

CORPORATE EUROBOND PAYMENTS MONITOR

Since the release of our previous monitor, activity among corporate issuers has remained high. A large number of companies and banks, including Norilsk Nickel, NLMK, Nordgold, STLC, Alfa Bank and Sovcombank, substituted their eurobonds. Sovcomflot and Borets completed substitute tap placements, launched back in April and July, respectively. Gazprom continued to tap place EUR-denominated substitute issues. Polyus notified investors that payments to foreign holders on its two remaining papers will be made in rubles, while Uralkali and VEB were allowed to keep making direct payments on eurobonds instead of placing substitutes. In addition, the deadline for mandatory eurobond substitution was extended by six months until July 1, 2024.

Ten eurobond coupon payments and two redemptions are expected over the next two weeks (Table 3), including:

- **Gazprom** will have to pay coupons on the GAZPRU 2.949% 2024, GAZPRU 2.95% 2029 and the perpetual GAZPRU 4.5985% and GAZPRU 3.897% EUR issues, as well as repay the principal on the GAZPRU 2.949% 2024 issue. As usual, the company will conduct payments on substitute bonds through the internal perimeter. As for remaining outstanding eurobonds, the issuer will make payments in accordance with the issue documentation.
- **Polyus**, which is under US (SDN) and UK blocking restrictions¹, is expected to redeem and pay a coupon on its issue maturing in 2024. The company has notified investors of a new settlement scheme for foreign holders, who will now receive payments in rubles (more details below). However, it is still difficult to gauge the effectiveness of this scheme, given the restrictions imposed on the company.
- **PhosAgro** will have to pay a coupon on its bonds maturing in 2025, which the company offered to exchange for substitutes. We expect payments on papers that were not exchanged to be split between local and foreign holders.
- **Credit Bank of Moscow**, which is under US (SDN), EU and UK blocking restrictions, is due to pay a coupon on its USD-denominated issue maturing in 2025 and its EUR-denominated bond maturing in 2026. Since July, the bank has been making payments to local holders in rubles through the NSD. Although recently the bank's BoD approved the issuance of substitute bonds, the substitution process has yet to start.
- **Alfa Bank**, which is under US (SDN), EU and UK blocking restrictions, will have to pay a coupon on its RUB-denominated issue maturing in 2025 and its perpetual bond placed in 2018. Due to the imposed restrictions, we believe that the bank will make payments only through the internal perimeter on the substitute for the RUB-denominated issue maturing in 2025 and in rubles through the NSD on the perpetual paper.

Corporate events in recent weeks included the following:

- Since the release of our last monitor, several events have occurred involving **Gazprom**:
 - The company conducted the additional placement of a perpetual issue of substitute bonds in euros in the amount of EUR 164.9 mln, which corresponds to 36.8% of the remaining volume of eurobonds in circulation.
 - Gazprom also conducted a tap placement of the issue in euros with maturity in 2027. The placement volume amounted to RUB 155.7 bln, which corresponds to 22.8% of the remaining volume of eurobonds in circulation.
- **Polyus**, which is under US (SDN) and UK blocking restrictions, notified holders of its eurobonds maturing in 2024 and 2028 that, due to the imposed restrictions, the company will make payments to holders whose rights are recorded in external infrastructure, in rubles. Previously, the company received consent from holders to make changes to the issue documentation, including making payments in alternative currencies, and changed its trustee to LCP Investor Services. According to the company's press release, funds in rubles were transferred to an account held by LCP Investor Services, which acts as a trustee of bonds and is entitled to subsequently transfer funds to clearing systems, which should

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¹ Hereinafter, all information regarding entities included onto lists of restrictive measures imposed by foreign countries individually or collectively concerns exclusively the blocking restrictive measures imposed by the US, EU and UK.

distribute them among foreign eurobond holders. The issuer claims to have this way fulfilled its obligations to holders recorded in foreign depositories.

