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Sberbank Stops Granting Retail Loans in Foreign Currency

By The Moscow Times

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The country's largest lender Sberbank has suspended foreign-currency lending to individuals indefinitely because of the ruble's high volatility, it said on Wednesday.

The ruble has been falling sharply since last summer, on expectations of the U.S. Federal Reserve withdrawing its stimulus program and most recently on fears that Russia's annexation of Ukraine's Crimea region would lead to trade sanctions from the West, further damaging the economy.

The ruble is currently trading about 8 percent lower against the dollar than at the start of the year, despite erasing some losses. During the 2008 to 2009 financial crisis, Russian banks also suspended foreign currency lending.

Sberbank, Russia's biggest lender, said it stopped accepting applications for retail loans in foreign currencies on April 1 "to optimize its loan portfolio structure and ensure its stability

in the future in case of changes in the foreign currencies' exchange rates."

Foreign-currency lending to corporate clients would continue, a Sberbank spokesman said.

Sberbank issued 1.78 billion rubles ($51 million) of retail loans denominated in foreign currencies last year, out of 2.4 trillion rubles issued in total.

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