



Official DCM Ranking Criteria 2014

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Section 1 Official DCM Criteria

- 1.01 Official Debt Capital Market rankings are published on a quarterly basis, with a final year-end ranking aggregating a full year of Global DCM activity. Rankings may be based on either transaction volume in millions or billions of US dollars, revenue in millions of US dollars or number of transactions.
- 1.02 Transactions not denominated in US dollars are converted to a US dollar equivalent at the time of pricing. Published DCM rankings are based on pricing dates.
- 1.03 The objective of the DCM criteria is to align ranking credit as closely as possible with the Bookrunners' quarterly and annual declared revenue attributed to DCM underwriting.

Section 2 DCM Criteria – Submission Guidelines

- 2.01 Deals should be submitted on announcement date, or, at the latest, on pricing date. Failure to comply with this deadline may result in transactions being ineligible.
- 2.02 No transaction changes will be accepted later than four weeks after year end.
- 2.03 Submissions should provide the following terms with respect to each tranche:
 - Issuer name
 - Pricing and Settlement date
 - Currency and face value
 - Tenor
 - Coupon details (rate, payment frequency, payment dates)
 - Offer Price
 - Issue Type
 - Underwriters
 - Credit ratings
 - ISIN (both original and temporary ISIN for tap issues is required)
 - Guarantor (if present)
 - Spread to benchmark
 - Fee details (gross spread, selling concession, management and underwriting fees)
 - Use of proceeds
- 2.04 Dealogic reserves the right to exclude an offering from published rankings if any of the information stipulated is not provided.
- 2.05 DCM submissions may be emailed to Dealogic. A template submission form is available upon request.
- 2.06 Written confirmation may be requested from Bookrunners of the transaction details and structure for the purposes of clarification.
- 2.07 Dealogic reserves the right in all disputes to determine its own transaction classification and ranking eligibility.

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Section 3 DCM Criteria – General Ranking Eligibility Guidelines

- 3.01 All amounts are based on global proceeds in US dollars. In the event that one or more tranches of a multi-tranche deal do not meet rank eligibility qualifications those tranches are excluded from the global proceeds amount.
- 3.02 Volume is defined as global proceeds of a deal and is calculated by summing the proceeds of all rank eligible tranches. Tranche proceeds are calculated by multiplying the face value of the security by the issue price.
- 3.03 If the issue price is not disclosed 100% is assumed, except for zero coupon bonds.
- 3.04 Volume is allocated equally among Bookrunners on a tranche by tranche basis.
- 3.05 Deal count consolidates all tranches of a deal.
- 3.06 Nationality classification is based on the nationality of the issuer parent where there is credit support or guarantee for the issuing subsidiary. Without that support or guarantee, deal nationality takes the nationality of the issuing subsidiary. A third party guarantee will not be the deciding factor when determining deal nationality.
- Securitizations are categorized based on the nationality of the underlying assets.
- Loan participation notes take the nationality of the underlying entity that is receiving the financing.
- Portfolio companies of private equity firms always maintain their own nationality and do not assume the nationality of the private equity firm
- Dealogic reserves the right to make common sense exceptions on a case-by-case basis in consultation with market participants.
- 3.07 Credit in rankings is given only to bank parent companies. In the case of a merger or consolidation, the surviving company only will receive credit. The group head, which is the investment banking division name of the parent entity, appears in rankings.
- 3.08 Financing arms set up by non-finance (industrial, utility) companies assume the industry of the parent.
- 3.09 Dealogic Revenue Rankings use disclosed fees where available to calculate overall fee pool on each deal. Where not disclosed a modelled fee is calculated. Dealogic uses its proprietary expense model to strip out expenses from the overall fees. The resultant revenues are assigned to each bank working on the transaction according to the respective bank's underwriting participation (if the underwriting participation is undisclosed Dealogic's proprietary participation model will be used).
- 3.10 In the case of a joint venture, Dealogic reserves the right to request a letter from both parties in the venture agreeing which party should receive ranking credit
- 3.11 Transactions where the issuer and investors are related parties will be subject to review with market participants and at Dealogic's discretion.
- 3.12 If there is clear evidence that a deal has been originated by a third party, the transaction will not be included.

