

War in Ukraine

Impacts on the banking sector

Industry Benchmark – update as of 06/06/2022

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List of abbreviations

Abbreviations	Meaning
BY	Belarus
CBR	Central Bank of Russia
EC	European Commission
EIU	Economist Intelligence Unit
EUR	Euro
EU	European Union
KYC	Know Your Customer
LSI	Less Significant Institution
MEP	Member of the European Parliament
NBP	National Bank of Poland
NCA	National Competent Authorities
RU	Russia
SI	Significant Institution
SWIFT	Society for Worldwide Interbank Financial Telecommunication
UA	Ukraine
USA/US	United States of America
USD	US Dollar

Agenda

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1 | Current situation

Sanctions and restrictions (1/2)

On 24/2/22, Russian troops started an invasion of Ukraine, triggering a worldwide crisis with impacts on numerous sectors; the first response measures are financial, in the shape of sanctions and restrictions to Russia and Belarus

The growing tensions between Russia and Ukraine since Russia's annexation of Crimea in 2014 have reached a level that causes the **worst geopolitical affair** for decades. Overall, **702 individuals and 53 entities** are directly affected from the EU sanctions package.¹

As a response, the European Union has adopted the largest package of sanctions in its history



Russian Federation

1. **Access to capital markets:** cutting Russia's access to EU capital markets, freezing assets and banning transactions on 3 Russian banks.
2. **Exclusion from SWIFT:** excluding key banks from the SWIFT system (VTB, Bank Otkritie, Novikombank, Promsvyazbank, Rossiya Bank, Sovcombank and Vnesheconombank, Sberbank, etc).
3. **Energy sector sanctions:** As of 15/03/2022 far-reaching ban on new investment across the Russian energy sector.
4. **Airspace and transport sector:** banning the export, sale or supply of aircraft and related equipment to Russian airlines, as well as all related repair, maintenance or financial services.
5. **Shutting down the airspace of the EU:** for all Russian-owned, Russian-registered or Russian-controlled aircrafts.
6. **Dual-use goods and advanced technology items:** expanding the scope of export controls on dual-use goods to limit Russia's access to crucial technology, such as semiconductors or cutting-edge software.
7. **Visa measures:** restricting access to the EU for Russian diplomats and related groups and business people.
8. **Sanctioning disinformation actors:** banning the state-owned outlets Russia Today and Sputnik in the EU, as well as their subsidiaries.
9. **Sanctions to individuals** – e.g. Vladimir Putin and Sergej Lavro (asset freeze) Mikhail Fridman (Alfa Group), Igor Sechin (Rosneft), Nikolai Tokarev (Transneft).
10. **Fourth sanction package from 15/03/2022:** Banning transactions with defined Russian state-owned enterprises, EU import ban on those steel products currently under EU safeguard measures, EU export ban on luxury goods, ban on the rating of Russia and Russian companies by EU credit rating agencies and the provision of rating services to Russian clients.
11. **WTO – Revoking Russias Most-Favoured Nation Status:** In line with other G7 members.
12. **Sixth sanction package from 03/06/2022:** import ban on all Russian seaborne crude oil and petroleum products, which covers 90% of EUs current oil imports from Russia; EU operators will be prohibited from insuring and financing the transport, in particular through maritime routes, of Russian oil to third countries; three additional Russian banks, including Sberbank, and one additional Belarussian bank have been removed from SWIFT; broadcasting activities of three additional Russian State outlets have been suspended; further export restrictions to Russia: advanced technology items, chemicals etc.; asset freeze to selected employees of the military administration and those responsible for the murders in Bucha

Affected areas

Access to capital markets

Exclusion from SWIFT

Energy

Airspace and Transport

Dual-use goods and advanced technology items

Shutting down airspace in the EU

Visa measures

Sanctioning disinformation actors



1 | Current situation

Sanctions and restrictions (2/2)

On 24/2/22, Russian troops started an invasion of Ukraine, triggering a worldwide crisis with impacts on numerous sectors; the first response measures are financial, in the shape of sanctions and restrictions to Russia and Belarus

Russian troops were placed prior to the invasion also on **Belarusian territory for supposed “military exercises”**. On 24/2/22 via the Belarusian border, Russian troops headed towards Ukraine’s capital Kyiv. The **separatist regions** were previously **recognized as independent** by Russia and collaborated closely.

As a response, the European Union has adopted the largest package of sanctions in its history



Belarus

1. The EU adopted a bundle of measures that target **5 out of the top 10 export sectors** of the Belarusian economy and covers **70% of all Belarusian exports to the EU**.
2. Terminating the **exemption for contracts concluded prior** to the adoption of existing sanctions.
3. Adding **new import prohibitions** on potash, wood, cement, iron and steel, and rubber products.
4. **New export prohibitions** on certain types of machinery, **dual-use goods and technology**, as well as other advanced goods and technology which might contribute to Belarus’ military, technological, defense and security development.
5. Targeted restrictive measures on **high-ranked members of Belarusian military personnel**.
6. **Sixth sanctions package:** The list of Belarusian entities subject to restrictions has been extended to 25 entities.



Separatist regions
Donetsk & Lugansk

In addition to the sanctions imposed on 23/2/22:

1. **Import ban** on goods from these areas.
2. **Export ban for certain goods and technologies**.
3. **Restrictions on trade and investments** related to certain economic sectors.
4. **Prohibition to supply tourism services**.

Affected areas

Economic activity cuts

Import prohibitions

Export prohibitions

Dual-use goods and advanced technology items

Trade and investment

Sanctions on individuals

Travel



2 Reactions from regulators

Europe (1/2)

So far, regulators have not pronounced in the sense of issuing specific regulation as a reaction to the crisis in Ukraine; overall messages and warning have been issued though, especially regarding sanctions and cybersecurity



- EBA urges to **ensure compliance with sanctions against Russia following the invasion of Ukraine** and to **facilitate access to basic payment accounts for refugees**. It is working with relevant authorities to ensure proper implementation by all financial institutions of these restrictive measures.
- As part of this, the EBA will **collect and filter queries** related to the **scope of the restrictive measures as they apply to banks**, and **channel them to the EU Commission**, who will answer them.
- On April 28th, EBA publishes a statement to **financial institutions and supervisors** calling for every effort to **facilitate the access of Ukrainian refugees to at least basic financial products and services**. Financial institutions will be able to **adapt their anti-money laundering and counter-terrorist financing measures** to provide a pragmatic and proportionate response to the compliance challenges they are facing.
- To assist the **European Commission**, the **EBA has designed a template for the reporting of deposits** falling under the economic sanctions against Russia and Belarus.
 - In May, the EBA is making the template available for voluntary use by the relevant national competent authorities and by the EU Commission, with the aim to promote a convergent approach and to reduce any associated reporting costs, especially for cross-border banks.. The EBA has leveraged on its long-term expertise in building a common European supervisory reporting framework as well as on the reporting approach and concepts that are familiar to the EU credit institutions.
 - This template is **not part of the EBA reporting framework** and will **not be supported by any formal tools** or legal documents. In addition, the EBA will not be part of any data collections and will not provide a technical package for the template and reporting process.
 - It is the **responsibility of the EC** to provide clarity and answer queries on the scope and implementation of the adopted restrictive measures and the associated reporting requirements. The EBA is supporting in collecting and filtering such queries.



- The ESMA, in coordination with National Competent Authorities (NCAs), is **closely monitoring the impact of the Ukraine crisis on financial markets** to ensure the orderly functioning of markets, financial stability and investor protection.



