q_i is the number of complete coupon accrual periods between the value date and the date of payment of the cash flow (counted backwards). In the case of zero coupon or discount issues, annual periods will be taken;
- d_i is the number days from the value date to the day obtained by subtracting qi coupon periods from the date of payment of cash flow;
- B_i is the day count between the dates obtained by subtracting p_i and (p_i +1) coupon periods from the date of payment of cash flow F_i and C is the accrued coupon expressed in percentage and rounded to two decimals, that will be calculated by the following formula:

$$c = \frac{I \text{ x } d_c}{d_t}$$

Where:

- *c* is the accrued coupon expressed as a percentage,
- *I* is the gross coupon expressed in percentage,
- d_c are the days since the start of accrual until the value date and
- d_t is the total accrual period of current coupon days.

For the calculation of the price, the cash flow date for will be the theorical one determinated in the issue conditions, except the last coupon and redemption date, that will be real payment date.

The periods to each cash flow will be determinated applying the actual/actual non-adjusted, FBD. If the cash flow date is not a business date (determinated by *"TARGET*" european system), the payment date will be rolled to the next business day and it won't accrual interest the number of days exceeded.