The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

One-Fifth of Russia's Banks Under Central Bank Supervision

By The Moscow Times

March 22, 2015



The Central Bank hopes that bank owners will deal with their difficulties themselves, but will step in if necessary.

One-fifth of Russia's banks are reporting their financial data to the Central Bank on a daily basis due to the shakiness of their balance sheets amid Russia's economic slump, a news report said late last week.

One hundred and eighty-three banks are giving daily updates to the regulator, 44 more have had limits imposed on their ability to accept retail deposits and eight have seen their interest rates capped, deputy Central Bank head Mikhail Sukhov said Friday at a conference dedicated to problems in Russia's banking sector, news agency Interfax reported.

Around 800 banks currently operate in Russia.

Banks have come under pressure in recent months from rapid ruble devaluation, high Central

Bank interest rates and a deepening economic recession that is eroding the quality of loan portfolios. Western sanctions have also restricted access to foreign capital.

Authorities have funneled hundreds of billions of rubles into supporting the sector after banks began to fail last year.

The Central Bank hopes that bank owners will deal with their difficulties themselves, but will step in if necessary, Sukhov said.

He added that “a few hundred” banks have the additional problem of having loaned extensively to related parties, making their balance sheets more vulnerable. These banks will the subject of “double and triple attention,” Sukhov said.

Original url:
https://www.themoscowtimes.com/2015/03/22/one-fifth-of-russias-banks-under-central-bank-supervision-a44998