2 Reactions from regulators

Europe (2/2)

So far, regulators have not pronounced in the sense of issuing specific regulation as a reaction to the crisis in Ukraine; overall messages and warning have been issued though, especially regarding sanctions and cybersecurity



- The EIOPA has said it is closely monitoring the consequences of the Russia-Ukraine conflict for potential sources of risk to the EU's insurance sector. The authority confirmed the direct exposure of **EEA insurers to Russia is less than 0.1% of their total asset holdings as of Q4 2021** and may have dropped further as several firms have announced divestment plans.



- No specific regulation from the European Parliament. Overall messages:
 - The quick adoption of **EU sanctions is welcomed** and the **Parliament wants to see broader restrictive measures** aimed at strategically weakening the Russian economy and industrial base.
 - In particular, imports of the most important Russian export goods, such as **oil and gas should be restricted**.
 - **New EU investment in Russia and new Russian investment in the EU should be banned**.
 - **All Russian banks** should be blocked from the European financial system and Russia should be banned from the SWIFT system.



- The **European Council** calls on Russia/Russia-backed armed formations to respect international humanitarian law ,stop disinformation campaigns and cyber-attacks.
- With regard to cybersecurity, the **national and supranational authorities are under maximum alert at the moment** and have issued first warnings to companies and financial institutions (e.g. BSI, the Federal Agency for Security in Information Technology in Germany).
- The EC has asked financial institutions on details on their providers` relations with Russia (e.g. shareholding or prime contractors in Russia). Answer deadline May 3rd.
- On May 10th, the European Commission adopted an amendment to the Horizon Europe Work Programme 2021-2022, increasing the budget by nearly €562 million. These additional investments will support EU missions towards innovative solutions to green, health and digital challenges, and displaced researchers of Ukraine. The amendment also includes actions to support researchers previously active in Ukraine. **Ukrainian scientists** will be able to benefit from an increased budget of €1 million to the Human Frontier Science Programme.



3 Reactions from supervisors (1/2)

Europe

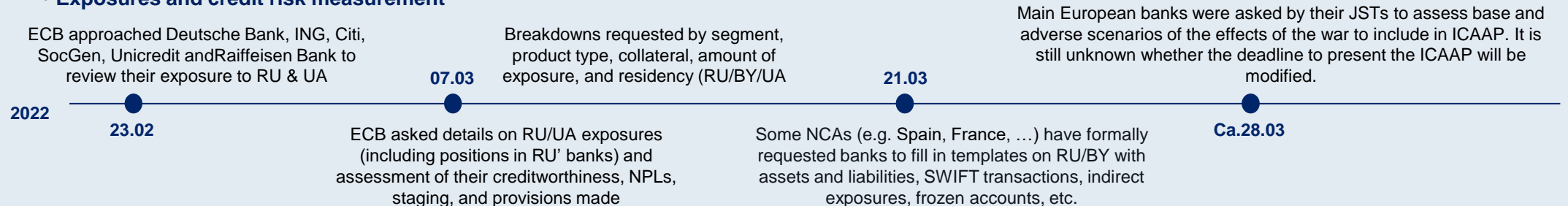
Already prior to the invasion on 24/2/22, the European Central Bank (ECB) approached banks under its supervision to analyze their exposure to Russia. On the week of 7/3/22, the ECB approached banks with further specific requests



+
NCAs

The ECB already initiated an analysis of European banks regarding their Russian exposure prior to the invasion. The assessment included **risks on liquidity, loan exposure, trading and derivative positions as well as the operational resilience of the banks.**

- **Governance:** It is the responsibility of each bank to ensure awareness and compliance with the sanction regime. The oversight of the management body on the sanction regime (in the EU but also keep an eye on the global sanctions packages and their consequences for the bank) as well as a proactive Legal&Compliance department.
- **Exposures and credit risk measurement**



- In the last weeks of April, some JSTs requested SIs the completion of templates to evaluate the impact on their BSs (sanctioned exposures, exposures to clients with Russian trade channels, other portfolios affected by macroeconomic deterioration), the approaches followed to incorporate the impact of the crisis in IFRS 9 expected credit losses (ECL) and to collect the actions from the institutions, such as potential changes in lending standards or pricing. It is not a formal request from the ECB but rather an initiative from NCAs. The deadline for the submission of the template may vary, but it is generally expected on the second week of May.
- **Risk appetite and limits:** On 23/2/22 ECB asked on the assessment of some scenarios, as well as to share details on their contingency plans and own additional assessments of the current situation. Scenarios included the imposing of strong sanctions already prior to the outbreak of the war.
- **Contingency plans**
 - The ECB also asked for details on how the banks would handle different situations, such as blocking Russian banks from accessing the SWIFT system.
 - Possible arrangement to mitigate legal, reputational and organizational risks may be subject to review at some point.
- **Supervisory approach to distributions (cash dividends vs. share buy-backs):** Bank's distributions will be reviewed on an individual basis and need to be anchored to a sound capital planning under credible adverse scenarios. Banks are expected to liaise with the supervisor prior to announcing their distributions, independent of the process (cash dividend vs, share buy-back).
- The FAQs on the impact on the European Banking Supervision can be accessed [here](#).

3 Reactions from supervisors (2/2)

Poland



Aside from the European Central Bank, other EU country supervisors and regulators are also taking measures to adapt to the new environment



Since Polish economy is one of the most affected by the situation in Ukraine, and the exchange rate of EUR/PLN has reached its historical peak of 5,00 on 7th March, National Bank of Poland decided to **increase the interest rates by 0,75%**. Currently the most important interest rates are at the following levels:

- Reference rate at 3.50% on an annual basis;
- Lombard rate at 4.00% on an annual basis;
- Deposit rate at 3.00% on an annual basis;

The increase of the interest rates **will also curb inflation expectations**, as inflation in January 2022 was recorded on a level of 9,2%.

On March 21st, the NBP made available to the NBU* a USD/UAH currency swap line of up to USD 1 bn. It decided to extend the swap in USD instead of PLN.

Since March 25th, all adult Ukrainian refugees will be able to exchange up to UAH 10,000 to PLN, in cash, per person. The exchange will be possible at the official exchange rate (and not at the rate offered by exchange offices). The agreement between the NBU and the NBP is valid up to 10 bn UAH in cash.

Further NBP's decisions are expected to be taken, depending on the perspectives for inflation and **impact of Ukraine crises on the Polish economy**.



KNF expects that the **banks in Poland will provide Ukrainian refugees with basic banking services**, including bank accounts, transfers, cards and documentation in Ukrainian, English and Russian, all free of charge, as well as cooperate with Government and other entities involved in helping refugees.

KNF advises all entities that are subject to its supervision to take the following **preventive steps**:

- Monitoring if the **reports disclosed by the entities** through Electronic Information Transmission System (EITS) are submitted only by **authorized people, to prevent hacking**.
- Monitoring of the impact of the political and economic situation in Ukraine on the **entities' activities and on their financial results**.
- Disclosure of the information on the **actual and potential impact of Ukraine crisis** on the entity's activities in the **periodic financial statements** for 2021 and in periodic reports for 2022.

KNF recommended on 7/3/22 credit institutions the following activities to **limit their exposure** to credit risk¹:

- Principle of **setting maximum levels of debt-service-to-income** for different income groups.
- Rules for assessing the **creditworthiness of customers**, assuming a minimum change of 5 p.p., and taking into account parameters such as household living costs and subsistence level.
- Reminding its new and existing customers with a **mortgage of their right to convert a variable-rate loan into a fixed-rate** or periodically fixed-rate loan.

*National Bank of Ukraine

Source: Financial Times ([ECB warns European lenders on Russia sanctions risk | Financial Times \(ft.com\)](#))

Source: Reuters ([Bank of England studies insurer exposure to Russian sanctions, eyes cyber defences | Reuters](#)).



