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Austria's Raiffeisen Bank Suspends Euro Transfers in Russia and Neighboring Countries

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A Raiffeisen Bank branch in Moscow. **RBC / TASS**

Austrian banking group Raiffeisen, one of the last Western lenders remaining in Russia, announced Wednesday that it will suspend transfers of euros to banks in Russia and several other countries popular among Russian travelers.

Starting July 3, Raiffeisen's Russian subsidiary will block euro-denominated bank transfers to several former Soviet republics, including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Armenia, Georgia, Belarus and Moldova.

Transfers will also be blocked in the United Arab Emirates and Jordan.

Raiffeisen Russia said the change — impacting both individual and corporate clients — was due to "restrictions imposed by correspondent banks."

Euro transfers will remain available for transfers made between Raiffeisen clients, the bank

added.

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Hundreds of thousands of Russian citizens have fled to many of the countries impacted by the latest changes since Moscow launched its invasion of Ukraine.

A key lifeline for Russia's heavily sanctioned economy, Raiffeisen is believed to process around one-quarter of all euro-denominated financial transfers bound for the country, according to Reuters.

Raiffeisen's announcement on Wednesday came just a day after a 50% commission fee on incoming U.S. dollar transfers went into effect.

Last week, the European Central Bank issued a rare public call for all remaining eurozone banks to exit Russia "as soon as they can."

Raiffeisen was said in May to have been making preparations for spinning off its Russian business after months of unsuccessful attempts to find buyers.

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