

Implementation Details for the Exclusion of Russian Bonds from FTSE Fixed Income Indices

On 04 March 2022, FTSE Russell **announced** that Russian ruble and non-ruble denominated government bonds and hard currency bonds issued by non-government Russian entities would be excluded from the FTSE fixed income indices, effective with the March 2022 month-end rebalances. FTSE Russell has continued to seek feedback from its regional FTSE Fixed Income Advisory Committees and other index stakeholders on the implementation of this change.

Following a comprehensive review of the index inclusion of hard currency bonds issued by Russian non-government entities, a list of securities that will be excluded from FTSE fixed income indices is contained in this announcement, along with an impact analysis of the exclusion of all Russian bonds for relevant indices. As previously communicated, these securities will be removed due to the market disruption event that FTSE Russell has deemed to have taken place in accordance with its published [Statement of Principles for FTSE Fixed Income Indices](#).¹

As previously announced, the price and accrued interest for ruble-denominated Russian government bonds and domestic ("RU" ISIN) hard currency Russian government bonds has been set to zero. The price and accrued interest for the hard currency bonds issued by Russian issuers contained in this announcement, as well as international ("US" ISIN) hard currency Russian government bonds will also be set to zero effective March 21, 2022.

Securities Issued by Non-Government Russian Entities to be Excluded from FTSE Fixed Income Indices

63 USD-denominated securities issued by Russian entities with USD 47.2 billion in par amount outstanding will exit FTSE fixed income indices at the March 2022 month-end rebalance with price and accrued interest set to zero. Figure 1 provides further details on these securities.

Figure 1. USD-Denominated Securities Issued by Russian Entities to Exit FTSE Fixed Income Indices

ISIN	Issuer	Coupon	Maturity Date	Currency	Rating	Par Value*
US55315NAA19	MMC Financial DAC	4.100	4/11/2023	USD	BBB-	1,000.0
US549876AH32	Lukoil Intl Financial BV Phosagro Bond Funding	4.563	4/24/2023	USD	BBB	1,500.0
US71922LAB53	DAC	3.949	4/24/2023	USD	BBB-	500.0
US36251BAB18	Veon Hldgs BV	7.250	4/26/2023	USD	BB+	700.0
US781764AB16	Rusal Capital DAC	5.300	5/03/2023	USD	B+	491.2

¹ The non-government hard currency Russian bonds to be excluded from FTSE fixed income indices largely aligns with those securities with a country assignment of Russia, based on the FTSE fixed income index methodology. However, it reflects those securities that appear to be impacted by the capital controls imposed by the Russian government based upon review by FTSE Russell and feedback from index users.

FTSE Fixed Income LLC	US	EMEA	Hong Kong	Singapore	Japan
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US55377WAB46	MTS Intl Funding DAC	5.000	5/30/2023	USD	BBB-	500.0
US85812PAC77	Steel Funding DAC	4.500	6/15/2023	USD	BBB-	433.6
US78403LAB80	SCF Capital DAC	5.375	6/16/2023	USD	BBB-	498.4
US37955KAC62	Global Ports Financial PLC	6.500	9/22/2023	USD	BB+	298.0
US825795AA56	Sibur Securities DAC	4.125	10/05/2023	USD	BBB-	308.0
US91822CAC29	VEB Financial PLC	5.942	11/21/2023	USD	BBB-	1,150.0
US36192NAB73	GPN Capital SA	6.000	11/27/2023	USD	BBB-	1,500.0
US73181LAA98	Polyus Financial PLC	4.700	1/29/2024	USD	BBB-	322.6
XS1574068844	RZD Capital PLC	4.375	3/01/2024	USD	BBB	319.8
US29873VAB09	Eurochem Financial DAC	5.500	3/13/2024	USD	BB	700.0
US02109TAD46	Alrosa Financial Ancial SA	4.650	4/09/2024	USD	BBB-	500.0
XS1577961516	GTLK Europe DAC	5.125	5/31/2024	USD	BB	500.0
US553142AA88	MMK Intl Capital DAC	4.375	6/13/2024	USD	BBB	500.0
US92718WAG42	Veon Hldgs BV	4.950	6/16/2024	USD	BB+	532.5
US85805RAE80	Steel Capital SA	3.150	9/16/2024	USD	BBB	800.0
US16325LAA52	Chelpipe Financial DAC	4.500	9/19/2024	USD	B+	300.0
US85812RAA77	Steel Funding DAC	4.000	9/21/2024	USD	BBB-	295.8
US825795AB30	Sibur Securities DAC	3.450	9/23/2024	USD	BBB-	500.0
US91689LAA89	Uralkali Financial DAC	4.000	10/22/2024	USD	BB	500.0
XS2243624470	GAZ Financial PLC	4.599	10/27/2025	USD	BB	1,400.0
US55315NAC74	MMC Financial DAC	3.375	10/28/2024	USD	BBB-	750.0
US71922LAC37	Phosagro Bond Funding DAC	3.050	1/23/2025	USD	BBB-	500.0
US12504PAH38	CBOM Financial PLC	4.700	1/29/2025	USD	BB	541.0
US92334VAA35	Veon Hldgs BV	4.000	4/09/2025	USD	BB+	1,000.0
XS1713473608	GTLK Europe Capital DAC	5.950	4/17/2025	USD	BB	500.0
US825795AC13	Sibur Securities DAC	2.950	7/08/2025	USD	BBB-	500.0
US55315NAD57	MMC Financial DAC	2.550	9/11/2025	USD	BBB	500.0
US44970CAA53	IMH Capital DAC	5.900	9/23/2025	USD	B+	350.0
US91821XAD57	VEB Financial PLC	6.800	11/22/2025	USD	BBB-	1,000.0
XS1951086849	GAZ Capital SA	5.150	2/11/2026	USD	BBB-	1,250.0
XS2010044381	GTLK Europe Capital DAC	4.949	2/18/2026	USD	BB	550.0
US85812RAB50	Steel Funding DAC	4.700	5/30/2026	USD	BBB	500.0