4 Reactions from the industry

EU (1/5)

While many international banks decreased their Russian exposure since the annexation of Crimea in 2013-14, and aggregated direct exposure of European banks to Russia is less than 0.7% of total exposure, there are still banks with some Russian presence

Examples



Banks with direct presence in Russia – Expected impacts

- **French, Italian, Austrian, Dutch and German banks** have the largest exposure to the Russian market.
- According to Reuters, exposure at default of banks to Russia are:
 - **Raiffeisen Bank International: €22.9bn** (Group net Income contribution ca. 30%)
 - **Société Générale: €18.6bn** (Group net income contribution ca. 3%).
 - **UniCredit: €14.2bn** (Group net income contribution ca. 3%)
 - **Intesa Sanpaolo: €5.6bn** (Group net income contribution ca. 1%)
 - **ING: €6.7bn** (~0.9% of Group total loan book)
- **Société Générale** announced on 11th of March the **sale of its Russian subsidiary Rosbank** and its insurance subsidiaries to Interros Capital, one of the largest private investment companies in Russia. The entity's Russian operations generated 2.7% of its earnings last year.
- According to one of the most affected banks, a main risk from the sanctions refers to **Investment Banking operations in Russia**, as these involve **multinational companies** and oligarchs (which are subject to sanctions directly).
- The **commercial banking units** mostly deal with mid-sized companies in the country and are therefore, with regard to their operations, less affected from e.g. the SWIFT exclusion.
- An additional risk for European banks is related to the **value of the ruble**, as the sharp **depreciation impacts the equity** held in Russian subsidiaries.
- Another **operational risk** raised by involved banks was the legal and **personal consequences for bank managers** who are trying to enforce the sanction measures on Russian companies in the country.
- Affected with their **Ukraine presence** are particularly **Credit Agricole** and **BNP Paribas (Ukrsibbank)** who have combined more than 7.000 employees in the country.
- Amsterdam Trade Bank, the Dutch subsidiary of the Russian Alfa-Bank, was declared bankrupt on April 22nd as a result of the US and UK sanctions.



4 Reactions from the industry

EU (2/5)

Aside from banks who are directly affected by legal entities located in the Russian Federation, second-order effects on banks become a major concern for the industry via loan exposures, clients and increased reporting requirements

1

Governance

- Most banks are holding **daily crisis committees** with senior management.
 - Members: Compliance, ECB Office, Risk, Finance, IT, Operations, Communication, and Business Lines.
- Banks specifically affected (with presence in RU/UA/BY) have a **dedicated War Room / Crisis Support Team / PMO**, who takes the lead
- ... and coordinates **dedicated working groups** (Sanctions, Transaction Monitoring, Communication and Q&As, etc.).

2

Reporting

- Reporting to **ECB**: only **informal approaches** so far, except for the pre-war request to a selection of banks. A **formal request is expected** soon. Reporting to **NCAs**: some NCAs (e.g. Bank of Spain on 14/3/22) have submitted a formal request (template).
- **Internal reporting**
 - **Risk areas** are preparing **internal reports for senior management**, including the “second derivatives” (e.g. companies with impacted business models, especially project finance and large corporates with some activity in Russia).
 - **Research areas** are preparing internal **memos on the consequences on economy** (e.g. commodities, energy, GDP and inflation forecasts).

3

Exposures

- **Identification**
 - Exposures are flagged via FINREP FC-140 per country.
 - Two group of banks: (1) with subsidiaries in RU/UA/BY and (2) without subsidiaries in RU/UA/BY. Banks are reviewing their exposures to sanctioned companies and individuals and to sovereigns, banks and to corporate clients whose turnover depends on RU/UA/BY.
 - Other portfolios (e.g. mortgages to non-residents, subsidiaries of Russian companies, etc.) are being analyzed by some entities requested by their National Bank.
- **Coverage**: the analysis is covering direct and indirect exposures and also deposits; it will eventually cover connected clients.
- **Other impacts**
 - **Supply chains**: since SWIFT transactions will be blocked, the supply chains of many medium-sized companies are affected and outstanding payments from exports or imports cannot be settled. Banks are identifying these companies.
 - **Nord Stream 2**: several banks are also subject to consequences from loan exposure in the sanctioned €11bn pipeline project Nord Stream 2.



4 Reactions from the industry

EU (3/5)

Aside from banks who are directly affected by legal entities located in the Russian Federation, second-order effects on banks become a major concern for the industry via loan exposures, clients and increased reporting requirements

4

Risk appetite and limits

- **Banks with significant exposure to RU/UA/BY:** actively working on the limits, thresholds and actions to be taken regarding lending, sectors and strategic products, very close monitoring of transactions (possible breach of the thresholds).
- **Banks with limited exposure to RU/UA/BY:** not currently envisaging to review their risk appetite or limits (some waiting until the publication of its first quarter results), close monitoring of transactions.
- **Rating:** most banks have downgraded Russia to pre-default grades.

5

Credit risk measurement

- **Stress test**
 - Stress test is under close monitoring.
 - Specific scenarios are being produced (e.g. GDP decrease due to drop of gas supply) and will be reflected on ICAAP (not in Q1 though).
 - Banks with presence in Russia include a scenario where the Russian subsidiary is nationalized.
 - In some banks, the adoption of (additional) sanctions on Russia is included via a dedicated macroeconomic impact.
- **P&L, capital and funding:** preliminary impact estimations are being presented to senior management (e.g. ALCO) in some banks, in some cases including the analysis of rising energy costs and default by counterparties in RU/UA/BY.
- **Provisions**
 - For Ukraine crisis scenarios, the recalculation of provisions under new forward-looking scenarios is on the agenda in most banks, though most have not started to address it yet. Focus is on large corporate portfolios first.
 - Some banks are considering moving exposures to stage 3 as subjective defaults, and reclassify back if the situation improves.
 - Overlays and overrides will probably be used in many banks.



4 Reactions from the industry

EU (4/5)

Aside from banks who are directly affected by legal entities located in the Russian Federation, second-order effects on banks become a major concern for the industry via loan exposures, clients and increased reporting requirements

6

Market,
ALM,
Liquidity

- **Market:** no overshooting is observed so far in interviewed banks. Issuance of some products (e.g. bonds) will be frozen in some banks for the time being. Dedicated teams are set up to analyze the situation.
- **Liquidity:** potential request to entities is expected (in line with what was requested in Brexit or other crises) of daily maturity ladder to see the evolution of deposits. Preliminary analyses have been conducted in most banks.

7

Compliance

- Daily review of **blacklists** with sanctioned counterparties / companies / individuals.
- **KYC procedure:**
 - **Intensified monitoring** of **exposures** to companies whose **ownership is related to Russian oligarchs** who could be subject to sanctions.
 - Depending on the tightening of the situation, **this list may increase** and a detailed **KYC process** of the counterparties become **stricter**.
- **Transaction monitoring:**
 - Dedicated teams working on the **monitoring of companies and individuals on the blacklist**, identification of outstanding transactions and deals, post-transaction monitoring on sanctioned entities, and targeted change in the behavior.
 - Specific **reviews of card payments** in the Russian market or buying/selling actions in sanctioned securities.



4 Reactions from the industry

EU (5/5)

Aside from banks who are directly affected by legal entities located in the Russian Federation, second-order effects on banks become a major concern for the industry via loan exposures, clients and increased reporting requirements

8

IT Risk,
VRM,
Cyber-
security

- Banks in Europe are under maximum alert now as **cyberattacks from Russia have more than doubled** since the war outbreak. Since the beginning of the war in Ukraine, several peers in the Eurozone notice an elevated level of cyberattacks. Example: one bank in the Nordics confirmed on 02/03/2022 that it has been subject to a targeted distributed denial-of-service attack (DDoS attack).
- Some Banks are **promoting more autonomous local operational systems** and less interconnections with the systems at central level.
- **Full Review of third-party providers** and their connection to Russian companies (e.g. Kaspersky Lab).
- **Specific trainings** on cybersecurity to Bank's staff.
- Banks in Poland are monitoring whether the reports disclosed through Electronic Information Transmission System (EITS) are **submitted only by authorized people** to prevent from hacking.
- Some banks received from their **NCA's a request** to provide information via a **template regarding the evolution of the cyber menaces**.
- By the end of March, a cyberattack has hit Ukraine's biggest fixed line telecommunications company, Ukrtelecom. It has sent the company's services across the country down.

