

Licenses of 50 Banks at Risk

By [The Moscow Times](#)

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Up to 50 banks may have their licenses withdrawn in 2014, according to a survey by ratings agency Expert RA.

Three criteria were used to determine the number of at-risk banks, said Expert RA director Stanislav Volkov, Kommersant reported Friday.

Banks with a capital adequacy ratio of less than 11 percent are seen to be in trouble, as are those that undergo a significant reduction in deposits over several quarters, said Volkov.

Banks that struggle to attract capital are also at risk of losing their licenses, with a federal law requiring that banks that fail to hit \$300 million of investment by January 2015 change their status to nonbank credit organizations. If investors anticipate that their banks will fail to hit this target, they may transfer their assets elsewhere, Volkov said.

The ratings agency added that banks who display otherwise healthy indicators, but show signs of suspicious cash transactions or multiple transactions involving the transit of money

through one legal entity, are at risk of becoming unstable.

The total number of deposits in the 50 troubled banks highlighted by Expert RA is 140 billion rubles (\$4 billion), or just 1 percent of all personal deposits in Russian banks.

The Central Bank withdrew 29 licenses in 2013 in a bid to crackdown on weak institutions and those behaving dubiously.

In December, Central Bank first deputy chairman Alexei Simanovsky said that despite some “black sheep” among the flock, “our banking sector is generally healthy and steady.”

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