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Working Paper

Russian Bank Database: Birth and Death, Location, Mergers, Deposit Insurance Participation, State and Foreign Ownership

U.S.E. Discussion Papers Series, No. 16-04

Provided in Cooperation with:

Utrecht University School of Economics (U.S.E.), Utrecht University

Suggested Citation: Karas, Alexei O.; Vernikov, Andrei (2016) : Russian Bank Database: Birth and Death, Location, Mergers, Deposit Insurance Participation, State and Foreign Ownership, U.S.E. Discussion Papers Series, No. 16-04, Utrecht University, Utrecht School of Economics, Tjalling C. Koopmans Research Institute, Utrecht

This Version is available at:

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Russian Bank Database: Birth and Death, Location, Mergers, Deposit Insurance Participation, State and Foreign Ownership

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July 2016

Abstract

For every Russian bank we collect records of its registration, license withdrawal, liquidation, location changes, mergers and acquisitions, entrance to and exit from the Deposit Insurance System as well as state and foreign ownership. We describe our sources and the resulting database.

Keywords: Russia, banks, data, state ownership, foreign ownership

JEL classification: G21, H82, P34

Acknowledgements

We thank Aleksandr Kostrov for rectifying the lists of state- and foreign-controlled banks.

1 Introduction

Much information on Russian banks is freely available online. Some of that information, however, is hard to find or requires some tedious work to organize. This paper brings the information together and converts it into a user-friendly format.

Specifically, for every Russian bank we collect records of its registration, license withdrawal, liquidation, location changes, mergers and acquisitions, entrance to and exit from the Deposit Insurance System as well as state and foreign ownership. You can find the link to the data here: <https://db.tt/sFfxIqUg>.

2 The Database

We compile a complete list of Russian banks by collecting all bank registration numbers we find in our sources. Those registration numbers represent unique bank identifiers. We include them as variable *regn* in the database.

For every *regn* we provide a set of records (variable *record*) described in Table 1.

Table 1. Record Types

Record	Explanation
regist	<i>regn</i> is registered by the Bank of Russia
revok	<i>regn</i> loses its license
likvid	<i>regn</i> is liquidated
shift	<i>regn</i> changes official location
acquis	<i>regn</i> acquires another bank <i>regn2</i>
merger	<i>regn</i> is acquired by another bank <i>regn2</i>
dienter	<i>regn</i> enters Deposit Insurance System
diexit	<i>regn</i> exits Deposit Insurance System
os50	<i>regn</i> is state-controlled (our own definition)
os50alt	<i>regn</i> is more than 50% state-owned (alternative sources)
of100	<i>regn</i> is 100% foreign-owned
of50	<i>regn</i> is foreign-controlled (our own definition)
ofsub	<i>regn</i> is a subsidiary of a foreign commercial bank (our own definition)

The records start in 1988. For every record we report its date (variable *date*) and the bank's location on that date (variables *address*, *region* and *district*). For mergers we report the acquirer/target (variable *regn2*). To identify non-bank credit organizations we include a dummy *nko*.

Table 2 reports counts of each record type per year. Take 2004 as an example: 3 banks were registered in that year, 16 changed location, and 3 merged. For *os50*, *of100*, *of50* and *ofsub* we report counts on the first day of the year. Again take 2004: 40 banks were controlled by the state on 01.01.2004 and 32 were 100% foreign-owned.

2.1 Sources

Our two main sources are the websites of the Central Bank of Russia (CBR) and of the Deposit Insurance Agency (DIA): www.cbr.ru and <http://asv.org.ru>. Below we provide the details.

