

Methodology for Arrangers' League Tables for International Bonds

as of 10.03.2017

I. General

1. Arrangers' League Tables for International Bonds are designed to reflect investment banks' and companies' (Arrangers) activity in the primary international borrowings market in terms of placed amounts.
2. Arrangers' League Tables for International Bonds are compiled by Cbonds.ru LLC (further referred to as the Proprietor) based on this methodology. In case not stipulated in this methodology the Proprietor has a right to resolve the situation in compliance with the League Tables' purpose stated in Item 1. The proprietors' point of view may not correspond with that of institutions included in the League Tables.
3. For the purpose of this method International Bond (Eurobond) is defined as a security issued in an international (offshore) bond market with the following characteristics: international syndicates are underwriting, placement is carried out simultaneously among investors of several countries, securities are issued outside the jurisdiction of any country, and may not be registered. The securities issued in both the domestic and international markets are global bonds.
4. For the purpose of this method a reporting period is defined as a period for which the League Table is compiled.
5. The League Tables are compiled on a weekly, quarterly, 6 months', 3 quarters' and annual basis.
6. The league tables are based on the following data: a total placed amount for every participant in the league tables, a number of placed issues, a number of unique issuers. The total placed amount for each league table participant is calculated as a total amount of the arranger's participation in all issues included in the league tables. The league table presents arrangers sorted in descending order by the amount of placed issues.
7. The Proprietor guarantees non-disclosure of data received while compiling the league tables in any form other than the final league table.
8. The league tables are not an indicator of service quality and professionalism. Cbonds.ru LLC cannot be held liable for improper use of the league tables for advertising or marketing purposes.
9. Market participants are included in the Arrangers' League Tables for International Bonds for public issues on the basis of issue documents (Prospectus, Pricing Supplement, Final Terms, Offering Circular, etc.), as well as on the basis of marketing documents (memoranda, press-releases etc.)
10. League Tables are published each Monday (weekly), as well as no later than 7 working days following the end of the reporting quarter.
11. League Tables are published at <http://cbonds.ru/rankings/>.
12. League Tables are also published in a weekly bulletin "Global Monthly Newsletter: Issue Statistics and League Tables", which you can find in the section "Comments" on the Cbonds' website (<http://cbonds.ru/comments/>), as well as in the league table generator (<http://cbonds.ru/rankings/generator/>).

II. League Tables compilation criteria

1. League tables are compiled based on international bonds issues placed within the period under consideration.
2. Arranger League Tables include only issues or part of issues, representing new fundraising for the issuer (New Money) and don't include any issues or part of issues, issued for exchange to existing eurobonds.
3. Arrangers' League Tables for International Bonds use the following grouping of countries by region:
 - a. **CIS** includes the following countries: Russia, Ukraine, Kazakhstan, Belarus, Azerbaijan, Armenia, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan.
 - b. **Eastern Europe** includes the following countries: Albania, Bulgaria, Bosnia and Herzegovina, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, Croatia, Montenegro, Czech Republic, Estonia.
 - c. **Near East** includes the following countries: Bahrain, Israel, Jordan, Iraq, Iran, Yemen, Qatar, Kuwait, Lebanon, United Arab Emirates, Oman, Saudi Arabia.
 - d. **Africa** includes the following countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Gabon, the Gambia, Ghana, Guinea-Bissau, Egypt, Zambia, Zimbabwe, Cape Verde, Cameroon, Kenya, Congo, Côte d'Ivoire, Lesotho, Libya, Mauritius, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Swaziland, Seychelles, Senegal, Somalia, Sudan, Sierra Leone, Tanzania, Togo, Tunisia, Uganda, Chad, Ethiopia, South Africa and South Sudan.
 - e. **Latin America** includes the following countries: Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Venezuela, Guatemala, Honduras, Grenada, Dominica, Dominican Republic, Cayman Islands, Colombia, Costa Rica, Cuba, Curaçao, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, El Salvador, Saint Vincent and the Grenadines, Saint Kitts (Christopher) and Nevis, Saint Lucia, Suriname, Trinidad and Tobago, Uruguay, Chile, Ecuador, Jamaica.
 - f. **Asia** includes the following countries: Bangladesh, Bhutan, Vietnam, Hong Kong, India, Indonesia, Cambodia, China, Korea, Laos, Macau, Malaysia, Mongolia, Myanmar, Nepal, Cook Islands, Pakistan, Papua New Guinea, Samoa, North Korea, Singapore, Thailand, Taiwan, Federated States of Micronesia, Fiji, Philippines, Sri Lanka.
 - g. **Western Europe** includes the following countries: Austria, Andorra, Belgium, Great Britain, Germany, Greece, Denmark, Ireland, Iceland, Spain, Italy, Cyprus, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Isle of Man, Portugal, San Marino, Finland, France, Switzerland, Sweden.
 - h. **Developed markets (excl. Europe)** include the following countries: Australia, Virgin Islands (USA), Virgin Islands (Brit.), Jersey, Guernsey, Canada, Montserrat, New Zealand, USA, Japan.
4. For the purpose of League Tables compilation all regions may be grouped as follows:
 - a. **Emerging markets, or EM:** "CIS", "Eastern Europe", "Middle East", "Africa", "Latin America", "Asia".
 - b. Developed markets, or DM: "Western Europe", "Developed markets (excl. Europe)"
 - c. **CEEMEA:** "CIS", "Eastern Europe", "Near East", "Africa"
5. The Proprietor publishes the following League Tables:
 - a. "Arrangers' League Table for EM Plain Vanilla Eurobonds (general)".
 - b. "Arrangers' League Table for EM Plain Vanilla Sovereign Eurobonds"
 - c. "Arrangers' League Table for EM Plain Vanilla Corporate Eurobonds"

