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Moscow

Citibank acts as arranger of Rosselkhozbank's three bond issues for the total nominal book value of RUB 20 billion

On 7 July 2011, OJSC Rosselkhozbank closed its bid book for bonds series 12, 13, and 14 for the total nominal value of RUB 20 billion.

Rosselkhozbank's bid book for its bonds series 14 for the value of RUB 10 billion was opened 29 June this year, with the coupon's rate set within the range of 7.90%-8.10% per annum. As investors' demand had exceeded expectations, the issuer increased its offer by RUB 10 billion with the same placement parameters, reducing the marketing price range to 7.70%-7.90% per annum.

At the end of the marketing process, the issuer eventually set the interest rate at the low end of the pricing range at 7.70% per annum.

The issues' tenor is 10 years, with a 4-year buy-back option available for each issue.

Citibank and VTB Capital acted as arrangers of the issue.

JSC JSCB Svyaz Bank acted as the leading co-arranger.

Co-arrangers are: Globex Bank, CJSC "Baltic Financial Agency", OJSC Alfa Bank, Gazprombank (OJSC), Dostoyanie AM, JSC, FC Megatrustoil, OJSC Nomos Bank, FC Otkrytie, JSC RONIN, OJSC Russ Bank, Sberbank of Russia JSC, Uralsib Bank JSC, UrsaFinans OJSC, OJSC HSBC Bank (PP).

Underwriters of the issue are UBS, JSC Aton, Barclays Bank OJSC, OJSC Deutsche Bank, OJSC Bank Zenit, CJSC AKB Investment Trade Bank, JSCB AKB MBRD, OJSC Metkombank, Moybank (OJSC), OJSC Moscow Credit Bank, Novikombank JSC, OJSC Promsvyazbank, JSC Raiffeisenbank, JSC RBS, OJSC BC Region, Russian Capital Bank (JSC), Russian Standard Bank CJSC, SKB Bank, JSC SMP Bank, JSCB Soyuz (OJSC).

Rosselkhozbank's bond issues attracted a substantial number of Russian and international banks, as well as large investment and asset management companies. The bid book was three times oversubscribed, and the issues were placed at the low end of the pricing range. Russian institutional investors, and banks with foreign capital, demonstrated the most active engagement. The final value of the coupon rate is another proof to Rosselkhozbank's being recognized as a first-class market issuer.

"Rosselkhozbank's latest placement has become one of the largest on the local market of recent. We managed to place the issue with threefold oversubscription, which is one more evidence of the bank's solid reputation among investors, - says Nikita Gusakov, Director at Citi Russia's Debt Capital Markets. - Citi acted as arranger of many Eurobond issues for Rosselkhozbank. We are pleased to continue this partnership on the Russian market."

In March 2010, ZAO Citibank acted as a lead arranger and bookrunner of the largest ever RUB denominated 3-year Eurobond placement for Rosselkhozbank for the total value of RUB 30 billion.

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