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Section 4 DCM Criteria – Rank Eligibility Inclusions

- 4.01 Deals with a maturity date equal or greater than 18 months after settlement date. In the event that a security's settlement date is not disclosed, pricing date will be used, except for US-marketed deals where settlement will be calculated as T + 3.
- 4.02 For extendible bonds the first call date will be used as the legal maturity.
- 4.03 Self-led transactions. A self-led transaction is any bond offering where the bond issuer also acts as a Bookrunner.
- 4.04 Reopenings are subject to the same ranking criteria as the original offering. Reopening date is the pricing date of the current issue regardless of the pricing date of the original issue.
- 4.05 Tranches of transactions that are sold in the US via rule 144A.
- 4.06 Best efforts as they relate to medium-term-note (MTN) offerings.
- 4.07 Bond exchange offers where existing debt is replaced by new debt are rank eligible only if new money is raised. If the new debt offered exceeds the debt it replaces then the difference of the proceeds is rank eligible.
- 4.08 New issues on the back of tender offers are fully credited in the new issues tables.
- 4.09 Transactions where redemption is linked to an index or structured MTN trades where minimum redemption is 100%.
- 4.10 US Traditional Private Placements - transactions issued via Reg D, Section 4(2) of the Securities Act. Placement Agents are deemed to have the equivalent role of Bookrunner if they actively participate in every component of the offering.
- 4.11 Banks that actively participate in all areas of a securities offering, with a different title, but deemed to have an equivalent role to Bookrunner, are considered for eligibility on a case-by-case basis.

Section 5 DCM Criteria – Rank Eligibility Exclusions

- 5.01 Deals with a maturity date of less than 18 months after settlement date or deals with first put date falling within the first 18 months. Any tranche of a multi-tranche offering that matures less than 18 months after the settlement date of the offering is not rank eligible.
- 5.02 Deals with no bank involvement as an intermediary.
- 5.03 Equity-linked units such as convertible debentures and convertible Preferred shares.
- 5.04 Federal Credit Agency auctioned reference bills, certificates of deposit and money market transactions. Money market transactions are defined as bank notes, floating extendable liquid securities, negotiable certificates of deposits and commercial paper.
- 5.05 Zero coupon bonds where the offer price is not disclosed.
- 5.06 Transactions or tranches of transactions that are retained, ie those not sold or distributed to the market.

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Section 6 DCM Criteria – Standard Rankings

6.01 Global Debt

- 6.01.1 Global DCM includes corporate debt, securitized deals (asset-backed securities and mortgage-backed securities), supranationals, sovereigns, MTNs, agencies, covered bond issues and non-convertible Preferred stock.
- 6.01.2 Global Debt (ex Self) volumes exclude self-apportioned credit. If there is more than one Bookrunner on a self-led deal the other banks will continue to receive credit.

6.02 International Debt

- 6.02.1 International bonds are defined as debt securities sold in the primary markets of at least two countries, as determined by governing law, exchange listing, clearing house and selling restrictions. In the case of a dispute, a minimum of 10% of the transaction must be shown to be placed outside the country of issuer.

Domestic bonds are securities denominated in the national currency of the issuer, underwritten by domestic banks and sold into the domestic market.

US-marketed transactions are those that are denominated in US dollars and are either SEC registered or selling via Rule 144a or Reg D Section 4(2).

- 6.02.2 Self-funded transactions are not classified as International or included in the International rankings. Self-funded is defined as a transaction where the issuer acts as sole Bookrunner and there is no further syndicate for the offering.

6.03 Investment Grade Debt

- 6.03.1 Investment Grade volumes comprise transactions from the following types of issuer: Industrial, Utility, Bank and Finance.
- 6.03.2 Sovereign, supranational and agency offerings are not eligible.
- 6.03.3 All qualifying MTNs and Preferred securities are included.
- 6.03.4 All Investment Grade rankings comprise senior, subordinated, covered bonds and securitizations.
- 6.03.5 Unsecured Investment Grade rankings exclude covered bonds and securitizations.

