



# Official DCM Ranking Criteria 2011

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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 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 underwriters' 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.

### 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.

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- 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 offer price.
- 3.03 If the offer 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.
- Securitizations are categorized in terms of the business nationality of the originator. Where an originator is undisclosed nationality of risk is used. Nationality of risk is defined as the nationality of perceived risk to an investor in a security, regardless of issuer incorporation or, in some circumstances, headquarters.
- Loan participation notes take the nationality of the underlying entity that is receiving the financing.
- 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 uses 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 banks underwriting participation (if the underwriting participation is undisclosed, Dealogic's proprietary participation model will be used).

### 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 is calculated as T + 3.
- 4.02 For extendible bonds the first call date will be used as the legal maturity.
- 4.03 Self-funded and self-led transactions. A self-led transaction is any bond offering where the bond issuer also acts as an underwriter. A self-funded transaction by definition is a subset of self-led transactions where the issuer acts as the sole bookrunner and there is no further syndicate for the offering.
- 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 or Reg D.
- 4.06 Best efforts as they relate to medium-term notes (MTN) offerings.

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- 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 a stock index and where minimum redemption is 100% of the index participation units.

### 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 Non-underwritten deals.
- 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, with the exception of Yankee certificates of deposit.  
Money market transactions are defined as bank notes, floating extendable liquid securities negotiable certificates of deposits and commercial papers.

### 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), supnationals, sovereigns, MTN's, agencies, covered bond issues and non-convertible preferred stock.
  - 6.01.2 Global Debt (ex Self) volumes exclude self-apportioned 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 in the market.  
  
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 that are neither global nor selling significantly under Reg S are categorized as domestic.
  - 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**

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6.03.1 Investment Grade volumes are transactions from the following types of issuers: Industrial, Utility, Banks and Finance companies.

6.03.2 Sovereign, supranational and agency offerings as well as Securitized deals and Covered Bonds are not eligible for Investment Grade rankings.

6.03.3 All qualifying MTN's and Preferred securities are included in Investment Grade rankings.

### 6.04 Corporate Investment Grade Debt

6.04.1 Corporate Investment Grade volumes are transactions from the following types of issuers: Industrials and Utilities.

### 6.05 High Yield Debt

6.05.1 High Yield is comprised of below 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) 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 include 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 US.

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

6.05.2 Split rated bonds with a rating of 5Bs or greater by two rating agencies are considered Investment Grade, and those below 5Bs, High Yield.

### 6.06 FIG Debt

6.06.1 Financial Institution volumes are transactions from the following types of issuers: Banks and Finance companies.

6.06.2 Sovereign, supranational and agency offerings as well as Securitized deals and Covered Bonds are not eligible for FIG rankings.

6.06.3 Covered Bonds volumes include investment grade, sub-investment grade, MTN or preferred transactions.

6.06.4 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.

6.06.5 Senior Debt is determined according to ranking within the capital structure.

6.06.6 Subordinated Debt is determined according to ranking within the capital structure.

6.06.7 Hybrid Capital transactions are 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.

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### 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.
- 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 MTN's are tracked and eligible for credit as agency debt.
- 6.08.2 Federal Credit Agency preferred stock is tracked and eligible for credit as agency debt.
- 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.

### 6.09 Emerging Markets

- 6.09.1 Emerging Markets volumes include international bond offerings from issuers operating in countries designated as emerging, by the market participants. Supranational, securitized as well as domestic deals are not eligible for emerging market rankings.

## DCM Rankings – Contact Details

For more information regarding the 2011 Rankings criteria please contact the following members of the Dealogic DCM team.

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