

## **FITCH ASSIGNS BANK CENTERCREDIT'S PERPETUAL SUBORDINATED NOTES 'CCC'**

Fitch Ratings-London/Moscow-01 November 2013: Fitch Ratings has assigned Bank CenterCredit's (BCC; B+/Stable) USD100m perpetual subordinated notes a Long-term foreign currency rating of 'CCC' and Recovery Rating of 'RR6'.

The bonds were issued in March 2006, initially through a subsidiary, Netherland-domiciled special purpose vehicle CenterCredit International B.V. In 2010 the issue was fully reassigned to the bank. The annual coupon rate has been set at 9.125% (paid semi-annually) until March 2016 and three-month LIBOR+602bp (paid quarterly) thereafter. BCC has a call option in March 2016 or on any interest payment date thereafter.

### **KEY RATING DRIVERS**

Fitch used BCC's 'b+' Viability Rating (VR) as the anchor rating for the notes. The three-notch difference between BCC's VR and the notes' rating reflects (i) two notches for greater potential loss severity, as the issue is deeply subordinated and will actually rank pari passu with other Tier 1 instruments except for equity and preferred shares that are junior to the notes and (ii) one notch for incremental non-performance risk due to coupon suspension (non-cumulative) in case of non-compliance with statutory capital adequacy requirements or liquidity ratios.

The Recovery Rating of 'RR6' is due to low recovery expectations in case of default.

### **RATING SENSITIVITIES**

An upgrade of the issue ratings would require an upgrade of the bank's VR. A downgrade of the issue ratings would follow a downgrade of the VR by two or more notches.

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 15 August 2012 and 'Assessing and Rating Bank Subordinated and Hybrid Securities', dated 5 December 2012, are available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=686181](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=686181)

Assessing and Rating Bank Subordinated and Hybrid Securities

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=695542](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=695542)

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