

Siluanov Backs Higher Capital Requirement

By [The Moscow Times](#)

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Finance Minister Anton Siluanov said he supports a proposal under discussion by the government for a more than fivefold increase in the minimum capital requirement for banks after 2015 to spur consolidation.

Raising the limit to 1 billion rubles (\$34 billion) from the current 180 million rubles would be "possible and normal," Siluanov said in Moscow Wednesday. The minimum is already scheduled to rise to 300 million rubles by 2015 and no decision has yet been made to increase it from that level, he said.

Siluanov, who pledged last September to "continue the work that was already started" under former Finance Minister Alexei Kudrin, is affirming his ousted predecessor's stance to lift capital buffers to 1 billion rubles. Kudrin said in October 2010 that the proposal, which he estimated might halve the number of banks to about 500, would be delayed because of continued "tension" in the financial industry.

The country had 974 lenders on March 1, down from 1,058 at the start of 2010, Central Bank data show. Only 109 Russian banks exceed the capital level of 1 billion rubles as of March 1, Interfax reported, citing Central Bank Deputy Chairman Mikhail Sukhov.

The government expects further consolidation of the financial industry, "with the creation of large banking groups, including some that control a large share of the market," according to a document published by the Finance Ministry in March 2011 outlining a state strategy for banks to 2015.

"As the consequences of the financial crisis are overcome, the banking sector will develop amid tougher competition in the most profitable segments," the government said in the document.

Russia's five largest lenders boosted their assets this year to control a combined 50.5 percent of the banking system on March 1, compared with 47.7 percent at the start of 2011, according to the Central Bank. The country's top four banks are controlled by the state.

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