- **Norilsk Nickel** placed local bonds as part of the substitution of two eurobond issues in dollars with maturity in 2025 and 2026 in the respective amounts of \$315.6 mln (63.1% of the outstanding issue) and \$333.5 mln (66.7% of the issue in circulation).
- **NLMK** conducted the substitution of its first issue of eurobonds with maturity in May 2026. The placement volume amounted to \$275.95 mln (55.19% of the volume of eurobonds in circulation). In addition to this issue, the company has an issue in dollars with maturity in September 2024 and an issue in euros with maturity in June 2026.
- The company Neryungri-Metallic, which is part of **Nordgold** group (subject to US (SDN) and UK blocking restrictions), placed substitute bonds in the amount of \$337 mln (84.24% of outstanding eurobonds) in exchange for the issue with maturity in 2024.
- **Sovcomflot**, which is under UK blocking restrictions, completed the additional placement of substitute bonds, which was ongoing since April and repeatedly extended, as part of the substitution of the eurobond issue maturing in 2028. The placement volume amounted to \$65.01 mln, which corresponds to 57.95% of the remaining volume of eurobonds in circulation.
- As part of the substitution of the issue maturing in 2026, which has been carried out since July, **Borets** additionally placed local bonds in the amount of \$33.1 mln, which is equivalent to 25.6% of the remaining issue in circulation. In addition, the company notified investors that it had received permission from the government commission to complete the buyback of eurobonds. At the end of May, the company announced its readiness to buy back eurobonds from holders in the amount of up to \$50 mln; later the limit was increased to \$80 mln. According to the press release, as a result of the tender, eurobonds in the amount of \$53.7 mln were offered for the buyback. The final volume of the buyback, as well as the price, will be announced in January.
- **STLC**, which is under EU, UK and US (SDN) blocking restrictions, has completed the process of issuing substitute bonds in exchange for eurobonds:
 - The issue maturing in 2026 was placed in the amount of \$303.6 mln, which corresponds to 55.2% of the issue of eurobonds in circulation and 97% of the volume of eurobonds in local infrastructure.
 - An issue with maturity in 2027 in the amount of RUB 346.6 mln was also placed (57.8% of the issue of eurobonds in circulation and 98.1% of the volume of eurobonds in local infrastructure).
 - For the issue maturing in 2028, the placement volume amounted to \$167.1 mln, which corresponds to 33.4% of the issue of eurobonds in circulation and 94.1% of the volume of eurobonds in local infrastructure).
 - The last to be placed was an issue of bonds maturing in 2029 in the amount of \$141.1 mln (23.5% of the issue of eurobonds in circulation and 99.2% of the volume of eurobonds in local infrastructure).
- The government commission allowed **Uralkali** and **VEB** (under US (SDN), EU and UK blocking restrictions) not to substitute their only bond issues due in 2024 and 2025, respectively. Instead, direct payments will continue. Previously, only Severstal received such permission for an issue maturing in 2024.
- **Sovcombank**, which is under US (SDN), EU and UK blocking restrictions, carried out the substitution of all outstanding issues:
 - The bank placed an issue of local subordinated bonds in exchange for the issue of eurobonds maturing in 2030 in the amount of \$25.2 mln (8.41% of the volume of eurobonds in circulation).
 - An issue of local bonds was also placed in exchange for the issue of perpetual eurobonds issued in 2021. The placement volume amounted to \$116.4 mln (38.81% of the volume of eurobonds in circulation).
 - In addition, the bank placed local bonds in the amount of \$16.8 mln to substitute perpetual eurobonds that were issued in 2020. At the same time, the share of substituted securities relative to the volume of eurobonds in circulation was one of the lowest among all issuers and amounted to only 5.6%.
 - Similarly, the bank substituted its perpetual bond issue, which was originally issued by Vostochny bank, in the amount of \$6.475 mln, or 57.96% of the volume of eurobonds in circulation.

- **Alfa Bank**, which is under US (SDN), EU and UK blocking restrictions, placed local bonds in the amount of RUB 8.44 bln as part of the substitution of the ruble issue of eurobonds with maturity in August 2025, which amounted to 84.4% of the issue of eurobonds in circulation.
- **Credit Bank of Moscow**, which is under US (SDN), EU and UK blocking restrictions, extended until February 6 (15:00 London time) the vote on amendments to the documentation for the USD-denominated issue maturing in 2027 and two perpetual USD-denominated bonds with coupon rates of 8.875% and 7.625% (the initial voting deadline was January 22). A bondholder meeting is scheduled for February 8 (15:00 London time). The proposed changes include an alternative payment method, extension of the grace period, simplification of the process for eurobond cancelation, as well as a change of the trustee. In June 2023, the bank conducted a similar vote on senior USD-denominated issues.
- In addition, at the end of December, Presidential Decree No. 958 was published, which extended the deadline for the mandatory substitution of eurobonds by six months, until July 1, 2024. Previously, the deadline for the substitution was set for January 1, 2024 (for more details, see our [Economy and Debt Markets Navigator](#) of December 19).

