

METHOD OF LEAGUE TABLE COMPILATION FOR ARRANGERS

Domestic bond market of Russia

I. General Provisions

1. The League Tables for Arrangers Underwriters are published in order to reflect the activity of investment banks in the primary bond market in terms of the volume of bond placement and the number of placed issues.
2. Arrangers' League Table for bond market (hereafter – League Table) is 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 Table.
3. All Russian bonds are included in the calculation of League Table except for:
 - Issues with the one bond
 - Issues with a circulation period of fewer than 365 days
 - Corporate issues of the same Issuer, the volume of simultaneous placement of which exceeds 100 billion rubles
 - Issues placed on closed subscription, in the issuing documents of which a number of potential purchasers (not more than two)
 - Issues placed through the offices of agent banks, if there is no secondary circulation at the stock exchange
 - Medium and junior tranches of securitization transactions, subject to exclusion of the senior tranche
 - State bonds placed in a format other than bookbuilding.
4. Arranger's League Table is published for reference only, which takes into account only so-called "market" bond issues, i.e. issues that involve placement among a wide range of investors.
5. For compiling the League Table, the issue is recognized as "market" if the following conditions are met:
 - The placement will be held by public subscription
 - Pre-marketing carried out on issue
 - The issue or Issuer is assigned a credit rating from at least one of the listed rating agencies as of the end date of the issue placement: Moody's Investors Service, Standard & Poor's, Fitch Ratings, Analytical Credit Rating Agency (ACRA), rating agency Expert RA (scales accredited by the Bank of Russia as of the placement end date).
6. If necessary or a controversial situation arises on issues with a nominal volume of more than or equal to 5 billion rubles, compilers can request the opinion of the "Expert Council" (in this case, the issue is considered non-market if it is recognized by a majority of at least 2/3 of the members of the expert council). The Proprietor made the final decision independently.
7. League Tables are based on the following groups of bond issues and company status:
 - Total Arranger's League Table (all issues)
 - Total Arranger's League Table (market issues)
 - Arrangers' League Table for corporate bonds
 - Arrangers' League Table for corporate bonds (market issues)
 - Arrangers' League Table for municipal bonds
 - Arrangers' League Table (corporate sector; excluding banks and financial institutions)
 - Arrangers' League Table (market corporate issues; excluding banks and financial institutions)
 - Arrangers' League Table for securitization and mortgage bonds
 - Total Underwriter's League Table

8. The following indicators are included in the League Table: a total amount of bonds placed for each League Table's participant as an Arranger or Underwriter, the number of issues and the number of Issuers, where the company has been participated. The total amount of placed issues for each League Table's participant is calculated as a total amount of the company'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. Additional League Tables can also be published with sorting by the number of issues and the number of Issuers.
9. Cbonds.ru LLC guarantees non-disclosure of data received while compiling the League Table in any form other than the final League Table.
10. 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.
11. The inclusion of companies in League Table is carried out on the basis of marketing documents (emission prospectuses, investment memoranda, press releases, etc.); in disputable situations, it is necessary to present supporting documents (agreements with the Issuer or Arranger, confirming letters, etc.). Only banks and financial institutions are included in League Table.
12. The League Tables is available at <http://ru.cbonds.com/rankings/>.