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US78486MAA80	Suek Securities DAC	3.375	9/15/2026	USD	BB	500.0
US09973BAB53	Borets Financial DAC	6.000	9/17/2026	USD	BB-	350.0
US12504PAJ93	CBOM Financial PLC	3.875	9/21/2026	USD	BB	500.0
US55315NAE31	MMC Financial DAC	2.800	10/27/2026	USD	BBB-	500.0
US549876AL44	Lukoil Intl Financial BV	4.750	11/02/2026	USD	BBB	1,000.0
XS2116222451	TMK Capital SA	4.300	2/12/2027	USD	B+	500.0
XS2131995958	GTLK Europe Capital DAC	4.650	3/10/2027	USD	BB	600.0
US368266AV45	GAZ Capital SA	4.950	3/23/2027	USD	BBB-	750.0
US549875AA06	Lukoil Capital DAC	2.800	4/26/2027	USD	BBB	1,150.0
US02109TAE29	Alrosa Financial Ancial SA	3.100	6/25/2027	USD	BBB-	500.0
XS2196334671	GAZ Financial PLC	3.000	6/29/2027	USD	BBB-	1,000.0
US91823N2A05	Veon Hldgs BV	3.375	11/25/2027	USD	BB+	1,250.0
US368266AT98	GAZ Capital SA	4.950	2/06/2028	USD	BBB-	900.0
XS2249778247	GTLK Europe Capital DAC	4.800	2/26/2028	USD	BB	500.0
US78397MAA62	SCF Capital DAC	3.850	4/26/2028	USD	BB+	430.0
US71922LAD10	Phosagro Bond Funding DAC	2.600	9/16/2028	USD	BBB-	500.0
US73181LAB71	Polyus Financial PLC	3.250	10/14/2028	USD	BBB-	700.0
US59126LAB45	Metalloinvest Financial DAC	3.375	10/22/2028	USD	BBB-	650.0
XS2291819717	GAZ Financial PLC	2.950	1/27/2029	USD	BBB-	2,000.0
XS2125065081	GAZ Financial PLC	3.250	2/25/2030	USD	BBB-	2,000.0
US01538RAF64	Alfa Bond Issuance PLC	5.950	4/15/2030	USD	B+	850.0
US54988LAB27	Lukoil Securities BV	3.875	5/06/2030	USD	BBB	1,500.0
XS2363251997	GAZ Financial PLC	3.500	7/14/2031	USD	BBB-	1,000.0
US549875AB88	Lukoil Capital DAC	3.600	10/26/2031	USD	BBB	1,150.0
US368266AA08	GAZ Capital SA	8.625	4/28/2034	USD	BBB-	1,200.0
US368266AH50	GAZ Capital SA	7.288	8/16/2037	USD	BBB-	1,250.0

* in USD millions. Source: FTSE Russell. Data as of 28 February 2022.

14 EUR-denominated Russian securities issued by Russian entities with EUR 9.9 billion in par amount will exit FTSE fixed income indices at the March 2022 month-end rebalance with price and accrued interest set to zero. Figure 2 provides further details of these securities.