Table 1. Eurobond issuers overview

ISSUER	STATUS
NON-FINANCIAL SECTOR	
ALROSA	<ul style="list-style-type: none"> ALROSA is under US (SDN) and UK blocking restrictions. Since August 2022, the company has been making ruble payments to bondholders whose rights are recorded in Russian infrastructure. Payments to investors whose rights are recorded in foreign depositories remain technically impossible. The company is seeking options to fulfill its obligations.
Borets	<ul style="list-style-type: none"> Borets placed RUB 221 mln in substitute bonds in exchange for its 2026 eurobond issue, equal to 63% of the eurobond's outstanding volume. The company conducted a tap placement of this issue in a volume of \$33.1 mln. The company notified investors that it received permission from the government commission to complete the eurobond buyback; the final volume and price will be announced in January. With regard to the same issue, the company earlier received consent to change the trustee as well as make technical changes to the terms of the issue regarding cancelation of the bonds and extension of the grace period.
Domodedovo	<ul style="list-style-type: none"> The company is making separate payments in favor of local and foreign holders. In August, payments to foreign holders who did not use the direct payment option were transferred to the paying agent for further distribution to holders. In December 2023, Domodedovo received consent from eurobond holders to make changes to the documentation regarding the company's reorganization. Domodedovo obtained consent to amend the terms of both of its outstanding issues (maturing in 2023 and 2028), namely to change the trustee and simplify the process of bond cancelation; to introduce a new payment mechanism and extend the grace period; and to move the deadline for overdue coupons.
Evrz	<ul style="list-style-type: none"> The company is under UK blocking restrictions. NMTK (part of Evraz) announced that it will make early repayment of its Evraz 24 eurobond issue, the rights to which are recorded in local infrastructure. This does not apply to investors whose rights are registered in external infrastructure. In March 2023, the company stated that, due to restrictions in place, the redemption of the EVRAZ 2023 issue would not be executed in part or in full, despite sufficient liquidity. The company also failed to pay the coupon on its bond maturing in 2024. Evraz has obtained consent from eurobond holders to amend the terms of its issues maturing in 2023 and 2024. The changes include 1) a change of the trustee; 2) the introduction of a new procedure for replacing an issuer; 3) the removal of certain covenants; 4) the elimination of certain default events; and 5) simplification of the procedure to pass a resolution.
Gazprom	<ul style="list-style-type: none"> Gazprom has now placed substitute bonds for all of its outstanding eurobond issues and carried out additional substitute placements of the GAZPRU 4.95% 2027 USD, GAZPRU 4.25% 2024 GBP, GAZPRU 8.625% 2034 USD, GAZPRU 3.0% 2027, GAZPRU 3.5% 2031, GAZPRU 1.54% 2027 CHF, GAZPRU 2.95% 2029, GAZPRU 4.95% 2028, GAZPRU 5.15% 2026 and GAZPRU 7.288% 2037, GAZPRU 3.25% 2030, GAZPRU 3.125% 2023 EUR, GAZPRU 1.85% 2028 EUR and GAZPRU 2.25% 2024 EUR, GAZPRU 2.95 2024 EUR as well as the perpetual USD-denominated GAZPRU 4.5985%, GAZPRU 1,5 2027 EUR and the perpetual EUR-denominated GAZPRU 3.897%. Gazprom received permission from the government commission to make payments through a payment agent instead of directly to eurobond holders who are not participating in the substitution process. Gazprom earlier received consent to amend the terms of the GAZPRU 4.95% 27 USD, GAZPRU 8.625% 34 USD, GAZPRU 4.95% 28 USD, GAZPRU 5.15% 26 USD, GAZPRU 7.288% 37 USD, GAZPRU 3.125% 23 EUR, GAZPRU 2.25% 24 EUR, GAZPRU 2.949% 24 EUR, GAZPRU 2.50% 26 EUR, GAZPRU 1.45% 23 CHF, GAZPRU 4.364% 25 EUR and GAZPRU 4.25 24 GBP issues. Among other things, the amendments involve a change of the trustee and clarification of the wording regarding cancelation of bonds.
GeoProMining	<ul style="list-style-type: none"> GeoProMining received consent from holders to change the terms of its eurobonds maturing in 2024. These include 1) direct payments on eurobonds, including in alternative currencies; 2) extension of the grace period from 7 to 30 days; and 3) simplification of the process for bond cancelation and a change of the trustee.
Global Ports	<ul style="list-style-type: none"> The company fully repaid its only eurobond issue in October 2023. Payment was made in two ways: direct payment to holders who chose this option, and to accounts of the paying agent for further distribution to holders who did not use the direct payment option.
KOKS (IMH)	<ul style="list-style-type: none"> The company offered to holders of the issue maturing in 2025 several coupon payment options, including direct payments in rubles or dollars. KOKS (IMH) received consent from holders of its eurobonds maturing in 2025 to redeem them earlier on December 21, 2023. Earlier, KOKS (IMH) for the second time received consent from investors to change the conditions of its eurobond issue maturing in 2025, including: 1) a waiver of default events; 2) further extension of the grace period to 90 days; 3) simplification of the bond cancelation procedure; and 4) clarification of the earlier accepted calculation mechanism. At end September 2022, KOKS (IMH) obtained investor consent to amend some terms of the above-mentioned issue, with the proposed changes including: 1) a change of the trustee; 2) the addition of a new payment mechanism that provides not only for direct payments to investors in an alternative currency, but also payments to nominal, escrow or similar accounts opened in the name of an investor (with the possibility to make payments to Type-D accounts); and 3) extension of the grace period for coupon and principal payments to 50 days.
LUKOIL	<ul style="list-style-type: none"> The company substituted all of its outstanding eurobonds. In spring, LUKOIL recommended that bondholders in the external perimeter use the direct payment option.

