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U.S. Exempts Sberbank's Turkish Subsidiary from Russia Sanctions

By The Moscow Times

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Washington has withdrawn sanctions from Denizbank, a Turkish subsidiary of Russia's state-owned Sberbank.

Washington has withdrawn sanctions from Denizbank, a Turkish subsidiary of Russia's state-owned Sberbank, permitting the Turkish lender to return to U.S. capital markets.

The U.S. and the EU imposed sanctions on a slew of Russian state-owned companies last month in response to widespread evidence that Moscow had deployed troops inside eastern Ukraine in support of separatist fighters.

The U.S. Treasury said in a statement released Monday that Denizbank had been removed from the list of sanctioned companies. It did not give a reason for the decision.

Sberbank head German Gref said last month that Sberbank, Russia's largest lender, was feeling the "full effect" of sanctions and that all external funding markets were effectively

closed to the bank.

The sanctions currently in place bar U.S. citizens and companies from dealing or issuing debt with a maturity of more than 30 days to sanctioned Russian companies. The restrictions were also extended to any banks majority owned by sanctioned Russian institutions.

Sberbank acquired Denizbank, then Turkey's 8th biggest bank, in 2012 for almost $4 billion as Europe struggled with the prolonged fallout from the 2008 financial crisis. The deal that signaled the high-water mark in Sberbank's foreign expansion drive.

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