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Figure 2. EUR-Denominated Securities Issued by Russian Entities to Exit FTSE Fixed Income Indices

ISIN	Issuer	Coupon	Maturity Date	Currency	Rating	Par Value*
XS1041815116	RZD Capital PLC	4.600	3/06/2023	EUR	BBB-	500.0
XS1521039054	GAZ Capital SA	3.125	11/17/2023	EUR	BBB-	1,000.0
XS1911645049	GAZ Capital SA	2.949	1/24/2024	EUR	BBB-	1000.0
XS1951067039	CBOM Financial PLC	5.15	2/20/2024	EUR	BB	327.2
XS1721463500	GAZ Capital SA	2.250	11/22/2024	EUR	BBB	750.0
XS0906949523	GAZ Capital SA	4.364	3/21/2025	EUR	BBB-	500.0
XS2157526315	GAZ Financial PLC	2.950	4/15/2025	EUR	BBB-	1,000.0
XS2243636219	GAZ Financial PLC	3.897	10/27/2025*	EUR	BB	1,000.0
XS2281299763	CBOM Financial PLC	3.1	1/21/2026	EUR	BB	600.0
XS1795409082	GAZ Capital SA	2.500	3/21/2026	EUR	BBB-	750.0
XS2346922755	Steel Funding DAC	1.450	6/02/2026	EUR	BBB	500.0
XS2301292400	GAZ Financial PLC	1.500	2/17/2027	EUR	BBB-	1,000.0
XS1843437036	RZD Capital PLC	2.200	5/23/2027	EUR	BBB	500.0
XS2408033210	GAZ Financial PLC	1.850	11/17/2028	EUR	BBB-	500.0

* in EUR millions. Source: FTSE Russell. Data as of 28 February 2022.

Two GBP-denominated securities issued by Russian entities with GBP 1.5 billion in par amount outstanding will exit FTSE fixed income indices at the March 2022 month-end rebalance with price and accrued interest set to zero. Figure 3 provides further details on these securities.

Figure 3. GBP-Denominated Securities Issued by Russian Entities to Exit FTSE Fixed Income Indices

ISIN	Issuer	Coupon	Maturity Date	Currency	Rating	Par Value*
XS1592279522	GAZ Capital SA	4.250	4/06/2024	GBP	BBB-	850.0
XS0609017917	RZD Capital PLC	7.487	3/25/2031	GBP	BBB-	627.3

* in GBP millions. Source: FTSE Russell. Data as of 29 February 2022.

Five CHF-denominated securities issued by a Russian entity with CHF 2.5 billion in par amount outstanding will exit FTSE fixed income indices at the March 2022 month-end rebalance with price and accrued interest set to zero. Figure 4 provides further details on these securities.

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Figure 4. CHF-Denominated Security Issued by Russian Entities to Exit FTSE Fixed Income Indices

ISIN	Issuer	Coupon	Maturity Date	Currency	Rating	Par Value*
CH0404311711	GAZ CAP SA	1.450	3/06/2023	CHF	BBB-	750.0
CH0379268748	RZD Capital PLC	2.100	10/02/2023	CHF	BBB	450.0
CH0419041618	RZD Capital PLC	0.898	10/03/2025	CHF	BBB	350.0
CH1100259816	RZD Capital PLC	3.125	3/23/2027	CHF	BB+	450.0
CH1120085688	GAZ FIN PLC	1.540	6/30/2027	CHF	BBB-	500.0

* in CHF millions. Source: FTSE Russell. Data as of 28 February 2022

Projected Index Impact of Exclusion of Russian Bonds from FTSE Fixed Income Indices

Overall, 124 Russian government bonds and hard currency bonds issued by Russian entities with 185.1 billion in par amount outstanding will exit FTSE fixed income indices at the March 2022 month-end rebalance with price and accrued interest set to zero. Figure 5 provides the projected an index impact for select flagship indices as of February 28, 2022.

Figure 5. Projected Impact of Exclusion of Russian Bonds from Select FTSE Fixed Income Indices

Index	Russian Government Bonds		Bonds Issued by Non-Government Russian Entities		Total Russian Exposure	
	Count	Market Value %	Count	Market Value %	Count	Market Value %
EMGBI	26	1.90	-	-	26	1.90
EMUSDBBI	10	0.54	63	1.32	73	1.84
PanEuroBIG	4	0.01	17	0.04	21	0.06
WorldHYM	-	-	4	0.06	4	0.06
USBIG	10	0.04	2	0.00	12	0.05
EuroBIG	4	0.02	10	0.03	14	0.05
WorldBIG	14	0.03	15	0.01	29	0.04

* Source: FTSE Russell. Data as of 28 February 2022

FTSE Russell continues to review other securities and monitor the situation, and welcomes feedback from index users and other stakeholders on the content of this announcement.

Please contact us at fi.index@lse.com with any feedback, comments or questions.

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