	<ul style="list-style-type: none"> • LUKOIL placed substitute bonds in a volume of \$563 mln as part of the exchange of the LUKOIL 23 (37.5% of the issue volume), \$254 mln as part of the exchange of the LUKOIL 31 (22%), \$257 mln as part of the exchange of the LUKOIL 27 (22.3%), \$316 mln as part of the exchange of the LUKOIL 26 (31.58%) and \$287.3 mln as part of the exchange of the LUKOIL 30 (19.2%). • LUKOIL in 2022 conducted eurobond buybacks through the external perimeter and the NSD. • LUKOIL obtained consent from holders of all five of its outstanding eurobonds to change the terms, including replacement of the trustee, the introduction of alternative payment options, and simplification of the procedure to cancel bonds.
Metalloinvest	<ul style="list-style-type: none"> • Metalloinvest has been under US (SDN) blocking restrictions. • The company informed holders of its eurobonds maturing in 2028 that the payment agent refused to distribute coupon payments due in April 2023 among clearing systems, whereas payments through local infrastructure have been executed. • The company placed substitute bonds worth \$286 mln as part of the exchange of eurobonds maturing in 2028 (43.9% of the outstanding issue). • In addition, Metalloinvest earlier obtained investor consent for changes to the documentation of its eurobonds maturing in 2028, including a change of the trustee and the introduction of an alternative payment method, with payments to be made directly to Russian holders whose rights are recorded in Russian depositories. The company also received consent to simplify the procedure to reduce obligations on repurchased securities and an extension of the grace period to 30 days.
MMK	<ul style="list-style-type: none"> • MMK is under UK and US (SDN) blocking restrictions and has not made payments to the external perimeter. After being added to the US (SDN) list, the company applied for licenses that would allow it to make eurobond payments. • MMK placed substitute bonds in exchange for its only outstanding eurobond issue maturing in 2024 in a volume of RUB 308 mln (62% of the outstanding issue). • Earlier, the company obtained investor consent to amend the covenants of its eurobond issue maturing in 2024, including a change of the trustee and simplification of the bond cancellation procedure.
MTS	<ul style="list-style-type: none"> • The company redeemed its only bond issue in the internal perimeter. Data is unavailable regarding external holders. • Earlier, MTS received investor consent to amend the terms of its issue maturing in 2023, namely 1) a change of the payment procedure, including the right to make direct payment to holders of eurobonds in rubles; 2) extension of the grace period from 30 to 60 calendar days for coupons due in November, and for other payments – to 45 days; 3) a simplified process of eurobond cancellation; 4) a change of the trustee; and 5) authorization for MTS PJSC to take actions that only the issuer has the right to take.
NLMK	<ul style="list-style-type: none"> • The company is executing split payments to local and foreign bondholders. • NLMK substituted its first eurobond maturing in May 2026. Earlier, the BoD approved the substitution of the company's EUR-denominated eurobond with maturity in 2026. • Earlier, NLMK obtained investor consent to change the terms of all of its outstanding eurobond issues. The changes include the possibility to 1) make direct payments to holders of bonds held in Russian depositories; 2) make payments in alternative currencies; and 3) waive payments on bonds held by NLMK or other companies within the group and cancel bonds held by the group without having to transfer them to the registrar. The company also received consent to waive claims in case of any breach of issue covenants before December 31, 2022.