9

Strategy,
Reputation,
BCP and
others

- **BCP:** In general, BCPs for war scenarios are not being triggered yet.
- **Payment holidays:** some clients from the Ukraine would be offered payment holidays due to the humanitarian crisis.
- **Transfer fees:** several banks in the Eurozone have eliminated transaction fees with target location Ukraine.
- **Campaigns:** there are some campaigns to support (+1MM of donations, no commissions...).
- **Office replacements and office staff eviction** at Eastern European countries bordering Ukraine have been discussed in some peers.
- **Review of scenarios** to include experience from the recent events (pandemic, war in countries where the bank has business activities direct/indirect).
- **Others:** MasterCard, VISA and other companies left the Russian market → see Annex.

5 Outlook

Russian reaction to sanctions

The current situation is fast-paced and dramatic for the Ukrainian people. The medium to long term consequences on the geopolitical environment and financial ties to Russia remain unclear. However, first reactions on the sanctions become visible



Bank of Russia

- It seems that the **Russian central bank** would prepare to activate a **domestic interbank payment system** according to sources of the Financial Times.
- In fact it was reported by peers that prior to the crisis Russian Retail clients received the notification of instable connections from their banks when conducting payments. The **payments system adoption** was notified to **Russian retail clients** recently and goes under the name "**Mir**", which is comparable to "Apple Pay"/"Google Pay".
- The **alternative system to SWIFT** for corporate clients, "**SPFS**", started in 2017 and in 2020 the payment system had more transactions in Russia than SWIFT according to Russian media.
- Over **400 institutions** are part of SPFS, however the system is said to have much **higher transaction costs compared to SWIFT** and is rather an emergency solution than a full scope alternative. There are plans to connect SPFS to the Chinese Cross Border Interbank Payment System.

- Several Russian banks are in the process of leaving the EU market (e.g. Sberbank, VTB Europe and its subsidiary RCP Bank In Cyprus).
- The closing has widespread effects on the banking market, e.g. RCP Bank is selling a performing loan portfolio to Hellenic Bank.
- The Western Countries act in a closely coordinated and unified manner, therefore the economic outlook for Russia and its future role in the global economy and importance for the European banking sector remains unclear.
- Banks in the EU need to ensure a constant and close surveillance of the current events in order to ensure transparency in front of the supervisor and foresee future effects on the balance sheet (e.g. via corporate clients with strong commitments in Russia/Belarus).

- On April 27, **Russia stops supplying Poland and Bulgaria with gas** until it receives payment in rubles: the price of the raw material has risen by as much as 24%, due to market fears that other European consumers will be subjected to the same measures. For the time being, gas is flowing normally on the other two major pipelines originating in Russia, Nord Stream 1 and the one that runs via Hungary.
- In May Russia imposed **sanctions against units of Gazprom in Europe and the USA and other companies** based in countries that have imposed sanctions on Russia. Under the sanctions, **31 companies listed by the Russian government** are banned from conducting transactions and entering Russian ports. The list mainly includes local subsidiaries of Gazprom, which supply more than one third of European gas. After Gazprom abandoned its subsidiary Gazprom Germania in April, German regulators took control of its operations, which include Germany's biggest gas storage facility at Rehden in Lower Saxony.
- Under a decree issued by President Vladimir Putin on May 3 **no Russian entity is allowed to make deals with the entities under sanctions**. The decree explicitly forbids the **export of products and raw materials to people and entities on the sanctions list**.

Source: Management Solutions Research

Source: Financial Times ([Subscribe to read | Financial Times \(ft.com\)](#))

Source: European Central Bank ([ECB takes decisions related to RCB Bank phasing out its banking operations \(europa.eu\)](#))

Source: <http://publication.pravo.gov.ru/Document/View/0001202205110017/Reuters>

A | Annex

Forecast of economic impacts – Globally

Three main channels of impact have been identified by the “Economist Intelligence Unit” (EIU).
The different impact channels will ultimately also raise a complex situation for central banks and their loose monetary policy

Aside from the cutoff from SWIFT, the US and EU have unveiled sanctions against the Russian Central Bank that present an access to half of the \$643bn of foreign exchange reserves and blocks the ability to convert assets held in USD and EUR. Further Russia cannot tap its emergency sovereign wealth fund (National Wealth Fund).



Impact 1: Financial Sanctions

- Aside from the **cut off from SWIFT**, the US and EU have unveiled **sanctions against the Central Bank of Russia (CBR)** that present an **access to half of the \$643bn** of foreign exchange reserves and **blocks the ability to convert assets held in USD and EUR**.
- Further Russia **cannot tap its emergency sovereign wealth fund** (National Wealth Fund).



Impact 2: Commodity Prices

- Major impact channel to the global economy are expected from rising commodity prices due to:
 - 1) **Concerns about supplies**
 - 2) **Destruction of physical infrastructure**
 - 3) **Sanctions**
- **Hydrocarbon exports** are **not expected** to be subject to bans according to the EIU
- Nevertheless, **price jumps** are expected for **oil, gas, grains (Ukraine and Russia account for 1/3 of global wheat trade) and base metals** (e.g. aluminium, titanium, palladium, nickel) with impacts on several industries (e.g. automotive)



Impact 3: Supply Chain

- **Companies** will be affected by **finding financial channels to conduct trade with Russia** (example: Iran which is also excluded from SWIFT) → Destruction of infrastructure (e.g. ports) will compound existing supply chain
- Three main sources:
 1. Difficulties **affecting land-based routes** between Asia and Europe (compliance, reputation, safety) – particular impact on Chinese companies
 2. Restrictions on air links – 35% of global freight was transported via air prior to the pandemic
 3. Cancellation of sea freight routes – Especially in the Black Sea

A Annex

Forecast of economic impacts – Euro Area (1/2)

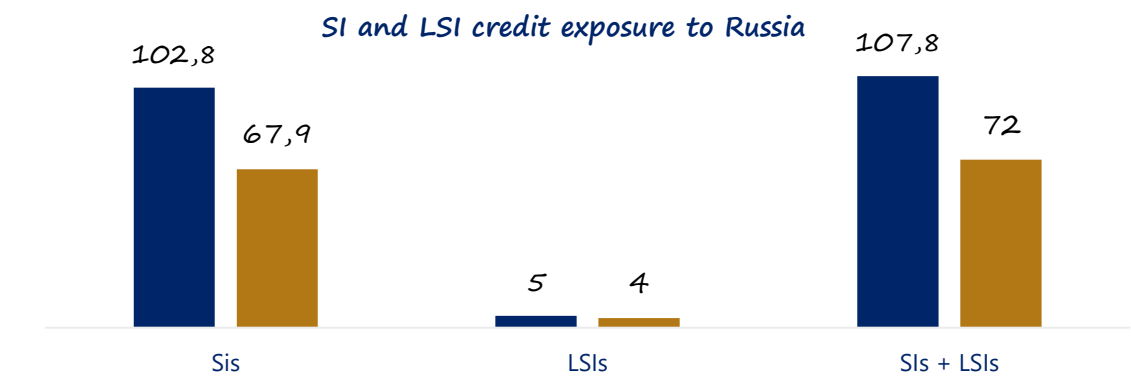
The European banking sector was subject to a strong rebound in economic expectations of the ECB end-2021. With the invasion of Ukraine this progress was interrupted – however effects on the Euro Area are deemed manageable



