

Ruble plummets as population pulls \$5 billion out of Russian banks

Bus./Industry

Posted by:

Posted on : 2014/10/23 16:25:42

Counting withdrawals from both ruble and hard currency personal deposits, Russia's banking system lost a total of 200 billion rubles (\$4.9 billion) in September, ratings agency Fitch told Vedomosti.

By Sam Skove for the *Moscow Times*, Oct. 21 2014 Rising inflation and dwindling trusts in banks following the Central Bank's revocation of multiple bank licenses have encouraged the populace to cash out their ruble deposits. Russians pulled 52.6 billion rubles (\$1.3 billion) out of ruble deposits in September as Moscow battled to keep its currency afloat amid plummeting oil prices, high capital outflows and Western sanctions over the Ukraine crisis, business daily Vedomosti reported Tuesday, citing data from the Central Bank. While hard currency deposits grew 2.4 percent in September in ruble terms, this was thanks to the rise of the dollar and euro relative to the ruble rather than an increase in deposits. In fact, the dollar-euro basket against which the Central Bank measures the ruble's nominal exchange rate rose 4.5 percent against the ruble in September, or significantly more than the apparent increase in hard currency deposits, indicating that Russians took money out of these deposits as well as ruble ones. Counting withdrawals from both ruble and hard currency personal deposits, Russia's banking system lost a total of 200 billion rubles (\$4.9 billion) in September, ratings agency Fitch told Vedomosti. For complete text of the *Moscow Times* article, link below: <http://www.themoscowtimes.com/business/...-ruble-plummets/509829.html>