Nordgold	<ul style="list-style-type: none"> • Nordgold is under US (SDN) and UK blocking restrictions. In June 2022, investors were offered to apply for a buyback of the company's eurobond directly to the issuer. • The company substituted its only outstanding eurobond issue in the amount of \$337 mln (84.24% of the outstanding volume). • Earlier, Nordgold obtained consent from holders of its eurobonds maturing in 2024 to incorporate changes to the T&Cs of its issue. The changes, among other things, include: 1) transfer of the coupon payment to the redemption date; 2) a change of the trustee; and 3) a waiver of the issuer and its guarantors from covenants and certain default events.
Nornickel	<ul style="list-style-type: none"> • The company substituted USD-denominated eurobonds with maturity in 2025 and 2026. Currently, only one issue maturing in October 2024 remains unsubstituted. • Earlier, Nornickel obtained consent to make changes to the documentation of all of its outstanding issues, namely to 1) change the trustee; 2) introduce alternative payment schemes so that payments to investors whose rights are recorded in Russian depositories or to Russian residents registered in Euroclear/Clearstream can be made directly or through a Russian payment agent, including via the use of other securities or mechanisms that comply with Russian legislation; and 3) extend the grace period for principal and coupon payments to 30 days and simplify the procedure for changing the trustee.
NOVATEK	<ul style="list-style-type: none"> • The company announced the fulfillment of obligations related to coupon payments and redemption of the NVTKRM 22 issue separately in favor of local and foreign investors. • Earlier, NOVATEK received consent from holders of the NVTKRM 22 to change the terms of the issue, including the possibility of direct payments in rubles (or using any other settlement mechanisms) to investors whose rights are recorded in Russian depositories, as well as extension of the grace period to 60 business days.
Petropavlovsk	<ul style="list-style-type: none"> • Petropavlovsk was not making payments and is now under external management.
PhosAgro	<ul style="list-style-type: none"> • The company conducted the substitution of its two eurobond issues maturing in 2025 and 2028. • PhosAgro obtained consent to change conditions from holders of all issues, namely to change the trustee, simplify the cancellation of eurobonds, and introduce the possibility to make direct payments to eurobond holders or payments through other financial intermediaries, including the possibility of payments in alternative currencies. • Earlier, the issuer at its own discretion split the July coupon payment on its bond maturing in 2025, paying in rubles to investors whose rights are recorded in Russian depositories, while the remainder was paid in USD through foreign depositories (upon the receipt of permission from the Minfin).
PIK	<ul style="list-style-type: none"> • The company plans to place local bonds to replace its remaining outstanding eurobonds maturing in 2026.

