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Russian Banks Shut Branches at Fastest Pace in Years as Services Move Online

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A Sberbank branch in Volgograd. **Dmitry Rogulin / TASS**

Russian banks sharply accelerated the closure of physical branches in 2025, shutting around 1,700 offices nationwide, the pro-Kremlin daily Izvestia reported Tuesday, citing Central Bank data.

The figure — 3.6 times more than in 2024 — was among the highest recorded since 2019 and the largest since 2021, when just over 1,700 branches were closed.

As a result, the total number of bank offices fell to about 22,300 at the start of 2026, down from roughly 30,000 seven years ago.

Sberbank accounted for the largest share of closures, shutting more than 900 offices in 2025, almost twice as many as in 2024. The state-controlled lender plays a central role in providing access to financial services in remote regions.

The increase in closures reflects banks' efforts to shift customers to remote services in order

to cut costs and improve profitability, the Central Bank's press service told Izvestia.

At the same time, the regulator stressed that banks must ensure alternative "physical" points of service when offices are closed in small towns and rural areas, where frequent internet outages have hindered access to online banking services.

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Sanctions imposed on most Russian banks have also complicated access to digital services, often requiring customers to visit branches in person to install apps or restore functionality, the Central Bank noted.

Customers most often visit branches to receive bank cards, obtain in-person consultations and collect paper documents, Bank Saint Petersburg said.

More complex transactions like mortgage applications as well as large cash withdrawals typically require a physical visit, Ivan Belyaev, head of retail products at Novikom, told Izvestia.

Branches also play a growing role in efforts to combat fraud.

Customers are increasingly required to appear in person to lift account restrictions, resolve issues linked to so-called "dropper" databases and regain access to mobile apps, Alla Khrapunova, curator of the consumer protection platform Moshelovka, told Izvestia.

Suspicious transfers can be blocked for up to two days, and clients are asked to come to a branch with a passport if remote confirmation fails, said Igor Rastorguev, a senior analyst at AMarket.

Looking ahead, the number of bank branches in Russia could fall another two- to two-and-a-half-fold over the next five years, dropping to 11,000-12,000 nationwide, said Natalia Milchakova, a senior analyst at Freedom Finance Global.

She cited further digitalization, the adoption of AI and the planned launch of the digital ruble in autumn 2026 as key drivers.

A complete withdrawal from physical branches is unlikely, however, with major banks expected to retain offices where demand remains strong, particularly in small towns and rural areas, she said.

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