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Russia Is After These Ex-Bankers' Assets, but Sanctions Could Bail Them Out

Western pressure on Moscow could help some wealthy Russian businessmen keep homes and cars and repair their reputations

By [Patricia Kowsmann](#) [Follow](#) and [Margot Patrick](#) [Follow](#)

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President [Vladimir Putin](#)'s invasion of Ukraine triggered a reordering of Russian wealth around the world. [Western sanctions took aim](#) at the country's billionaires, [freezing yachts, property](#) and artwork stashed abroad.

But for another subset of the Russian upper crust, around a dozen bank owners living abroad, sanctions could end up freeing their homes and cars, and repairing their reputations.

Russia for years pursued out-of-favor oligarchs and business owners through courts in the West to reel back riches the Kremlin alleged were obtained illegally. Now the former owners of some of its biggest banks, who ran afoul of the government in a crackdown on allegedly corrupt lenders, are the unlikely beneficiaries of sanctions targeting Moscow.

Lawyers representing Russia in cases against the men in the U.S., U.K. and Europe are resigning. Sympathetic lawmakers in the U.S. and U.K. have taken up the ex-bankers' causes, pushing for more sanctions that could benefit their cases. Courts are being asked to consider that Russia might have won earlier cases based on fraud.

Sergey Belyaev is a former owner of National Bank Trust, which was taken over by Russia's central bank in 2014. Moscow sued to claw back his wealth. He asked a South Carolina court to throw out [a London commercial court's \\$900 million award against him](#) and two NBT co-owners, arguing it was fraudulently won. Mr. Belyaev argues collecting on it would fuel the war.



Sergey Belyaev, a former owner of National Bank Trust, lives in exile in Connecticut.

PHOTO: SERGEY BELYAEV

The former NBT owners are among those who say Russia's powerful state apparatus took over their banks for flimsy reasons and then exploited Western courts to pursue their remaining wealth.

Russia alleged he and the co-owners masked bank loans funding their own business projects and misrepresented NBT's health to regulators. Mr. Belyaev denied knowing about the business loans and the misrepresentations. The co-owners argued that they operated within the norms of Russian banking.

"It is against the interest of the United States to recognize a judgment that would allow the financing of the central bank of Russia," Mr. Belyaev said. Exiled in Connecticut, he earned a masters in business administration and got into photography.

Ilya Yurov, an NBT co-owner, settled in England. His \$8 million Gothic manor is being sold there for creditors by a bankruptcy trustee, and he said he is worried the money could go toward the war. Nataliya Yurova, his wife, wrote to the bankruptcy trustee, Mazars, in March to say it appeared to be breaking U.K. sanctions in its recovery efforts, and accused it of lacking morals.

A Mazars spokesman said it was appointed joint trustee for creditors of two of the former NBT co-owners via the U.K. courts, and that any transactions with sanctioned entities need court permission.

A U.K. lawmaker, Christine Jardine, has pushed the government to look into expanding sanctions on NBT, which would make enforcing the judgment against the men more difficult. Russia's central bank was sanctioned in February, but NBT and a related agency, the Deposit Insurance Agency, aren't named on lists. Those entities have brought many of the lawsuits.



Ilya Yurov's manor in Dover, England, is for sale by a bankruptcy trustee. He worries the proceeds could fund Russia's war effort.

PHOTO: TOM JAMIESON FOR THE WALL STREET JOURNAL



The English manor for sale by the bankruptcy trustee for Ilya Yurov, whose bank was taken over by Russia's central bank in 2014.

PHOTO: TOM JAMIESON FOR THE WALL STREET JOURNAL

A spokeswoman for Russia's central bank said existing sanctions were making its recovery efforts more difficult, but that it would continue its pursuit. She said sanctioning NBT directly would only allow former bank owners to avoid responsibility for misappropriations.

She added that the central bank "is confident that U.K. courts and lawmakers will continue to uphold the fundamental principles of fair trial so that fraudsters can be brought to justice."

Between around 2014 and 2018, Russian Central Bank Gov. Elvira Nabiullina shut down hundreds of lenders and took over some of the largest ones, in what was seen by international investors at the time as a needed cleanup. Kremlin critics say the seizures handed coveted assets to the state and rival banks, and became a back door to channel more capital to favored lenders. The state solidified its grip on the economy with more than 70% of banking under its control.

U.S. Congressmen Steve Cohen (D., Tenn.) and John R. Curtis (R., Utah) urged President Biden in a May letter for further sanctions to stop Russia's expropriation of privately held financial companies, saying it could help protect "brave Russian dissidents and opponents of Putin abroad" to place direct sanctions on Russia's Deposit Insurance Agency.

The DIA's legal targets include Sergey Leontiev and Alexander Zheleznyak, whose Probusinessbank had its license pulled in 2015. Earlier, a unit of the bank tried to issue a debit card in partnership with Russian opposition leader Alexei Navalny, paying 1% of transactions to his foundation.