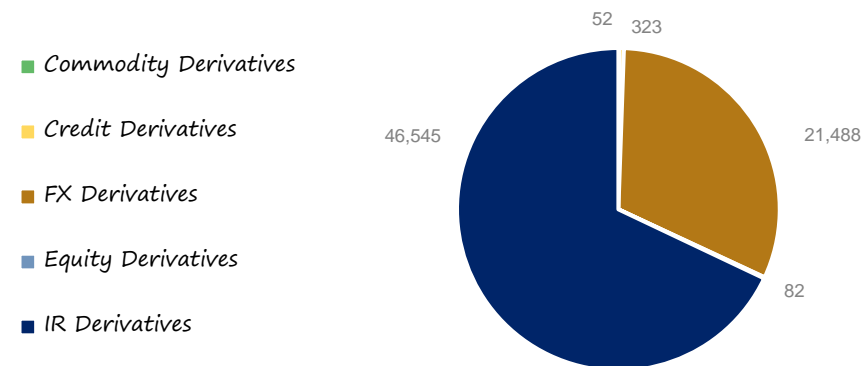
ECB Impact Assessment on Euro Area Banks

- Since the beginning of the war the **markets integrated the uncertainty of the sanctions impact in their pricing** given an institutions link to:
 - **Direct Russian counterparty exposure** (e.g. sanctioned entities, cross-border loans)
 - **Direct Russian presence in Euro Area** (subsidiaries)
 - **Indirect exposure and markets volatility** (e.g. Commodities Exchange)
 - **Operational Risk** (Cyber Attacks, IT connection to Russia or Ukraine)
 - **Macroeconomic Impacts** (GDP growth, inflation...)
 - **Scenarios for a Russian-sovereign default**
- Exposures to credit securities and derivatives however seem to be contained. Even extreme “walk-aways” from banks with **direct presence** mostly manageable given a **limited intra-group funding** and **mostly local funding (equity in subsidiaries is at stake)**
- **Banks need to check concentrated positions of non-Russian counterparts and the effects on their business activities**
- **Broader financial market volatility** could cause **counterparty credit risk (margin calls)**
- **Cyber risk** remains a concrete threat

Banking Exposure to Russia and Ukraine



Significant Institutions derivatives, notional Russian (EUR mn)



A | Annex

Forecast of economic impacts – Euro Area (2/2)

The European Banking Authority (EBA) published on the 1st of April its Risk Dashboard for the Q4 of 2021. Direct exposures to Russia, Belarus and Ukraine are limited, but second-round effects may be more material from a financial stability perspective

EBA

European
Banking
Authority

EBA's Risk Dashboard for the Q4 of 2021

Exposure to RU/UA

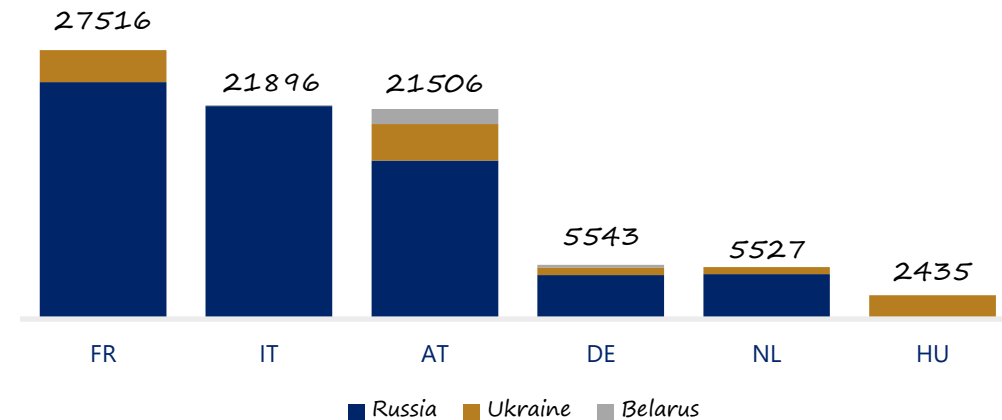
- First-round risks stemming from the Russian invasion of Ukraine are not a fundamental threat to the stability of the EU banking system, but **second-round effects may be more material**.
- **French, Italian, and Austrian** banks reported the **highest** volume of **exposures** towards **Russian counterparts**.
- **Austrian, French, and Hungarian** banks were those with the **largest** exposure towards **Ukraine**.

Other subjects

- The **average CET1 ratio was 15.4%** on a fully loaded basis by the **end of Q4**, and unchanged to the previous quarter.
- The decline in the NPL ratio was driven by a **7% decrease in NPLs** and was more significant in countries with higher ratios.
- The volume of loans under existing **moratoria** stood at EUR 12bn, down from EUR 50bn in Q3 2021 (**-95% since Q1 2021**) concentrated in just some countries.
- Banks also reported an elevated **Stage 2 allocation for loans under moratoria at 25.0%**. Total loans with **expired moratoria reached EUR 704bn**. **Asset quality remains a concern**.

Banking Exposure to Russia, Belarus and Ukraine

Largest exposure of EU banks to Russia, Belarus and Ukraine by country



- More than 80% of the total exposures were loans and advances, mainly towards **non-financial corporations**.
- Loans and advances towards Russian non-financial corporations (NFCs) and households amounted to EUR 40bn and EUR 15bn, respectively, while for Ukraine they reached EUR 6bn and EUR 1bn, respectively.
- Loans towards Russian NFCs are significantly higher than deposits from Russian NFCs, while deposits and loans towards Ukrainian NFCs are rather balanced

A Annex

Trading relations EU-Russia prior to the War

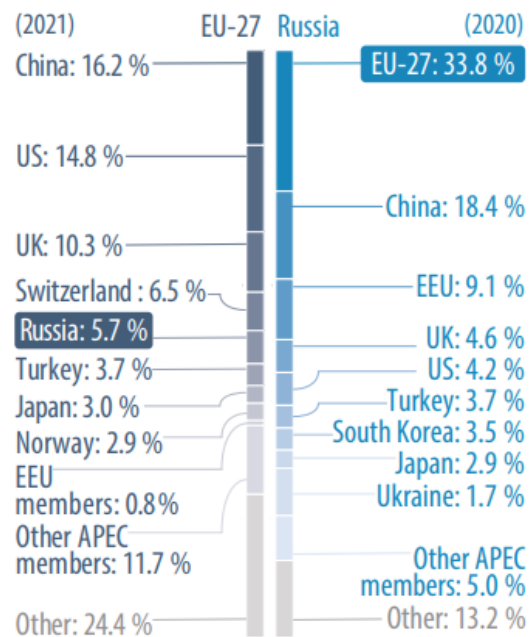
The European Union and the Russian Federation used to have a solid trade relation prior to the 24/2/2022 and the initiation of the sanctions regime in the Western world. The European Parliamentary Research Service made an analysis of trade statistics over time



Trade Statistics European Union-Russian Federation (2021)