Table 2. Yearly Record Counts

time	regist	revok	likvid	shift	merger	dienter	diexit	os50	os50alt	of100	of50	ofsub
1988	16											
1989	81											
1990	930											
1991	273	21	21									
1992	568	101	101								2	2
1993	412	142	127								3	2
1994	559	117	56								12	10
1995	86	248	25		3						14	10
1996	26	290	21		9						15	11
1997	12	338	57		5						18	14
1998	9	233	80		7						19	15
1999	7	140	112	12	12					18	23	19
2000	17	44	269	20	11				62	20	26	21
2001	30	25	153	13	4			37	23		26	21
2002	43	29	220	15	4			42		23	27	22
2003	16	23	180	13	7			43		27	32	27
2004	3	36	152	16	3	381		40		32	36	31
2005	9	54	117	11	14	562	12	41	26	33	37	32
2006	7	73	69	16	10	10	7	42	33	41	47	40
2007	13	62	65	8	8	7	7	43		52	54	46
2008	12	41	79	16	5	13	10	44		63	62	52
2009	7	58	55	9	12	7	19	54	50	76	70	57
2010	2	48	33	22	19	7	23	52		82	71	58
2011	3	39	37	15	18	5	18	47		80	71	56
2012	9	30	26	11	7	7	12	42		77	69	53
2013	10	43	33	17	11	5	23	42		73	66	50
2014	7	94	29	17	7	3	16	43		76	66	48
2015	2	103	33	17	8		18	43		75	63	47
2016	2	44	12	1		1	17	41		68	60	45

For existing banks: records of *regist*, *nko*-status and current *address* come from the CBR’s most recent ‘List of Existing Credit Organizations’, while records of *revok* from the CBR’s most recent ‘List of Withdrawn Licenses’. For liquidated banks: records of *regist*, *revok*, *likvid* and *nko*-status come from the CBR’s quarterly ‘Lists of Liquidated Banks’¹; records of *address* come from the CBR’s ‘Lists of Existing Credit Organizations’ published in the past.

We collect records of *shift* from the CBR’s quarterly ‘Lists of Banks Changing Their Location’. Those records include bank’s address both before and after the location change. For all other banks we treat their address as permanent. For each address we separately report the corresponding federal subject (variable *region*) and federal district (variable *district*).

¹We fix problems with those lists following [Karas and Schoors \(2010\)](#).

We collect post-1999 records of *acquis* and *merger* from the CBR’s quarterly ‘Lists of Mergers and Acquisitions’. Pre-1999 records come from [Karas and Schoors \(2010\)](#).

We take records of *dienter* and *diexit* from the DIA’s most recent ‘Lists of Banks That Entered/Left the Deposit Insurance System’.

Records of *os50alt* are available on 01.10.2000 ([Kulakova, 2000](#)), 01.10.2001 ([Matovnikov, 2002](#)), 01.07.2005 ([Mamontov, 2005](#)), 01.01.2006 ([Vernikov, 2007](#)) and 01.07.2009 ([Vernikov, 2009](#)). Records of *of100* come from the CBR’s quarterly ‘Lists of 100% Foreign-owned Banks’ available from 1999q1.

Records of *os50*, *of50* and *ofsub* represent an important contribution of this paper. These records improve on *os50alt* and *of100*: they cover a longer time span (see Table 2) and use a more comprehensive ownership definition. We make them available on a yearly basis. To build these records for every bank, we carefully collect time-varying ownership data from various sources, including but not limited to:

- the bank’s website
- the websites of the bank’s key shareholders
- the CBR’s website
- Bankscope
- Bankers’ Almanac
- www.banki.ru

We then define state-controlled and foreign-controlled banks as explained in the sections below.²

2.2 State-controlled Banks

For every bank we compute its time-varying equity shares that belong to

1. federal government
2. regional government
3. local government
4. another entity whose equity is more than 50% owned by (1)-(3) above

If the combined share of (1)-(4) exceeds 50% we call the bank state-controlled (record *os50*).

By including item (4) we implicitly assume that indirect ownership is equally effective for exercising control as direct ownership. There are reasons to doubt that assumption. Especially in jurisdictions with less than perfect corporate governance, direct state ownership is often deliberately replaced by indirect holding, in order to shift control to insiders and away from the state.

To check our definition against other sources, Figure 1 compares our estimate of the combined asset share of state-controlled banks³ with those of the [CBR \(2013, 2014, 2015, 2016\)](#) and of [Raiffeisenbank \(2016\)](#). Not surprisingly, our estimate consistently (and sometimes substantially)

²Sections 2.2 and 2.3 draw heavily on [Vernikov \(2015\)](#).