Russia took over once-private Promsvyazbank in 2017 and made it the go-to bank for the Russian military.

PHOTO: ANDREY RUDAKOV/BLOOMBERG NEWS

In 2019, the DIA got Mr. Leontiev to turn over documents in the Southern District of New York court to use in the bank's bankruptcy proceedings in Russia. It alleges he drove the bank to insolvency. He said the bank takeover was an expropriation made because of his politics.

DIA said in an emailed statement that the agency acts as a bankruptcy administrator and has no political interests. The central bank spokeswoman said the Probusinessbank owners' politics were never probed.

“We are only concerned with the return of money these runaway bankers took leaving enormous holes in their banks,” she said.

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Should Russia continue to chase former bank owners in Western courts? Join the conversation below.

Legal action against Mr. Leontiev in Austria hit a bump this spring when a law firm working for the DIA cut ties with all clients close to the Kremlin.

A lawyer representing Russia's interest in a Dutch case against Dmitry Ananyev, who owned another bank, Promsvyazbank, with his older brother, Alexei, also withdrew. The suit seeks to recover more than \$1 billion that Russia alleges the brothers misappropriated, which they deny.

Russia nationalized Promsvyazbank in 2017 and changed its mandate shortly after to become the go-to bank for the military. Western countries sanctioned Promsvyazbank in February.

Mr. Ananyev said the state took the bank because it wanted it. “I lost everything I built over 20 years, and my life now is fighting these absurd claims against me,” he said. Other cases against him are pending, including a lawsuit brought by NBT in Cyprus.



Russian banker Dmitry Ananyev, hiking in Switzerland in 2018, has settled in Cyprus.

PHOTO: SERGEI IVANOV

Mr. Ananyev and his brother started out importing computers in the early 1990s following Mikhail Gorbachev's perestroika reforms, and became billionaires from real estate, media

and banking. He would entertain powerful Russian officials, including Ms. Nabiullina, the central bank governor, at a theater that he sponsored.

In 2017, the central bank told Promsvyazbank it needed capital to cover bad loans. It gave the bank two days to come up with the cash, which it wasn't able to do.

Moscow later alleged the brothers stole from the bank. Mr. Ananyev retreated with his family from their home near the Kremlin to a rented house in Limassol, Cyprus, a coastal resort town popular among Russians. Russia tried to put the brothers on an Interpol wanted list. Interpol refused, saying the requests appeared to have a political motivation.

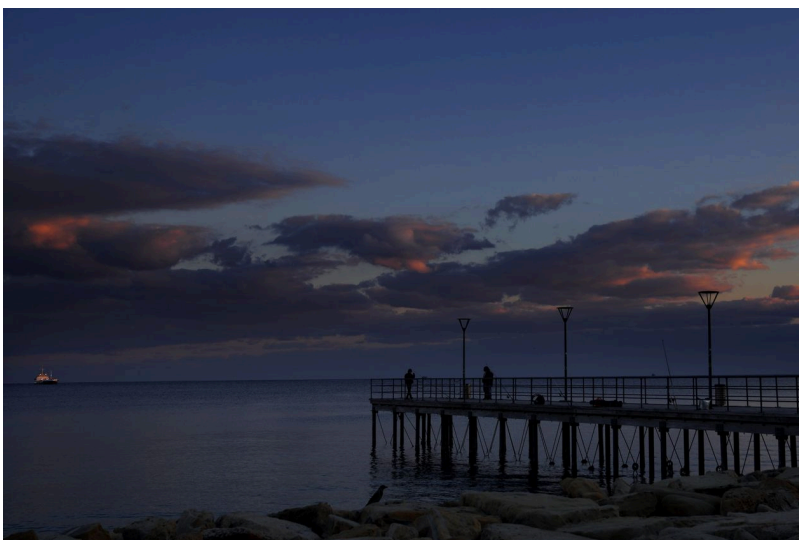
Mr. Ananyev's assets, including a house in Moscow and a leased private jet, were frozen by Russia. Authorities also confiscated his brother's collection of over 5,000 Russian and Soviet realist paintings.

The central bank spokeswoman said, "It is clear that the money used by former bank owners to pay for their luxurious lifestyle was obtained through dubious activity."

Nowadays, Mr. Ananyev spends his time in Cyprus preparing for his legal cases and dining with his family at a taverna that serves fresh fish on checked tablecloths. They also spend time in the French Alps, where Mr. Ananyev forages for wild mushrooms.

Mr. Ananyev said it bothers him that the bank he created to finance Russia's economy is instead being used to fund the war. He doesn't want the cases against him to contribute to the war chest.

"I'm not expecting an overnight end to my troubles, but I'm hopeful," he said.



The seaside in Limassol, Cyprus, where Dmitry Ananyev and his family settled when Russia took over his bank.

PHOTO: PETROS KARADJIAS/ASSOCIATED PRESS

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