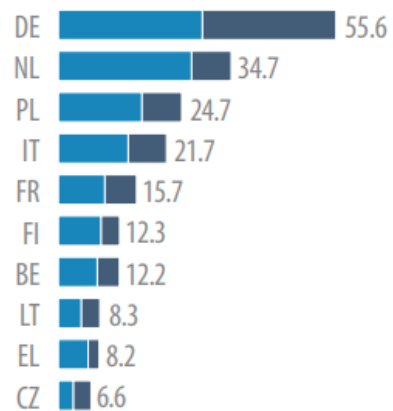
Main trade partners

Trade in goods, exports plus Imports



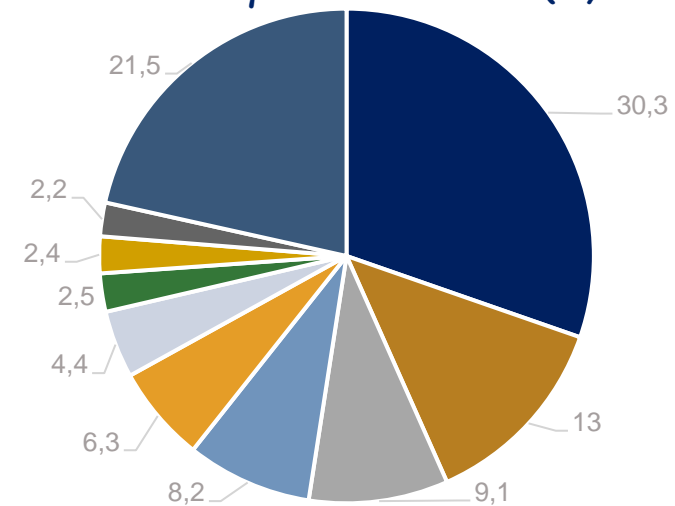
Top EU partners (2021)

Trade in goods (€bn)



Exports to Russia (Dark Blue)
Imports from Russia (Light Blue)

EU Exports to Russia (%)



Mechanical appliance and electrical equipment
Pharmaceutical products
Plastic/rubber
Clothing
Chemicals
Vehicles and Aircraft
Agri-Food
Optical Instruments
Iron/Steel
Other

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Global reactions on Russia – North America

Aside from the EU, sanctions have also been put against the Russian Federation from other Western countries and Asian countries with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



- 1. Capital Markets Access Sberbank and full blocking of VTB and three other banks:** Severing the connection to the US financial system for Russia's largest financial institution, Sberbank, including 25 subsidiaries, by imposing correspondent and payable-through account sanctions.
- 2. Debt and Equity Restrictions:** Includes restrictions on all transactions in, provision of financing for, and other dealings in new debt of greater than 14 days maturity and new equity issued (Sberbank, Alfa-Bank, Credit Bank of Moscow, Gazprombank, Russian Agricultural Bank, Gazprom, Gazprom Neft, Transneft, Rostelecom, RusHydro, Alrosa, Sovcomflot, Russian Railways). These entities, including companies critical to the Russian economy with estimated assets of nearly \$1.4 trill., will not be able to raise money through the US market.
- 3. Sanctions on individuals (list was enlarged as of 11/03/2022):** Vladimir Putin and Sergej Lavrov (Asset Freeze), Sergei Ivanov (and his son, Sergei), Nikolai Patrushev (and his son Andrey), Igor Sechin (and his son Ivan), Andrey Puchkov, Yuriy Solviev (and two real estate companies he owns), Galina Ulyutina, and Alexander Vedyakhin.
- 4. Sanctions on Belarus:** 24 Belarusian individuals and entities, including targeting Belarus' military and financial capabilities by sanctioning two significant Belarusian state-owned banks, nine defense firms, and seven regime-connected official and elites.
- 5. Dual-Use Goods:** Exports of nearly all US items and items produced in foreign countries using certain US-origin software, technology, or equipment will be restricted to targeted military end users. These comprehensive restrictions apply to the Russian Ministry of Defense, including the Armed Forces of Russia, wherever located. Denial of exports of sensitive technology, primarily targeting the Russian defense, aviation, and maritime sectors.
- 6. Multilateral Coordination:** Restricting more than \$50 billion in key inputs to Russia- impacting far more than that in Russia's production. Countries that adopt substantially similar export restrictions are exempted from new US licensing requirements for items produced in their countries.
- 7. WTO – Revoking Russia's Most-Favoured Nation Status:** deny Russia the benefits of its WTO membership and ensure that Russian imports do not receive most favored nation treatment in the economy.
- 8. IFC & World Bank- Denying Borrowing Privileges at Multilateral Fin. Institutions:** Ensure Russia cannot obtain financing from the leading multilateral financial institutions.
- 9. Ban Export of Luxury Goods to Russia and Ban US Import of Goods from Several Signature Sectors of Russia's Economy** (Spirits, Non-Industrial Diamonds, Seafood etc.)
- 10. Bans on Imports of Russian Oil, Liquefied Natural Gas, and Coal:** Americans will also be prohibited from financing or enabling foreign companies that are making investment to produce energy in Russia.
- 11. Additional sanctions package 24/3/2022:** Inclusion of sanctions on all Duma members and additional individuals (e.g. CEO Sberbank), multiple defense related companies.
- 12. In April, new sanctions were announced against Sberbank and Alfa-Bank:** freezing of all their assets in the US financial system and prohibition of any transactions with US entities or individuals.

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Global reactions on Russia – North America

Aside from the EU, sanctions have also been put against the Russian Federation from other Western countries and Asian countries with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



13. In May, The US targeted **executives at Gazprombank** while also barring companies from providing Russia with corporate services such as accounting and consulting. New visa restrictions and sanctions are affecting military officials, Russian authorities, eight executives from Sberbank and twenty-seven executives from Gazprombank.
14. In June, new sanctions targeting prominent Russian government officials, business leaders, and oligarchs; further restrictions affecting Russian military's ability to obtain technologies to sustain its aggression; inclusion of 71 Russian and Belarus parties to the US "Entity List", cutting them off from obtaining U.S.-origin items.
15. The U.S. will not extend the exemption permitting Russia to pay foreign debt to American investors in U.S. dollars, potentially forcing Russia into default.



1. **Asset Freeze Individuals:** Vladimirt Putin, Sergej Lavrov, Sergej Shoigu, Aleksandr Bortnikov, Valery Gerasimov.
2. **Travel Ban and Asset Freeze:** Boris/Igor/Arkady Rotenberg, Prigozhina family, Patrushev family, Sergej Ivanov, Gennadi Timchenko, Yury Slyusar, Elena Georgieva, Petr Fradkov, Nikolai Petrovich Tokarev, Alexander Vedyakhin, Galina Olegovna Ulyutina, 351 members of the Russian Duma who voted to recognise the independence of Donetsk and Luhansk, placing them on a travel ban and asset freeze list. Further affected is the Russian Security Council.
3. **Access to Capital Markets:** Prohibitions on direct and indirect dealings in Russian sovereign debt.
4. **Restriction of transactions for the Central Bank of Russia.**
5. **Exclusion from SWIFT for 7 banks** (Bank Otkritie, Novikombank, Promsvyazbank, Rossiya Bank, Sovcombank, Vnesheconombank (VEB) and VTB Bank).
6. **Asset Freeze and dealings ban** Sberbank, VTB, Alfa-Bank, GenBank and Black Sea Bank for Development and Reconstruction, Credit Bank of Moscow, Bank Otkritie, Rossiya Bank and Promsvyazbank, VEB.RF, Russian Direct Investment Fund, Eximbank of Russia, Cetelem Bank, Transkapitalbank and Ural Bank for Reconstruction and Development.
7. **Companies under Sanctions:** Rostec, Wagner (paramilitary organisation), Rostelecom, RusHydro, Alrosa, Sovcomflot, Russian Railways, Gazprom, Gazpromneft, Transneft, Tactical Missiles Corporation and United Aircraft Corporation.
8. **Export Bans:** Restricting exports to Russia by halting new export permit applications and cancelling valid export permits, with a limited number of exceptions for critical medical supply chains.
9. **Donetsk and Luhansk:** Dealings ban on the non-government-controlled areas of Donetsk and Luhansk, effectively prohibiting Canadians from engaging in specific transactions and activities in these regions.