³Data on total assets come from bank balance sheets available on the CBR’s website.

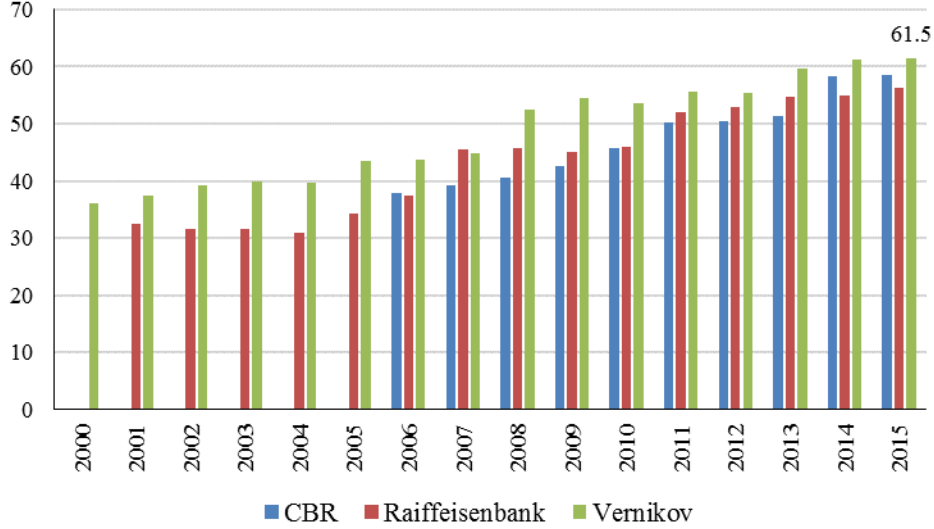


Figure 1. Asset share (%) of state-controlled banks in Russia: alternative estimates (CBR, 2013, 2014, 2015; Raiffeisenbank, 2016; Vernikov, 2012, 2014).

Table 3. State-controlled banks: % of system-wide assets and non-bank loans at year end.

Year	Assets	Source	Loans	Source
2012	50.4	CBR (2013, p.28)	53.8	CBR (2014, p.22)
2013	51.4	CBR (2014, p.22)	53.9	CBR (2014, p.22)
2013			62.9	CBR (2015, p.20)
2014	58.5	CBR (2015, p.20)	64.2	CBR (2015, p.20)

exceeds the other two. This difference likely stems from the fact that we include item (4) in the definition of state-controlled banks, while the other sources may do that selectively or not at all. Note, however, that the estimates get closer over time: the difference between our 2015 estimate and that of the CBR is only about 3%. This convergence may indicate that the CBR expands its definition of state control over time, so as to include more banks.

We have two pieces of indirect evidence that the CBR indeed revises its definition over time. First, the CBR estimate in Figure 1 jumps from 51% in 2013 to 59% in 2014. In the absence of major bank nationalizations, this abrupt and substantial jump suggests a change in definition. Second, CBR (2014) reports the share of state-controlled banks in total loans to non-financial companies on 01.01.2014 to be 53.9%, while CBR (2015) revises that very same estimate to 62.9% (Table 3). Again, the most likely explanation for this discrepancy is a change in definition.

All estimates in Figure 1 show a rising asset share of public banks in Russia. This finding is remarkable in two respects. First, it contradicts Barth et al. (2013, p.35) who report a decreasing share. Second, among the transition economies of Central, Eastern and South-Eastern Europe, Russia already enjoys one of the highest market shares of public banks (Figure 2); yet that share continues to grow.

