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Russia's Sberbank to Offer Corporate Client Services in Occupied Eastern Ukraine

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Sberbank on Lenin Square in Donetsk. **Mikhail Pochuev / TASS**

Russia's largest lender Sberbank will begin providing services to corporate clients in eastern Ukraine's partially occupied Luhansk and Donetsk regions later this month, a top manager at the bank told state media on Thursday.

"Starting June 25, we will begin servicing legal entities" in occupied Ukraine, Sberank's Deputy Chairman of the Executive Board, Anatoly Popov, told the state broadcaster Rossiya 24 in an interview.

"We will be able to offer assistance with business registration, opening bank accounts, obtaining Federal Tax Service numbers for financial reporting, and we will also provide cash settlement services," Popov added.

The state-run TASS news agency, citing Sberbank's press center, reported that corporate

clients in the partially occupied Luhansk region will be able to access banking services at Russian government service centers.

Similarly, the state-owned lender plans to open several offices in both the Luhansk and Donetsk regions next week, which according to TASS, will service both corporate and individual clients.

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Sberbank's announcement comes just weeks after the state-owned VTB Bank announced its own plans to open offices in the Luhansk and Donetsk regions.

In January, President Vladimir Putin called on Russian banks to be "more proactive" in expanding into occupied Ukrainian regions the Kremlin refers to as its "new territories." The state-owned Promsvyazbank was the first Russian lender to launch operations in those regions.

Sberbank posted a record net profit of 1.5 billion rubles ($16.3 billion) in 2023, a more than fivefold increase from the year before when Western sanctions over the invasion of Ukraine hammered Russia's financial sector.

The state-owned lender was among the first Russian companies to be sanctioned over Moscow's invasion, leading to its complete withdrawal from the European market.

Last year, the bank launched operations in annexed Crimea after years of avoiding such a move due to threats of Western sanctions.

Sberbank has over 100 million customers in Russia and several former Soviet republics.

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