

Fitch Affirms Denizbank Moscow at 'BBB-'; Outlook Stable

06 Dec 2013 9:24 AM

Fitch Ratings-Moscow/London-06 December 2013: Fitch Ratings has affirmed CJSC Denizbank Moscow's (DM) Long-term Issuer Default Rating (IDR) at 'BBB-' and removed the rating from Rating Watch Evolving (RWE). The Outlook is Stable. A full list of rating actions is at the end of this commentary.

KEY RATING DRIVERS

The affirmation reflects Fitch's understanding that there are no near-term plans to change the bank's status through a sale or merger. At the same time, there remains some uncertainty about the bank's long-term role in the broader group of Sberbank of Russia (BBB/Stable).

DM's ratings reflect the high probability of support from Turkey's Denizbank (BBB-/Stable), and/or Sberbank, which holds a 99.85% stake in Denizbank. This view takes into account Denizbank's full ownership of DM, the high degree of integration between the two entities, their common branding, and the low cost of potential support, given DM's small share of the group's assets (around 1.25% at end-2012). DM focuses on servicing Russian businesses of Denizbank's clients, and most of DM's credit risk is guaranteed by Denizbank.

RATING SENSITIVITIES

The ratings could be downgraded, potentially by several notches, should DM ultimately be sold. Conversely, the Long-term IDRs could be upgraded by one notch, to the level of Sberbank, in case of a merger, or closer integration, with the latter.

The rating actions are as follows:

Long-term foreign and local currency IDRs: affirmed at 'BBB-'; Outlooks Stable; off RWE

Short-term foreign and local currency IDRs: affirmed at 'F3'; off Rating Watch Negative (RWN)

National Long-term rating: 'AA+(rus)'; Outlooks Stable; off RWE

Support Rating: affirmed at '2'; off RWN

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Additional information is available at www.fitchratings.com.

Applicable criteria, "Global Financial Institutions Rating Criteria", dated 15 August 2012, "National Ratings Criteria", dated January 2011 and "Rating FI Subsidiaries and Holding Companies", dated August 2012 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

[Global Financial Institutions Rating Criteria](#)

[National Scale Ratings Criteria](#)

[Rating FI Subsidiaries and Holding Companies](#)

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