6.04 Corporate Investment Grade Debt

- 6.04.1 Corporate Investment Grade volumes comprise transactions from the following types of issuers: Industrial and Utility.
- 6.04.2 All qualifying MTNs and Preferred securities are included in Corporate Investment Grade rankings.
- 6.04.3 All Corporate Investment Grade rankings comprise senior, subordinated bonds and securitizations.
- 6.04.4 Unsecured Corporate Investment Grade rankings exclude securitizations.

6.05 High Yield Debt

- 6.05.1 High Yield comprises sub-investment grade issues as designated at time of pricing. In the event of no Issue rating, the existence of one or both of the following covenants will determine High Yield status: 1)

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restricted payment test; 2) debt incurrence test. Should the issuer be unrated and no covenant package be made available, the issue will default to Investment Grade.

US High Yield volumes comprise transactions from corporate and bank or financial issuers, including those from Emerging Markets, as long as they are denominated in US dollars and marketed in the US.

European High Yield volumes do not include sub-IG rated transactions from Emerging Markets.

Asia High Yield volumes include corporate transactions denominated in US dollar, Euro or Yen, or a synthetic currency transaction. They must be sold internationally as defined by selling via rule 144a or Reg S.

- 6.05.2 Split rated bonds with a rating of 5Bs or greater by two rating agencies, or 7Bs by three agencies, are considered Investment Grade unless High Yield covenants are attached. Transactions rated below 5Bs are classified as High Yield.
- 6.05.3 Hybrid deals will be treated according to the classification of the issuer's rating. If the issuer is rated sub-IG, the hybrid transaction will be included in the High Yield table as long as it meets other High Yield criteria.

6.06 FIG Debt

- 6.06.1 Financial Institution volumes comprise transactions from the following types of issuer: Bank and Finance.
- 6.06.2 Sovereign, supranational and agency offerings are not eligible.
- 6.06.3 The "All FIG" rankings include senior, subordinated, covered bonds and securitizations.
- 6.06.4 The "Unsecured FIG" rankings include senior and subordinated transactions only. Covered bonds and securitizations are not eligible.
- 6.06.5 Senior and Subordinated Debt are determined according to ranking within the capital structure.
- 6.06.6 Inclusion of Hybrid Capital transactions is determined on a deal-by-deal basis, taking into consideration legal maturity, subordination, callable features and coupon deferral option. In the event of a new structure, Dealogic will consult market participants to confirm classification.
- 6.06.7 The "Covered Bond" rankings include Jumbo and non-Jumbo volume globally. Covered bonds issued off an MTN programme are also eligible.
- 6.06.8 Jumbo covered bonds must have at least three market makers for Europe except Germany where five are required, and a minimum value of €1bn, or €750m if increased to €1bn or over within 180 days.

The issue will lose its Jumbo status if not increased within that time.

Jumbo Pfandbriefe, as opposed to other Jumbo covered bonds, are subject to a minimum size increase of €125m.

6.07 Securitized Debt

- 6.07.1 Mortgage-backed securities include only those secured by a minimum of 50% on first lien mortgages (as delineated in the prospectus when available); those that are secured by less than 50% on first mortgage liens are classified as asset-backed.

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- 6.07.2 Federal Credit Agency mortgage-backed securities are tracked and eligible for credit as mortgage-backed securities, not agency debt.
- 6.07.3 Federal Credit Agency stripped mortgage-backed securities where cash flows are split by dividing coupon interest payment and principal payment into two or more tranches are not rank eligible, nor are interest-only tranches of agency mortgage-backed securities.
- 6.07.4 Collateralized Debt Obligations are tracked and rank eligible.
- 6.07.5 Tranches of mortgage-backed and asset-backed securities that are not sold in the offering, classed as retained, are not rank eligible.

6.08 Supranational, Sovereign and Agency Debt

- 6.08.1 Federal Credit Agency MTNs are tracked and eligible.
- 6.08.2 Federal Credit Agency Preferred stock is tracked and eligible.
- 6.08.3 Agency issues include government-sponsored entities.
- 6.08.4 Supranational issues are bonds issued by institutions organized at a world or regional level.
- 6.08.5 Sovereign issues include all bonds issued by governments, provincial and local authorities.

DCM Rankings – Contact Details

For more information regarding the 2014 Rankings criteria please contact the following members of the Dealogic DCM team.

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