

# 122 Small Russian Banks Threatened by Capital Requirement Increase

By [The Moscow Times](#)

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An increase in minimum capital requirements next year will expose a combined 7.8 billion ruble (\$390 million) capital shortfall at 122 of Russia's smallest banks unless they can drum up the extra cash before Jan. 1, Central Bank deputy head Mikhail Sukhov said Tuesday.

The Central Bank has been tightening scrutiny of Russia's approximately 850 banks, aiming to sweep opaque and underfunded organizations off the market. From next year, banks will be required to hold at least 300 million rubles (\$6.4 million) in capital, up from the current 180 million rubles (\$4 million).

"As of Oct. 1, 122 banks had not reached the 300 million ruble mark," news agency RIA Novosti quoted Sukhov as saying. Most of the shortfall is concentrated in 66 banks that will need to find over 50 million rubles (\$1.1 million) each, he said.

Banks unable to meet the new minimum capital requirement would be kicked out of the

banking system and have to re-register as non-bank financial institutions, joining the shadow banking sector of hedge funds, brokers, exchanges and others unable to service retail depositors.

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