II. League Table Compilation for Arrangers

1. Arranger's League Table includes companies that performed the following functions in the process of placement of the bond loan:
 - 1.1. Determination of the parameters of the bond loan
 - 1.2. Formation of an issuing syndicate, i.e. attraction of other organizations, which provide guarantees of placement of certain volumes of bonds, to bond placement
 - 1.3. Attraction of investors to purchase of bond loan
 - 1.4. Conducting the marketing of the bond loan, participating in the choice of the start date of placement and determining the price targets for the loan (yield) when placing.
2. The criterion for referring to the Arrangers is the fulfillment of one of the following conditions:
 - 2.1. The existence of an agreement with the Issuer, in which the company has the status of "Lead Arranger" or one of the synonymous statuses (General Arranger, General Agent, Lead manager, Bookrunner, etc.)
 - 2.2. The existence of an agreement with the Issuer or with another Arranger officially appointed by the Issuer, according to which the company is given the status of the Arranger and/or performs the functions listed in paragraph 1, provided that the Issuer or other Arranger has written confirmation of the status of the company and the fact that these functions are performed.
 - 2.3. In the event that the Issuer, being a financial institution, independently places its bond issue, it is considered to be the Arranger of this bond issue, unless another Arranger is appointed.
3. The Arranger League Table includes the following amounts per each issue:
 - 3.1. If the Arranger is one, the entire allocated emission volume is recorded to him
 - 3.2. If there are several Arrangers, the volume of the issue is divided proportionally, unless otherwise agreed upon by mutual agreement of the Arrangers or, in the absence of mutual agreement of the Arrangers, by the terms of contracts or other agreements between the Arrangers and the Issuer.
 - 3.3. The minimum quota of the Arranger is 10% of the nominal volume of the issue.

4. The Issuer can send a letter to the Proprietor with the listing of all Arrangers and distribution of quotas to confirm the Arranger's quotas.
5. The Proprietor does not publish data on allocations of each issue and uses this information only for compiling the League Tables.

III. League Table Compilation for Underwriters

1. Underwriters' League Table includes companies that performed the following functions in the process of placement of the bond loan:
 - 1.1. During the placement of bonds, a guarantee was given for the placement of a certain volume of the issue.
2. The criterion for referring to the Underwriters is the fulfillment of one of the following conditions:
 - 2.1. The existence of an agreement with the Issuer, in which the company has the status of "Co-organizer", "Underwriter", "Co-Underwriter" (or other synonymous statuses) and performs the function described in paragraph 1
 - 2.2. The Arranger of the issue is included in the list of Underwriters, if, in accordance with paragraph 3, its volume as an Underwriter is non-zero
 - 2.3. In the event that the Issuer, being a financial institution, independently places its bond issue, it is considered the Underwriter of this bond issue.
3. The Underwriter's League Table includes the following amounts per each issue:
 - 3.1. If the Underwriter is one, the entire allocated emission volume is recorded to him
 - 3.2. If there are several Underwriters, the volume of the issue is distributed according to quotas specified by Underwriters or Arrangers. In case of inconsistency of the declared quotas to the total volume of the issue, the Proprietor has the right to request documents confirming the declared quotas
 - 3.3. If the quotas of all or some Underwriters are not known, the corresponding volume (balance) of the issue is divided equally among the Underwriters
 - 3.4. The Arranger(s)'s quota for the Underwriter's League Table is calculated as the total issue volume, minus the quotas of all other Underwriters who do not have the status of an Arranger
 - 3.5. If the Underwriter has not fulfilled its obligations in full, the amount in which the Underwriter has fulfilled its obligations is recorded in the League Table.
4. The Proprietor does not publish data on allocations of Underwriters for each issue and uses this information only for compiling the League Tables.

IV. League Table Expert Council

1. The Expert Council serve for resolving disputes in the process of compiling League Table.
2. The Proprietors request the opinion of the Expert Council in disputable situations when Proprietor cannot make a decision on their own (such situations may include recognition of issues as a market, the status of the company in the issue, allocation of quotas, etc.).
3. The Expert Council includes representatives of banks and investment companies that took 1-15 places in the consolidated Arrangers' League Table for the year preceding the formation of the Expert Council. In case of refusal to participate in the Expert Council of representatives of one or several

companies that took 1-15 places, the proposal to enter the Expert Council is sent to the League Table's participants in the following order. One representative from each company, which is authorized by the company, come into the Expert Council.

4. The Expert Council takes decisions by voting. Each company has one vote. Voting is considered valid if 10 or more members of the Expert Council took part in it. If a voting on any issue is declared invalid, then the Proprietor made the decision independently.

With any questions regarding the League Tables please contact:

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