

Central Bank Cancels 3 More Bank Licenses

By [The Moscow Times](#)

December 13, 2013



30 banks have lost their licenses this year, as the regulator seeks to tighten oversight of the country's lenders. **Zlata Milyavskaya**

The Central Bank revoked the licenses of three mid-sized Russian lenders Friday, as the authorities ratchet up regulation of the country's banking sector.

The operations of Investbank, the country's 84th largest bank by assets according to banking website allbanks.ru, BPF Bank, the country's 142nd biggest bank, and Smolensk Bank, the 109th largest bank, were all suspended, according to statements the financial regulator bank.

Almost 30 Russian banks have lost their licenses this year as the regulator seeks to tighten oversight of the country's lenders, and rein in shadow banking activity.

The central bank said that Investbank was guilty of false financial reporting and inadequate

capital levels, while BPF was a threat to creditors because of its high risk borrowing.

Smolensk Bank had not observed its obligations to creditors and depositors while simultaneously "engaging in deals aimed at asset stripping," according to the Central Bank.

Investbank's offices temporarily suspended operations in Russia's westernmost region of Kaliningrad on Thursday after what the bank described in a statement as the "unfounded panic of depositors."

BPF has had problems honoring obligations since November. Smolensk Bank has also had liquidity problems, and earlier this month requested financial assistance from the Central Bank.

The three banks have combined assets of about 138 billion rubles (\$4.2 billion), according to allbanks.ru.

Last month the Central Bank revoked the license of major Moscow-based lender Master Bank, causing widespread problems with payment transactions across the country. The regulator said that Master Bank had been involved in money laundering, and "large scale suspicious operations."

Elvira Nabiullina, who was appointed as head of the Central Bank in June, has made a campaign against shadowy banking activity a key part of her agenda for the regulator. Following the demise of Master Bank, she warned lawmakers it was not the only bank in such a precarious situation.

President Vladimir Putin expressed his support for the crackdown during his annual State of the Nation address Thursday. "We must continue our principled and firm approach to rescuing our financial-credit system from various money laundering operations," he told top officials.

Outgoing central bank chairman Sergei Ignatyev told Russia's Vedomosti newspaper in February that Russia lost about \$49 billion in illicit capital flight in 2012 that spanned tax avoidance, bribes and payments for illegal narcotics.

Original url:

<https://www.themoscowtimes.com/2013/12/13/central-bank-cancels-3-more-bank-licenses-a30469>