

Russia's Biggest Banks Denounce EU Sanctions, Reassure Investors

By [The Moscow Times](#)

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A sign showing the logo of VTB Bank is pictured past cars driving along a road in Moscow.

Russia's three largest banks sought to assure clients and investors on Thursday that they had the resources necessary to fulfill obligations despite their inclusion on the EU's latest round of sanctions for Russia's role in the Ukraine crisis.

Russia's largest lender Sberbank as well as the country's second and third largest banks, VTB and Gazprombank, criticized the EU sanctions but largely dismissed the measures that cut them off from raising funding on the bloc's capital markets.

Sberbank said Brussels' decision to include it on a sanctions list "violates the foundations of the global finance system" as the bank has no ties to geopolitics and has observed all Western banking standards.

"Sberbank has all the necessary resources, management experience and expertise to continue

working successfully under the circumstances and to unconditionally fulfill all of its obligations in full to Russian and international clients and partners," the statement said.

Marking a fundamental shift in how Europe deals with Russia, the sanctions bar EU nationals and companies from buying or selling new bonds, equity or other financial instruments with a maturity of more than 90 days issued by major state-owned Russian banks or entities acting on their behalf.

The ban lists five targeted banks: Sberbank, VTB Bank, Gazprombank, Vneshekonombank (VEB) and Russian Agriculture Bank (Rosselkhozbank).

Moody's rating agency, commenting on the new rounds of sanctions from the United States and the EU, said the measures are unlikely to cause an immediate liquidity crisis but will add to factors already weighing on a Russian economy facing stagnation this year and next.

Europe had been more hesitant to introduce new sanctions on Russia until the downing of Malaysia Airlines flight MH17 two weeks ago, which the West says was almost certainly shot down by Russian-backed rebels using a Russian-supplied missile.

VTB echoed Sberbank's criticisms of the decision and suggested that European politicians had acted under influence from Washington.

"These decisions are incompatible with the core principles and values of the free market, and discriminate against VTB as well as international investors," the bank said in a statement.

"Despite the sanctions that have been imposed, VTB Bank and all its subsidiaries continue to operate as usual, honoring all obligations to investors and shareholders," the bank said.

Russia's third largest bank, Gazprombank, which is 36 percent owned by Russian natural gas company Gazprom, said the sanctions would not affect the lender's stability.

"The imposition of sanctions by the European Union on a number of Russian companies and banks will not hurt the financial resilience and stable work of Gazprombank," it said in a statement.

VTB and Gazprombank have been prompted to look to Asian markets for new funding but investors there have proven reluctant, leaving the Russian Central Bank as one of the few obvious alternatives.

Russia's Central Bank said on Wednesday it was ready to provide banks affected by western sanctions with liquidity through existing instruments if they face additional risks.

Russia's Foreign Ministry had already criticized the sanctions as "destructive and short-sighted" and warned that the measures could bring higher energy prices for Europe, which counts on Russia for around a quarter of its gas needs.

The EU sanctions were announced after the market close.

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