The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Raiffeisen Bank Hopes War Ends 'Soon' to Avoid Costly Russia Exit – Reuters

July 06, 2023



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

Austria's Raiffeisen Bank is hoping the war in Ukraine will end "soon" to avoid a costly exit from Russia, Reuters reported Thursday, citing multiple sources familiar with the matter.

The news outlet said Austrian officials are resisting pressure from the European Central Bank (ECB) for Raiffeisen to spin off its Russian subsidiary by September.

Vienna privately thinks restoring long-standing relations with Russia while publicly supporting Kyiv during Moscow's 16-month invasion will still be possible.

According to Reuters, Raiffeisen is delaying the spinoff by waiting for the ECB, its shareholders, and the Russian government to approve the move.

Related article: Austria's Raiffeisen Bank Eyes Sale of Russian Operations

Austrian officials have also complained that Raiffeisen is being unfairly singled out, Reuters

reported, citing a finance ministry spokesperson who said other European banks remain active in Russia.

“A bank cannot leave a country like that overnight,” the spokesperson was quoted as saying.

Austrian officials have recently urged the ECB’s president and a top U.S. Treasury sanctions official not to pressure Raiffeisen, Reuters said.

Raiffeisen has submitted data on Russian transactions to the U.S. Treasury Department’s Office of Foreign Assets Control for a review of any sanctions breaches, three sources were cited as saying.

Moscow has reportedly signaled it wants Raiffeisen to stay because it is among the few remaining Western lenders that enable international payments.

Raiffeisen, with up to 4 billion euros ($4.5 billion) of capital in Russia, has around 4 million Russian account holders, 2,600 corporate customers and 10,000 employees.

In June, Raiffeisen’s Russian subsidiary imposed a 50% commission fee on incoming U.S. dollar transfers and suspended euro transfers to non-Raiffeisen banks in Russia and several other countries.

Original url:
https://www.themoscowtimes.com/2023/07/06/raiffeisen-bank-hopes-war-ends-soon-to-avoid-costly-russia-exit-reuters-a81756