

Russia's Central Bank Vows to Support Sanctioned State Banks

By [The Moscow Times](#)

July 30, 2014



Russia's Central Bank was ready to support domestic banks hit in the latest round of Western sanctions.

The Russian Central Bank said Wednesday that it is ready to provide liquidity to banks hit by Western sanctions if they face additional risks.

"If necessary, appropriate measures will be taken to support these organizations in order to protect the interests of their customers, depositors and creditors," the Central Bank said in a statement.

The U.S. imposed sanctions on three more Russian banks on Tuesday, targeting the country's second-largest lender VTB, its subsidiary the Bank of Moscow and the Russian Agriculture Bank, or Rosselkhozbank.

Also on Tuesday, the European Union agreed to impose broad economic sanctions on Russia for its alleged backing of separatist rebels in eastern Ukraine. Under the long-anticipated new

measures, which are to be published and implemented later this week, Russian banks owned 50 percent or more by the Russian government will no longer have access to European capital markets.

The impact of the measures could be significant: almost half of the 15 billion euro (\$21 billion) capital raised by publicly listed Russian banks last year came from EU markets, Reuters reported. Closing access to these markets will hike up borrowing costs and strike a blow to Russia's flagging economy, which is hovering on the brink of recession.

The banks are not without support, however. "If additional risk factors emerge, the Central Bank is ready to provide liquidity through existing instruments," the regulator told Reuters.

The Central Bank added that lenders hit by Western sanctions would be able to cope with any problems on their own and have sufficient capital.

Material from The Moscow Times is included in this report.

See also:

[U.S. Expands Sanctions Against Russia, Rebuffs Talk of New Cold War](#)

[EU Sanctions to Squeeze Russian Banks, Consumers](#)

Original url:

<https://www.themoscowtimes.com/2014/07/30/russias-central-bank-vows-to-support-sanctioned-state-banks-a37813>