

# Russians Took \$22 Billion Out of Banks Last Year

By [The Moscow Times](#)

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Russians took 1.3 trillion rubles (\$22.8 billion) out of the country's banks last year, adding to the woes of a banking sector already hit by Western sanctions, a currency crisis and a deepening economic recession, a report said Wednesday.

The amount of money deposited by individuals in Russian banks rose 9.4 percent in nominal terms in 2014 to 18.55 trillion rubles (\$326 billion), the Vedomosti business newspaper reported Wednesday citing a report by the Deposit Insurance Agency. But this nominal growth was due to the ruble's plummet against the U.S. dollar and euro last year, which inflated the ruble value of foreign currency deposits on banks' books. Without that, Russians' deposits shrank by 1.5 percent, the paper said.

The real figures are even worse, Vedomosti added. When capitalized interest is removed from the tally, the fall in the value of deposits in Russian banks could be up to 7.6 percent,

the paper said.

The outflow comes as Russian banks turn to state support to cope with rising numbers of bad loans amid a sharp recession and sanctions over Moscow's actions in Ukraine that have curbed access to Western funds.

"Even an outflow of 1.5 percent of deposits is a catastrophe, considering the conditions in which it happened," Yevgeny Nadorshin, chief economist at Russian conglomerate Sistema, told Vedomosti.

"Foreign [capital] markets are closed, and retail deposits are a strategically important resource for banks," he said.

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