	<ul style="list-style-type: none"> PIK obtained consent from holders of its eurobonds maturing in 2026 to amend the terms of the issue, including the transfer of coupon payments to the maturity date, as well as the waiver of a number of covenants and default events. At the beginning of August 2022, PIK placed \$395 mln in a substitute local bond issue and planned to complete the substitution by the end of September. The exchange includes securities held by investors via the NSD.
Polyus	<ul style="list-style-type: none"> Polyus has been under US (SDN) and UK blocking restrictions, which make payments through the external perimeter impossible. Before becoming subject to blocking restrictions, Polyus obtained consent to split payments to local and foreign investors on all of its outstanding issues and began to make such payments. In addition, the company changed its trustee to LCP Investor Services. The company announced that payments to holders whose rights are recorded in external infrastructure will be made in rubles. According to the company's press release, funds in rubles were transferred to an account held by LCP Investor Services, which acts as a trustee of bonds and is entitled to subsequently transfer funds to clearing systems, which should distribute them among foreign eurobond holders. The issuer claims to have this way fulfilled its obligations to holders recorded in foreign depositories. In February 2023, before restrictions were introduced, the company successfully repaid its eurobond issue using direct payments in favor of local holders and via the transfer of funds to a paying agent in the external perimeter.
RUSAL	<ul style="list-style-type: none"> RUSAL obtained investor consent to split payments on all of its outstanding eurobonds and began making payments to local investors via the NSD and directly to foreign investors. We believe that the company has successfully repaid its last outstanding eurobond maturing in May 2023 using the new mechanism.
Russian Railways	<ul style="list-style-type: none"> Russian Railways is under UK blocking restrictions and has not made payments to the external perimeter. The company conducted a survey among its eurobonds holders within local infrastructure regarding the maintenance of direct payments.
Severstal	<ul style="list-style-type: none"> Severstal is under US (SDN) and UK blocking restrictions. The company received permission from the government commission not to substitute its only outstanding eurobond maturing in 2024. Holders whose rights are recorded in local infrastructure will continue to receive payments in rubles, while those registered in the external perimeter must apply for payments to be made to Type-D accounts. The company obtained consent from holders to amend the terms of its issue maturing in 2024, including 1) permission to make direct ruble payments to local holders whose rights are recorded in the NSD or other local depositories, using Russian infrastructure; 2) extension of the grace period from five to 45 days; and 3) postponement of coupon payments due in March 2022 and September 2022 (payments were not made earlier).
SIBUR	<ul style="list-style-type: none"> Before December 1, the company conducted a survey among eurobond holders in the internal perimeter regarding payment options. Holders were asked to choose between maintaining the direct payment option and issuing substitute bonds. The Board of Directors approved the decision to issue local bonds to substitute the company's dollar-denominated issue maturing in 2025. In May 2023, SIBUR notified its eurobond holders whose rights are recorded in the external perimeter that the payment agent refused to make payments. Instead, the company plans to execute payments via special Type-D accounts. Investors should notify the company of their readiness to receive payments to such accounts until December 14. In this case, the company will transfer to such accounts the April and October coupons alongside the principal during the repayment of the SIBUR 23, as well as the March and September coupons on the SIBUR 24 and the July coupon on the SIBUR 25. SIBUR has obtained consent from the government commission to buy back three eurobond issues and set the buyback prices. The buyback price will be \$700 in exchange for \$1,000 of par value for the issues maturing in 2023 and 2024, and \$650 in exchange for \$1,000 of par value for the issue maturing in 2025. Until October 2, the company conducted a similar buyback of its eurobonds at the same price level. The company will also require eurobond holders to confirm the dates of bond purchases. If the bonds were purchased after March 1, 2022 at a discount from foreign holders and then transferred to Russian infrastructure, the company will make payments on these bonds to Type-S accounts. Earlier, SIBUR obtained consent to change conditions from holders of all of its outstanding eurobond issues, including the introduction of a new payment mechanism. The changed payment mechanism provides not only for direct payments in favor of certain categories of investors with an option to choose an alternative currency, but also payments to nominal, escrow or similar accounts opened in the name of investors. SIBUR also obtained consent from holders of all three issues to replace the trustee and simplify the bond cancellation procedure. Thereafter, the company announced plans to cancel its proprietary eurobonds (issues maturing in 2023, 2024 and 2025) in a total amount of \$530 mln at par value.
Sovcomflot	<ul style="list-style-type: none"> Sovcomflot is under UK blocking restrictions and has not made payments. In early August 2022, holders of the company's eurobonds agreed to alternative payment mechanisms. Holders of eurobonds in the external perimeter are invited to contact the company directly. Sovcomflot placed local substitute bonds in a volume of \$317.8 mln (73.9% of the issue size) intended to replace the company's outstanding eurobond issue maturing in 2028. The company also conducted a tap placement of this issue in a volume of \$65 mln.
STLC	<ul style="list-style-type: none"> STLC is under EU, UK and US (SDN) blocking restrictions. The company substituted all of its eurobonds. Payments to foreign holders are not being made due to imposed restrictions.