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Global reactions on Russia – Europe

Aside from the EU, sanctions have also been put against the Russian Federation from other Western countries and Asian countries with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



1. **Asset Freeze Individuals:** Vladimirt Putin, Sergej Lavrov, Yury Slyusar, Elena Georgieva, Sergej Shoigu, Aleksandr Bortnikov, Valery Gerasimov.
2. **Asset Freeze and Travel Ban:** Boris/Igor/Arkady Rotenberg, Nikolai Petrovich Tokarev, Gennadi Timchenko, Yury Slyusar, Elena Georgieva, Petr Fradkov, Kirill Shamalov, Alisher Usmanov, Igor Shuvalov, 351 members of the Russian Duma who voted to recognise the independence of Donetsk and Luhansk, placing them on a travel ban and asset freeze list, further measures for members of the Federation Council who voted in favour. Further affected is the Russian Security Council.
3. **Russian Individuals:** Restricting wealthy Russians' access to UK banks, including a £50,000 limit on bank accounts.
4. **Access to capital markets:** Measures to prevent Russian companies from issuing transferable securities and money market instruments in the UK (in addition to prohibiting the Russian state from raising sovereign debt in the UK).
5. **Restriction of transactions for the Central Bank of Russia.**
6. **Powers to prevent designated banks from accessing sterling and clearing payments through the UK.**
7. **Exclusion from SWIFT for 7 banks** (Bank Otkritie, Novikombank, Promsvyazbank, Rossiya Bank, Sovcombank, Vnesheconombank (VEB) and VTB Bank).
8. **Asset Freeze and dealings ban Sberbank and VTB, Rossiya Bank and Promsvyazbank, GenBank and Black Sea Bank for Development and Reconstruction, Is Bank, VEB.RF.**
9. **Air Space Ban Aeroflot.**
10. **Companies under Sanctions:** Rostec, Uralvagonzavod, Tactical Missile Corporation, United Aircraft Corporation, United Shipbuilding Corporation.
11. **Dual-Use Goods:** Prohibiting the export of high-end and critical technical equipment and components in sectors including electronics, telecommunications and aerospace.
12. **Donetsk and Luhansk:** All sanctions for Crimea will be extended to the separatist regions until Ukraine controls them again.
13. **Sanction Package 24/3/2022:** The UK has now sanctioned over 1,000 individuals and businesses under the Russia sanctions regime since the invasion (among others Wagner Group, Russian Railways and defence company Kronshtadt, Alfa-Bank, Alrosa, additional individuals).
14. The **Financial Conduct Authority (FCA)** issued on April 28th a Consultation Paper aimed at dealing with Russian/Belarusian assets that have become illiquid or untradable due to sanctions imposed on the two countries. The proposal allows asset managers in UK-authorized retail funds to **restructure the affected investments**, with the use of "side pockets".

Source: Financial Times ([Russia sanctions list: What the west imposed over the Ukraine invasion | Financial Times \(ft.com\)](https://www.ft.com/content/24-03-2022/russia-sanctions))

Source: UK Government ([Foreign Secretary announces 65 new Russian sanctions to cut off vital industries fuelling Putin's war machine - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/foreign-secretary-announces-65-new-russian-sanctions-to-cut-off-vital-industries-fuelling-putin-s-war-machine))

Source: [FCA](https://www.fca.org.uk)

A Annex

Global reactions on Russia – Europe

Aside from the EU, sanctions have also been put against the Russian Federation from other Western countries and Asian countries with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



1. Has adopted all of the same measures as the EU announced on 23/02/2022 and 25/02/2022
2. Partially suspended a visa agreement that made it easier for Russians to enter Switzerland since 2009, including for diplomats.
3. Travel bans for five unnamed oligarchs close to Putin who have ties with Switzerland.
4. **Asset Freeze Individuals:** Vladimirt Putin, Sergej Lavrov, Sergej Shoigu, Aleksandr Bortnikov, Valery Gerasimov.
5. **Travel Ban and Asset Freeze:** Prigozhina family, 351 members of the Russian Duma who voted to recognize the independence of Donetsk and Luhansk, placing them on a travel ban and asset freeze list. Further affected is the Russian Security Council.
6. **Belarus officials:** Military, government and border officials from Belarus on their asset freeze and travel ban list for helping to plan and actively supporting the Russian military offensive against Ukraine.
7. **Asset freeze Rossiya Bank and Promsvyazbank, VEB.RF.**
8. **Adoption of the fourth sanction package of the EU from 15/3/2022.**



On 16 April 2022, the Law on Special Solutions to Counteract Supporting Aggression against Ukraine and to Protect National Security entered into force

1. The new requirements have a significant impact on enterprises operating internationally, including those trading with Russia and Belarus as well as Ukraine, **both** where transactions are carried out **directly** with counterparties that are linked to sanctioned entities or persons, and where links are **indirect** - through the supply chain, trade routes or the specific nature of the goods or services sold or obtained.
 - The solutions applied in the act are aimed at **tightening the enforcement of sanctions adopted against Russia and Belarus at the European Union level.**
 - The act provides for the creation of a national sanctions list, i.e., a list of persons and entities subject to sanctions and the establishment of a new restrictive measure in the form of exclusion of sanctioned entities from public procurement procedures.
 - International sanctions are further supplemented by an immediate ban on coal imports from Russia or Belarus.
 - The law specifies severe administrative penalties (up to PLN 20 million) and criminal liability for breach of the law or violation of EU sanctions regulations (imprisonment for a term not shorter than 3 years).

Source: Financial Times ([Russia sanctions list: What the west imposed over the Ukraine invasion | Financial Times \(ft.com\)](#))

Source: Swiss Government ([Ukraine: Adoption of further EU sanctions against Russia \(admin.ch\)](#))

Source: Polish Government ([Polish Government Imposes New Economic Sanctions in Response to Russian Aggression Against Ukraine | Insights | Greenberg Traurig LLP \(gtlaw.com\)](#))

A | Annex

Global reactions on Russia – Europe

Nordic countries adopted different measures depending on i) EU Membership, ii) NATO membership that have economical, political and military consequences



1. Has adopted all of the same measures as the EU announced on 23/02/2022 and 25/02/2022
2. The Norwegian sovereign wealth fund divests from Russia (SWF of Norway owns about 1.5% of all shares in the world)
3. Has closed its airspace for Russian airplanes including private jets
4. **Industry:** Equinor pulls out of all its projects in Russia (Equinor accounts for 25% of Norway's stock market capitalization)



1. Has adopted all of the same measures as the EU announced on 23/02/2022 and 25/02/2022
2. Increases military spending by more than 60% to match NATO goal of 2% of GDP (Sweden is not a member of NATO)
3. Restriction of transactions for the Central Bank of Russia
4. **Industry:** Spotify, Ericsson, Volvo, Assa Abloy, IKEA, Sandvik seize operations in Russia in protest
5. **Financial Industry:** SEB halts new Russian investment for all its customers



1. Has adopted all of the same measures as the EU announced on 23/02/2022 and 25/02/2022
2. Increases military spending to match NATO goal of 2% of GDP by 2033
3. Restriction of transactions for the Central Bank of Russia
4. Reversing the opt-out legislation on EU defence decisions.
5. **Industry:** Ørsted, Carlsberg, DSV, Jysk, Lego, Maersk halt operations in Russia, Danske Bank divests
6. **AML:** The FSA is responsible for monitoring compliance of the financial companies covered by the Danish Anti-Money Laundering Act with EU sanctions regulations (This means that the Danish FSA supervises only the financial companies, but not other legal or natural persons who may violate the regulations).

