

April 28, 2009
Moscow

Citi acted as lead arranger of the new five-year rouble bond issue by EBRD

RUB 5 billion raised to support lending in the local currency for Russian projects.

ZAO Citibank acted as joint lead arranger and underwriter of the new five-year domestic rouble bond issue by EBRD. The money is being raised in order to finance the EBRD's existing rouble loan portfolio and provide funding to support long-term rouble lending activities.

The five-year RUB 5 billion Floating Rate Note was placed with an initial coupon of 15.7 percent which is equivalent to 3M MosPrime - 25 bps. This is first ever domestic RUB bond placed through MosPrime. The total demand for the bond in the auction reached RUB 8.4 bn.

This is the fourth consecutive rouble bond issue of EBRD arranged by Citi.

As with its previous domestic rouble bonds, the EBRD will apply for this issue to get A listing on the Moscow Interbank Currency Exchange (MICEX) and for the Central Bank of Russia to include it in its Lombard List. This would qualify it for use in repo transactions with the Central Bank.

Nikita Gusakov, Head of DCM at Citi Russia, said:

"EBRD is the only international triple-A rated institution whose domestic rouble bonds are traded in the Russian market. Due to strong oversubscription we managed to price the deal through MosPrime despite challenging market conditions. The auction results show that the RUB liquidity is there and banks are looking for high quality instruments to place it. Citi is very proud to consistently support EBRD in their local capital markets issues."

ZAO Citibank, ING Bank (Eurasia) ZAO (Closed Joint Stock Company) and ZAO Raiffeisenbank acted as joint lead managers of the new issue. The syndicate included ZAO Unicredit Bank, Goldman Sachs OOO, BANK WESTLB Vostok ZAO, KMB BANK (Closed joint-stock company), Deutsche Bank (Limited Liability Company).

In 2008 Cbonds ranked Citi #1 arranger in Russia and CIS and in the Eurobond market. The total value of the issues arranged by Citi in Russia and CIS made up \$3.75 billion for 2008. This corresponds to a 14.25% market share. Among the most important issues which contributed for the current Citi's success, are \$3bn deal for KazMunayGas, which won the accolade of IFR's CEEMEA Deal of the Year, \$2bn Vimpelcom's offering, being largest CIS private deal, which was awarded Credit Magazine's Global EM Bond of the Year, and \$1.5bn Gazprom issue with a record-breaking order book of \$10bn.