

Two More Banks Lose Licenses

By [The Moscow Times](#)

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The Central Bank on Friday revoked the licenses of two more lenders as the mass cleanup of Russia's banking sector continues.

Moi Bank, which is was sold in December by billionaire and former senator Gleb Fetisov, and Moscow-based bank Priroda, became the sixth and seventh banks to have been stripped of their licenses in January alone. By contrast, only three banks lost their licenses in the entire first six months of 2013.

Russian media reported in early January that the difference between the value of Moi Bank's assets and its liabilities had reached 8 billion rubles (\$228 million), nearly half the total value of its clients' savings accounts.

In mid-January Moi Bank stopped accepting and giving out its clients' money. Last week it discontinued bank card transactions.

The Central Bank explained its decision in a statement, saying that Moi Bank gave out high

risk loans that didn't generate profit and the lender was no longer fulfilling its obligations to clients, Rossiiskaya Gazeta reported Friday.

Having decided that Moi Bank had poor prospects of restoring its financial stability, the Central Bank revoked its license and placed it under temporary administration.

Priroda, which the RIA Rating agency placed in the top-800 banks in terms of asset value, failed to build up sufficient reserve funds to cope with possible losses on bad loans, and was guilty of a number of accounting violations, the Central Bank said.

The regulator also accused Priroda of carrying out "suspicious transactions." According to the Central Bank, in 2013 Priroda transferred out of Russia more than 20 billion rubles using fictitious documents, RIA Novosti reported.

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