	<ul style="list-style-type: none"> After a long pause, STLC started making coupon payments within the internal perimeter. On November 2, it also paid to local holders the coupons on eurobonds skipped over the April 2022 – May 2033 period, with the total amount of payments exceeding the equivalent of \$84 mln.
Uralkali	<ul style="list-style-type: none"> The company received permission from the government commission not to substitute its only bond issue with maturity in 2024. Instead, direct payments will continue. In September 2022, the company received investor consent to make split payments.
VEON	<ul style="list-style-type: none"> VEON is making payments in the external perimeter. The company announced a deal to sell its Russian business (VimpelCom) to the management and obtained consent from holders of two eurobond issues maturing in 2023 to amend their terms. Thereafter, the scheme received court approval. The company offered investors a 200 bps premium for their consent to change the issue terms. The premium will be paid upon maturity. The key adjustments are an 8-month maturity extension (until October 2023 for the issue with original maturity in February and until December 2023 for the issue maturing in April). In addition, an extra put option was included into the structure of both issues at a price of 102% of par value and with validity for two weeks starting from the second day after the scheme comes into force. Thus, upon obtaining all the necessary permits and licenses, an event called Amendment Effective Day took place on April 4. The aggregate volume of the buyback of the two issues within the framework of the put option totaled \$459.1 mln.
FINANCIAL SECTOR	
Alfa Bank	<ul style="list-style-type: none"> Alfa Bank is under US (SDN), EU and UK blocking restrictions and is making payments in rubles through the NSD. Alfa Bank placed local bonds as part of the substitution of two RUB-denominated eurobond issues maturing in January and August 2025.
Credit Bank of Moscow	<ul style="list-style-type: none"> Credit Bank of Moscow is under US (SDN), EU and UK blocking restrictions and is making payments in rubles through the NSD. The bank's Supervisory Board approved the issuance of local bonds to substitute nine eurobond issues. In June 2023, the bank received consent from holders of its senior USD-denominated bond issues maturing in 2024, 2025 and 2026, as well as of its two EUR-denominated issues maturing in 2024 and 2026 to amend the issue documentation. The changes include the introduction of an alternative payment method, extension of the grace period, simplification of the bond cancellation procedure and a change of the trustee. Until February 6, the bank will be conducting a similar vote for the USD-denominated issue maturing in 2027 and two perpetual USD-denominated issues with coupon rates of 8.875% and 7.625%. Once the changes are incorporated in the documentation, the bank will offer its eurobond holders whose rights are registered in foreign depositories the option to receive skipped coupon payments in rubles using the direct payment option.
Sberbank	<ul style="list-style-type: none"> Sberbank is under US (SDN), EU and UK blocking restrictions. In May, the bank repaid its last outstanding eurobond issue through the internal perimeter in rubles. The payment through the external perimeter was likely not carried out. Until December 1, Sberbank was conducting the process of identifying its eurobond holders whose rights are recorded in external infrastructure.
Sovcombank	<ul style="list-style-type: none"> As Sovcombank is under US (SDN), EU and UK blocking restrictions, no payments to foreign holders are being made. The bank completed the substitution of all of its outstanding eurobonds. In November 2022, the bank completed the placement of local subordinated bonds that could be acquired with funds from the sale of eurobonds. The volume of the placement totaled \$163.6 mln, with a term to maturity of 8.5Y and a coupon rate of 6.5%. The papers are not substitute bonds. In February 2023, the bank offered to buy back four eurobond issues. The offer was effective until March 1, 2023.
Tinkoff	<ul style="list-style-type: none"> The bank is under US (SDN), EU and UK blocking restrictions. Tinkoff Bank conducted the substitution of both of its outstanding perpetual eurobond issues. The local issue substituting the eurobond issued in 2017 was placed in the amount of \$146.2 mln (48.74% of the eurobond issue). The placement volume of the second issue equaled \$288.7 mln (48.1% of outstanding eurobonds). In February 2023, the bank obtained consent from eurobond holders to amend the documentation for two perpetual issues with regard to payment mechanisms. Following a pause in the payment of coupons on two perpetual eurobond issues in June, Tinkoff Bank resumed the payments within local infrastructure.
VEB	<ul style="list-style-type: none"> VEB is under US (SDN), EU and UK blocking restrictions and is conducting payments in rubles through the NSD. The bank received permission from the government commission not to substitute its only bond issue with maturity in 2025. Instead, direct payments will continue.
VTB	<ul style="list-style-type: none"> VTB is under US (SDN), EU and UK blocking restrictions and is executing payments in rubles through the NSD. VTB notified investors of a temporary suspension of payments on its USD-denominated subordinated perpetual issue starting from the payment dated December 6, 2022 and until the bank resumes paying dividends on ordinary shares. The issuer also announced temporary suspension of the accrual of coupons on a number of its local subordinated issues. VTB confirmed plans to resume payments on its perpetual subordinated eurobond in 2024 and launch the eurobond substitution process. The Supervisory Board approved the substitution of all three of the bank's outstanding eurobonds in a total volume of ~\$2.6 bln. VTB announced the intention to conduct payments in rubles on its three outstanding eurobond issues as well as the issue that matured in October 2022. Payments will be made in rubles to holders whose rights are registered in foreign depositories. As we understand, the bank is aiming to fulfill its obligations to residents of Russia or countries not included on the list of unfriendly jurisdictions via Type-D accounts.

