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Russia's Largest Lender Sberbank Leaving Europe

By AFP

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Sberbank bank in Czech Republic with inscription Sebranka. **Tomandl Jan / CTK / TASS**

Russia's largest lender Sberbank said Wednesday it was leaving the European market after coming under pressure from Western sanctions levelled against the state bank in response to Moscow's invasion of Ukraine.

"In the current environment, Sberbank has decided to withdraw from the European market," the lender said in a statement carried by Russian news agencies.

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The bank's European subsidiaries were experiencing "abnormal cash outflows and threats to the safety of employees and branches," the statement added.

Sberbank suffered financing issues following the announcement of tough European Union

sanctions aimed at choking off Russian banks' access to capital markets.

Since Russian troops rolled into Ukraine last week to achieve Vladimir Putin's mission of overthrowing the pro-Western government of President Volodymyr Zelensky, hundreds of civilians including children have been reported killed.

European banking regulators said Tuesday that the European subsidiary of Russia's Sberbank would be wound up.

Sberbank's Austria-based European arm, Sberbank Europe AG, would be allowed to enter "normal insolvency proceedings," while branches in Croatia and Slovenia were sold to local banks, the European banking supervisory authority said.

On Monday, the European Central Bank had said that the European affiliate was "failing or likely to fail" after it "experienced significant deposit outflows as a result of the reputational impact of geopolitical tensions".

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