

Russians Suffer From Baltic Bank Closures

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Russian customers of Vladimir Antonov's now defunct Lithuanian bank Snoras, and its Latvian subsidiary, Latvijas Krajbanka, are feeling the consequences of the case, in which regulators in the Baltic countries found gaping holes in the banks' balance sheets.

An employee of one Russian company controlled by Oleg Deripaska's Basic Element told Vedomosti that salary payments have been delayed as result of the bankruptcy.

"We confirm that funds of one structure of Basic Element are in accounts at Bank Snoras, but the amounts are significantly less than have been reported in the press," a Basic Element spokesman said in a statement.

Lithuanian newspaper Lietuvos Rytas reported that 58 million euros (\$77 million) belonging to Deripaska's companies, including Norilsk Nickel, are stuck in the bank. A spokesman for Norilsk denied the claim.

Other Russian companies suffered from the Snoras bankruptcy.

There are accounts of a number of associated companies of Suleiman Kerimov's Nafta-Moskva in Latvijas Krajbanka, a Nafta-Moskva spokesman said. The amount of money that is stuck in the Baltics is significant, but not critical, a source at one of the companies said.

The Nafta-Moskva spokesman stressed that the group's companies never used the services of Bank Snoras, nor did it borrow funds from Latvijas Krajbanka. "Our lawyers are considering various steps to get back the funds," he added.

Among the clients of Snoras, a source at one of the Basic Element companies said, are structures belonging to Sergei Polonsky, Gazprom and Major Auto.

A spokesman for Polonsky's Potok Beskonechnosti, the real estate development company until recently called Nazvanie.net, and before that known as Mirax, confirmed that the company has credit from Snoras due in 2017, but he declined to specify the amount.

Gazprom has three assets in Lithuania, but is the majority owner of only one of them — the Kaunas Electric plant.

Vedomosti inquiries to Snoras, Latvijas Krajbanka and the financial regulator of Latvia went unanswered. The central bank of Lithuania said it has no data about Russian customers of Snoras.

At the end of 2010, non-resident deposits and accounts in Snoras and Latvijas Krajbanka, the majority of which were from Russia, represented about 20 percent of the total value — \$507 million and \$216 million, respectively, said Fitch analyst Vladimir Markelov.

The majority of those deposits probably don't qualify for deposit insurance payments, he said.

The accounts of Russian customers were some of the largest, and they could wind up losing their money.

Snoras was nationalized on Nov. 16, and the next day operations at Latvijas Krajbanka were stopped. The central banks of Lithuania and Latvia then ordered their bankruptcy.

The regulators found \$1.42 billion missing from Snoras and 210 million euros missing from Latvijas Krajbanka, and accused the owners — Russian businessman Vladimir Antonov and Lithuanian Raimondas Baranauskas — of falsifying reporting and expropriating assets. They were arrested in London and are now free on bail.

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