- d. “Arrangers’ League Table for Plain Vanilla Eurobonds, CEEMEA”.
 - e. “Arrangers’ League Table for Plain Vanilla Eurobonds, CEEMEA”.
 - f. “Arrangers’ League Table for Plain Vanilla Eurobonds, Latin America”.
 - g. “Arrangers’ League Table for DM Plain Vanilla Eurobonds”.
 - h. “Arrangers’ League Table for Plain Vanilla Eurobonds and USA Eurobonds”.
 - i. “Arrangers’ League Table for CIS Eurobonds (Plain Vanilla)”.
 - j. “Arrangers’ League Table for Eurobonds (Russia, Plain Vanilla)”.
6. The country of risk of the actual issuer is used in the League Tables as bonds country, yet SPV country is not accounted for. For example, bonds of the Deutsche Bank Singapore Branch are assigned to Singapore and will be accounted for in the League Tables for Asia, and the bonds of Gaz Capital S.A. (SPV of the Russian company Gazprom) registered in Luxembourg are assigned to Russia and will be accounted for in CIS region.
 7. Supranational organizations are included in the League Tables of the countries, where their registered headquarters are located.
 8. League Tables include only such instruments, which satisfy the Plain Vanilla criteria for international bonds.
 9. The following Plain Vanilla criteria are used for international bonds:
 - a. “Market” status of a transaction. Only so-called “market” issues of international bonds (i.e., issues placed among a wide range of investors) are accounted for. A transaction becomes a “market” one after information about the transaction is disclosed, and the transaction gets listed on international stock exchange. In other cases the “market” status of international bonds for the purpose of its classifying as Plain Vanilla is determined at the Proprietor’s discretion.
 - b. Absence of relation with the equity capital in the issue structure (for example, issue conversions, or dependence of the redemption price from stock quotations).
 - c. Maturity period over 1 year since placement.
 - d. The following international securities are not referred to as Plain Vanilla: Credit-Linked Notes (CLN), securitization bonds, CDO, ECP (Euro-Commercial Papers), structured bonds (notes).
 10. Only the instruments with the volume of circulation over 30 million US Dollars or the equivalent sum in any other currency (at the time of placement) can be accounted for in the League Tables. Issues with the size of less than 30 million US Dollars can be included into League Table upon the Proprietor’s and Arranger’s agreement if they comply with the rest of requirements for securities.
 11. One can be considered as “Arranger”, if the following condition is met: availability of allocation for international bonds placement. If there are active and passive bookrunners in one issue, only active bookrunners take part in the League Table. If allocation is not specified in the issue documents, investment banks with a status of bookrunner or (if this status is not applicable) with a similar status – for example, Lead Manager, Chief Manager etc.). Investment banks with Co-Arranger status without an allocation are not considered as Arrangers.
 12. The last two items on the League Table can reflect the amounts, on which the Proprietor has no information about who was the arranger of placement (item “Bank unknown”), as well as placed amounts other than “New Money” (item “Exchange / Restr.”)
 13. The Arranger League Tables include the following amounts per each issue:
 - a. If there is one Arranger, it is assigned the whole issue amount.
 - b. If there are several Arrangers, the issue amount is divided between them pro rata, unless otherwise is stipulated in the issue documents.

- c. Issue amounts are calculated in US Dollars at the exchange rate at the end date of issue placement.
- d. The Proprietor does not publish data on allocations of each issue and uses this information only for compiling the league tables.

III. Reconciliation of data with market participants for League Tables compilation

1. To make the League Tables reflect the current situation at the primary market with maximum fairness, the Proprietor compares data to be used in the League Tables with that of market participants.
2. The following data are subject to reconciliation:
 - a. Amount of transactions, in which investment bank / company took part as an Arranger.
 - b. Allocation received by the Arranger as part of placement organization.
3. The data are sent to market participants on a quarterly basis.
4. The data are sent to market participants no later than 7 working days before the end of the reporting quarter.
5. The Proprietor collects data for processing up until the last working day of the reporting quarter.
6. In case if data from two or more participants contradict each other, the Proprietor is entitled to distribute the allocation based on its own expert estimation and the available information.
7. The Proprietor is ready to compare allocations and number of transactions with all placement participants. To take part in this process, please send a request at global@cbonds.info.

With any questions regarding the League Tables please contact:

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