A | Annex

Global reactions on Russia – Latin America

The response from Latin American countries has not been homogeneous, although some countries are imposing sanctions on the Russian Federation that are expected to have a strong impact on its economy and on the Russian banking sector as a whole



1. **Brazil** is not issuing any sanctions and is keeping a **neutral status** given strong economic ties with Russia (e.g. for fertilizer in agriculture).
2. In the UN meeting where the vast majority of nations **condemned Russia's invasion**, Brazil was voting in favour of the resolution while at the same time criticizing "indiscriminate sanctions" against Russia.



1. In **Mexico**, there are **no sanctioning measures or increases in military spending**. At the trade level, **exports and imports are limited in volume and no restrictive measures are envisaged**.
2. The **focus is on the indirect repercussions of the conflict**: an **increase in the prices of raw materials**, and in particular **problems in the automotive industry due to certain components** (e.g. palladium). In this regard, fiscal stimuli have been launched to mitigate the rise in fuel prices.



1. **Chile, Argentina, Colombia called for swift withdrawal of Russian troops from Ukraine**, as other Latin American countries rejected the use of force but stopped short of calling for a Russian exit.

A Annex

Global reactions on Russia – Asia

Aside from the EU, sanctions have also been put against the Russian Federation from Asian countries with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



1. **Capital Markets Access:** Prohibition of the issuance and transaction of new Russian sovereign debt in the primary and secondary market.
2. **Dual Use Goods:** Sanctions on exports to Russian military-related entities, on exports of controlled items listed on the internationally agreed list and of other dual-use goods such as semiconductors.
3. **Asset Freeze Individuals:** Vladimirt Putin, Sergej Lavrov, Sergej Shoigu, Aleksandr Bortnikov, Valery Gerasimov
4. **Asset Freeze and Travel Ban:** Further affected is the Russian Security Council.
5. **Restriction of transactions for the Central Bank of Russia**
6. **Asset Freeze Rossiya Bank and Promsvyazbank, VEB.RF**
7. **Donetsk and Luhansk:** Suspension of visas for individuals from the “Donetsk People’s Republic” and the “Luhansk People’s Republic” and asset freezes for these individuals, as well as import and export ban.



1. **South Korea will ban exports of strategic items, join other countries in blocking some Russian banks from the SWIFT international payments system, and boost aid to Ukraine,** the country’s foreign ministry.
2. **Restricted items will include electronics, semiconductors, computers, information and communications, sensors and lasers, navigation and avionics, and marine and aerospace equipment.**
3. South Korea will also **promote the release of more strategic oil reserves** to help stabilise the global energy market and consider other measures, **including the resale of LNG to Europe**



1. **Singapore** said it would impose appropriate sanctions and restrictions, including **financial measures** and **export controls on items** that could be used as weapons against the people of Ukraine
2. Imposing of **export controls to items** that can be **used directly as weapons in Ukraine** to inflict harm or to subjugate the Ukrainians.
3. **Block of certain Russian banks and financial transactions connected to Russia**



1. **China is keeping a neutral status and did not issue any sanctions.** Western sanctions are criticized by the Government.

A Annex

Global reactions on Russia – Oceania

Aside from the EU, sanctions have also been put against the Russian Federation from countries in Oceania with expected heavy impacts on the Russian economy and the Russian banking sector as a whole



1. **Australia** has joined the sanctions of EU, USA, Canada and **placed over 460 sanctions placed on individuals and entities** in past weeks.
2. This includes the **Central Bank of Russia; their national sovereign wealth fund, Russian Direct Investment Fund (RDIF); Russia's Armed Forces; political and military figures** including President Putin, his Security Council and a number of oligarchs.
3. **Restrictions on the export or supply of certain goods.**
4. **Restrictions on the import, purchase or transport of certain goods.**
5. **Restrictions on certain commercial activities.**
6. **Restrictions on the provision of certain services.**
7. **Restrictions on providing assets to designated persons or entities.**
8. **Restrictions on dealing with the assets of designated persons or entities.**
9. **Travel bans** on designated persons.



1. **New Zealand** has joined other Western Nation and passed a historic **legislation targeting those economically or strategically important to Russia**, including oligarchs and supporting nations like Belarus.
2. **Freeze assets in NZ.**
3. **Prevent people and companies from moving their money** and assets to NZ to escape sanctions imposed by other countries.
4. **Stop super yachts, ships and aircraft** from entering NZ waters or airspace.
5. **Travel ban** list of over 100 individuals published.

A Reactions from the industry

Left Russian Market – Fully or partially



Also the industry was not unaffected and many companies left the Russian market. In total more than 330 companies left the Russian market. Below is a list of major players in different industries and across geographies

Industry

- Amazon
- Audi
- BMW
- Boeing
- BP
- Cadillac
- Chevrolet
- DHL
- Exxon Mobil
- FedEx
- Ford
- GM
- Harley Davidson
- Jaguar
- Siemens
- Landrover
- Maersk
- Mercedes
- Mitsubishi
- Porsche
- Renault
- Samsung
- Scania
- Shell
- Toyota
- UPS
- Volkswagen
- Volvo
- Wintershall
- Dea



IT

- Adobe
- AMD
- Apple
- CEX IO
- Dell
- Dropbox
- EA
- Ericsson
- Facebook
- Google
- HP
- Instagram
- Intel
- Jooble
- Youtube
- Zoom
- KUNA
- Lenovo
- LinkedIn
- MasterCard
- Microsoft
- Netflix
- NFT
- Nintendo
- Nokia
- Pari Match
- PayPal
- Playstation
- Snapchat
- Sony
- Visa
- WebMoney



Financial Industry

- Allianz
- Commerzbank
- Deutsche Bank
- Danske Bank
- Goldman Sachs
- JP Morgan
- Munich RE
- Nordea
- Santander
- SEB
- Zurich



Consumer Goods

- Adidas
- Asos
- Carlsberg
- Coca Cola
- McDonald's
- Starbucks
- PepsiCo
- Danone
- Etsy
- Metro
- Nike
- IKEA
- Jysk
- Lego



Media

- BBC
- Festival de Cannes
- Disney
- Eurovision
- F1
- FIFA
- NHL
- Paramount
- Spotify
- TikTok
- Twitter
- Pictures
- UEFA
- Universal
- Warner Bros
- RTVE



A | Reactions from the insurance industry

Insurance

The war is having a material impact on Ukraine's insurance sector.

There is no information on European sanctions on the sector. Russia prohibited any reinsurance to UK, US and EU



National Bank of Ukraine

- Since the invasion by Russia on 24th of February the country's insurance sector has been struggling on many fronts.
- The war has created **unprecedented operational and financial risks**. Along with the disruption caused by military action, Ukraine declared martial law and imposed financial measures, including a moratorium on cross-border foreign currency payments.
- There has been some **relief from regulatory requirements**.
- Ukrainian companies are not only worried about employee safety and business continuation, but the **growing solvency, inflation and liquidity risks**.
- Ukrainian citizens can travel abroad in their own cars without insurance green cards as a result of **agreements reached by the NBU**.
- The **NBU addressed foreign reinsurers** and insurance and reinsurance brokers with a request to stop servicing the agreements on reinsuring risks of insurers of the Russian Federation (Lloyd's, Swiss Re Ltd., Munich Reinsurance Company, Gen Re, Hannover Re, SCOR S.E., PartnerRe Ltd., Arch Re, AIG, Marsh, Willis)..



- In March, Russia prohibited any **reinsurance to UK, US and EU**
- The **imposition of sanctions on Russia's insurance sector** for the invasion of Ukraine has not taken place
- **Société Générale** announced its exit from the Russian insurance business: Société Générale announced on 11th of March the sale of its Russian subsidiary Rosbank and its **insurance subsidiaries**.

The logo consists of the letters 'MSiO' in a bold, sans-serif font. The 'M' and 'S' are white, while the 'i' and 'O' are yellow. A small white dot is positioned above the 'i'.

MSiO

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