

# Russian Banks' Assets Fall \$380 Million in January

By [The Moscow Times](#)

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Officials standing outside a forum held by Russian state-controlled development bank Vneshekonombank.

The total assets of Russia's banks contracted by 24 billion rubles (\$380 million) in January as a crumbling ruble, high interest rates and an economic slowdown battered the country's banking industry, according to Central Bank data cited by Russian business newspaper Vedomosti on Friday.

The amount of assets held by the banking sector fell by 2.6 percent last month compared with December, the data showed, while corporate lending declined 0.5 percent and retail lending fell 1.3 percent.

The figures were not revalued to take account of changes in the value of the ruble.

The financial sector is in the grips of an emerging crisis after suffering badly from a

weakening ruble, which lost over 40 percent of its value last year, and high interest rates imposed by a Central Bank seeking to tame inflation.

The ruble lost 22 percent against the U.S. dollar in January after falling 14 percent in December.

Experts predict that Russian banks are facing an emerging crisis that will see dozens of lenders forced to seek state support to avoid bankruptcy.

The percentage of non-performing corporate loans rose by 14.4 percent in January, while non-performing retail loans grew 6 percent, according to the Central Bank data cited by Vedomosti.

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