Source: company data, open sources, Gazprombank

Table 2. Status of payments on Russian corporate eurobonds since December 2023

DATE	BOND ISSUE	ISIN	VOLUME OUTSTANDING MLN	CURRENCY	REDEMPTION VOLUME (NOMINAL CURRENCY, MLN)	COUPON	PAYMENT STATUS
07.12.2023	VTB Perp	XS0810596832	2 250	USD		107	Payments suspended.
13.12.2023	MMK 24	XS1843434959	192	USD		4	Substitute bonds issued for payments to local holders. Payments in the external perimeter have not been made.
15.12.2023	Tinkoff Perp	XS1631338495	300	USD		7	Substitute bonds issued for payments to local holders. Payments in the external perimeter have not been made..
18.12.2023	VimpelCom 25 RUB	XS2184900186	20 000	RUB		632	No data. Previously, the company made payments only through external infrastructure.
18.12.2023	VimpelCom 24	XS1625994618	533	USD		13	No data. Previously, the company made payments only through external infrastructure.
18.12.2023	GPM 24	XS2008618501	300	USD		12	The company is making split payments in the local and external perimeters.
20.12.2023	Tinkoff 6 Perp	XS2387703866	600	USD		9	Substitute bonds issued for payments to local holders. Payments in the external perimeter have not been made.
25.12.2023	Alrosa 27	XS2010030919	500	USD		8	To local holders paid in rubles. No payments were made in the external perimeter due to imposed restrictions.
25.12.2023	CBM 24	XS1964558339	217	USD		8	To local holders paid in rubles.
29.12.2023	Gazprom 27 3.0	XS2196334671	558	USD		8	Substitute bonds issued for payments to local holders. For eurobonds outstanding, funds are directed to the external perimeter.
04.01.2024	CBM 7.625 Perp	XS2392969395	350	USD		7	To local holders paid in rubles.
08.01.2024	Sibur 25	XS2199713384	500	USD		7	To local holders paid in rubles. The company announced the start of payments to external holders through Type-D accounts.
14.01.2024	Gazprom 31	XS2363250833	595	USD		10	Substitute bonds issued for payments to local holders. For eurobonds outstanding, funds are directed to the external perimeter.

Source: company data, open sources, Gazprombank



Table 3. Calendar of upcoming payments on Russian corporate eurobonds in January-February 2024

DATE	BOND ISSUE	ISIN	VOLUME OUTSTANDING MLN	CURRENCY	PRINCIPAL REDEMPTION (NOMINAL CURRENCY, MLN)	COUPON PAYMENT	RISK OF NOT RECEIVING PAYMENT BY	
							LOCAL HOLDERS	FOREIGN HOLDERS
21.01.2024	CBM 26 EUR	XS2281299763	600	EUR		19		+
23.01.2024	PhosAgro 25	XS2099039542	500	USD		8		
24.01.2024	Gazprom 24 2.949 EUR	XS1911645049	579	EUR	579	17		
25.01.2024	AlfaBank 6.95 Perp	XS1760786340	500	USD		9		+
26.01.2024	Gazprom 3.9 EUR perp	XS2243636219	1,000	EUR		39		
26.01.2024	Gazprom 4.6 perp	XS2243631095	406	USD		9		
27.01.2024	Gazprom 29	XS2291819980	995	USD		15		
29.01.2024	CBM 25	XS2099763075	541	USD		13		+
29.01.2024	Polyus 24	XS1713474325	323	USD	323	8		+/-
30.01.2024	AlfaBk 25 6.75 RUB	XS2107554896	15,000	RUB		510		+
03.02.2024	AlfaBank 8 Perp	XS1513741311	700	USD		14		+
06.02.2024	Gazprom 28	XS0885736925	900	USD		22		
06.02.2024	Sovcombank 7.75 perp	XS2113968148	194	USD		4		+
08.02.2024	DME Airport 28	XS2278534099	453	USD		12		
11.02.2024	Gazprom 26	XS1951084471	1,250	USD		32		
16.02.2024	Gazprom 37	XS0316524130	1,250	USD		46		
17.02.2024	Gazprom 27 EUR	XS2301292400	1,000	EUR		15		
17.02.2024	Sovcombank 7.6 perp	XS2393688598	300	USD		6		+
18.02.2024	STLC 26	XS2010044381	550	USD		14		+
20.02.2024	CBM 24 EUR	XS1951067039	327	EUR	327	17		+
23.02.2024	AlfaBank 5.9 Perp	XS2410104736	400	USD		6		+
25.02.2024	Gazprom 30	XS2124187571	536	USD		9		
26.02.2024	STLC 28	XS2249778247	500	USD		12		+
27.02.2024	STLC 29	XS2010027451	600	USD		13		+
03.02.2024	AlfaBank 8 Perp	XS1513741311	700	USD		14		+
06.02.2024	Gazprom 28	XS0885736925	900	USD		22		

Source: company data, open sources, Gazprombank

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