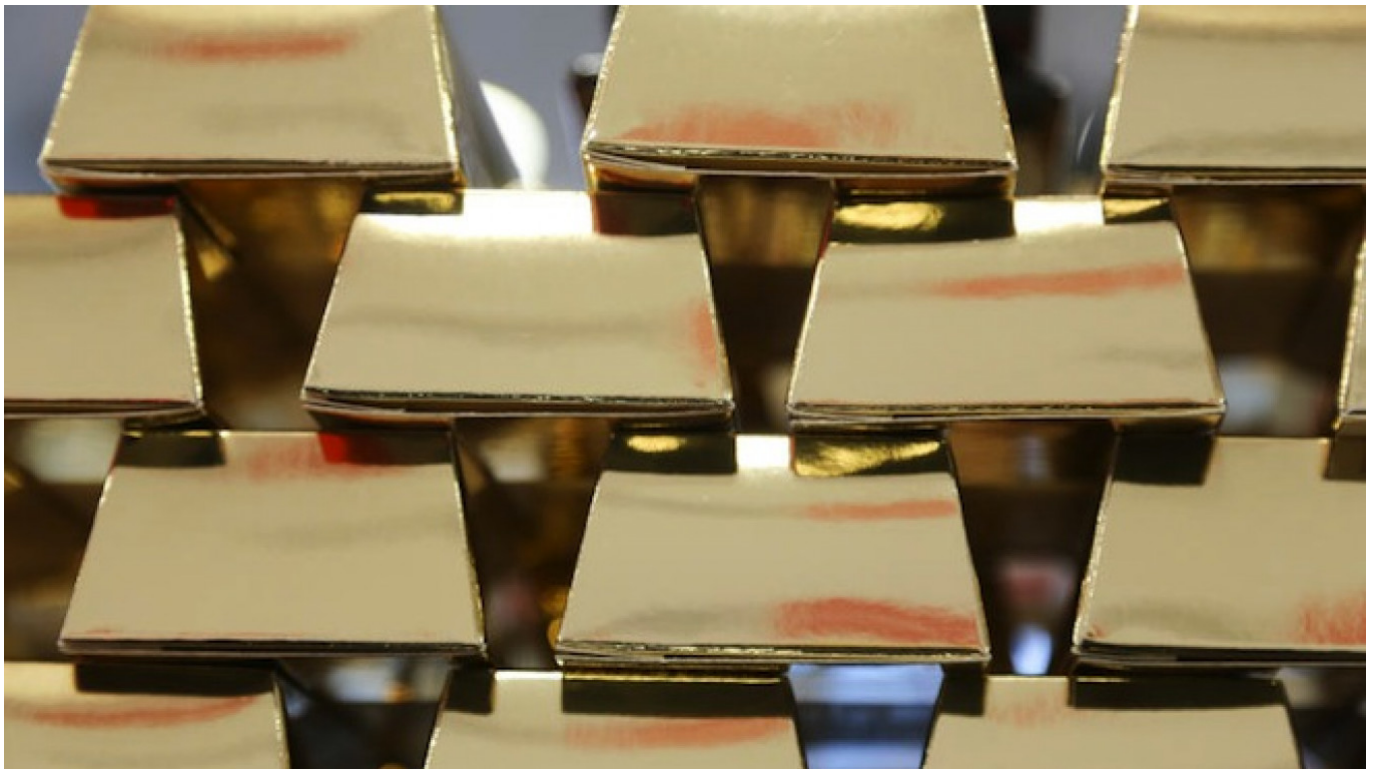


Russia's Reserves Drop Below \$400 Billion

By [The Moscow Times](#)

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Gold bars from the vault of a bank are seen in this photo illustration taken in Moscow.

Russia's gold and foreign currency reserves dropped below \$400 billion for the first time since August 2009 as of Dec. 19, the Central Bank said Thursday.

The Central Bank has spent over \$80 billion defending the ruble this year, as a sharp slide in oil prices and Western sanctions over the Ukraine crisis have driven the Russian currency sharply lower, threatening financial stability.

The bank has expanded its foreign-currency repurchase agreement operations in response to market instability, offering banks foreign currency for a period of one week, 28 days and one year, to ease a deficit of dollars and euros.

Analysts said around \$5 billion of the \$15 billion fall in the week to Dec. 19 was because of interventions to support the ruble, while around \$7 billion was due to foreign currency

loaned to banks as part of repo operations.

Since that foreign currency will be returned to the Central Bank at a later stage, the reserves could recover some of the losses in the near or mid-term, they said, adding that the remainder of the losses were likely due to shifts in the value of the bank's foreign-currency holdings.

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