The resulting list *os50* includes banks that vary greatly in size, scope, business model, and governance. Vernikov (2009, 2012) sub-divides them into more homogeneous groups as follows:

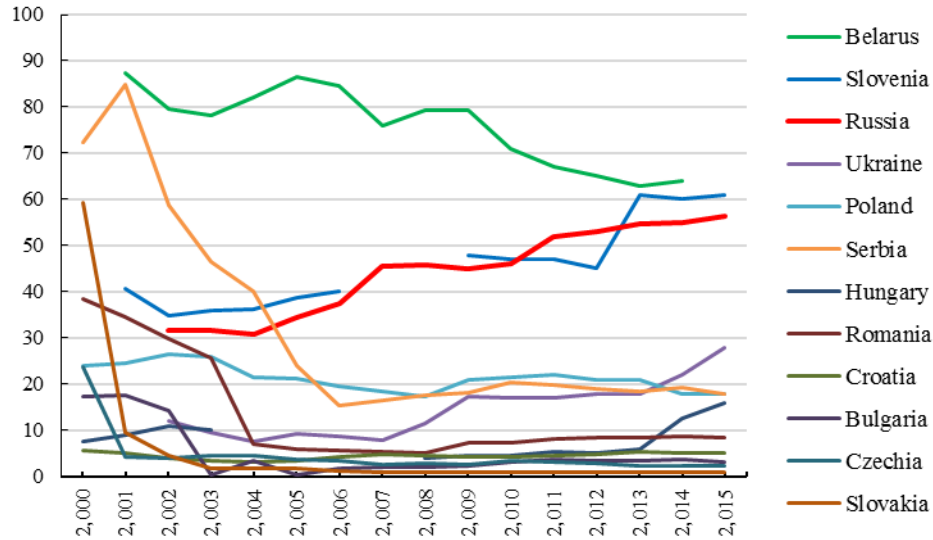


Figure 2. Asset share (%) of state-controlled banks in transition economies (Raiffeisenbank, 2016).

1. banks directly owned by
 - (a) federal authorities (including CBR)
 - (b) sub-federal authorities
2. banks indirectly owned by the state via
 - (a) state agencies and corporations
 - (b) state-owned enterprises

Alternatively, Vernikov (2014) distinguishes between the core (Sberbank, Vneshtorgbank and Rosselkhozbank) and other state-controlled banks. The core banks may be viewed as a re-incarnation of the so-called spetsbanki (specialized state banks) that existed in the Soviet Union in the late 1980s - early 1990s (Schoors, 2003). These banks often act as government agents and pursue a combination of financial and non-financial objectives: they receive strong financial support from the state, play a special role in monetary policy transmission by channeling public funds to other commercial banks, and set target prices for socially relevant banking services. These banks thus combine traditional commercial banking with development banking.

2.3 Foreign-controlled banks

To arrive at the list of foreign-controlled banks *of50*, we start with the CBR's quarterly 'Lists of 100% Foreign-owned Banks' *of100*, and modify them as follows.

First, we add banks with a (direct or indirect) foreign ownership share between 50 and 100%. Examples of indirect ownership are banks 170 and 1792: both are directly controlled by Russian-registered entities but ultimately by foreign banks.

Table 4. Foreign-controlled banks: % of system-wide assets and non-bank loans at year end.

Year	Assets	Source	Loans	Source
2012	11.9 = 17.8* - 5.9**	CBR (2013, p.28)	9.8 = 14.2* - 4.4**	CBR (2014, p.22)
2013	9.4 = 15.3* - 5.9**	CBR (2014, p.22)	5.9 = 12.0* - 6.1**	CBR (2014, p.22)
2013			7.4	CBR (2015, p.19-20)
2014	9.8	CBR (2015, p.19-20)	7.7	CBR (2015, p.19-20)
2014	9.6	CBR (2016, p.24-25)	7.7	CBR (2016, p.24-25)
2015	8.8	CBR (2016, p.24-25)	7.0	CBR (2016, p.24-25)

Note: * all foreign-controlled banks; ** foreign-controlled banks ultimately influenced by Russian residents

Second, we exclude non-bank lending institutions (NKO, or ‘nebankovskie kreditniye organizatsii’). This category includes settlement and clearing institutions, such as Western Union and PayPal. Despite the misleading name, NKOs do not engage in lending.

Third, we exclude banks ultimately controlled by Russian residents.

Using the resulting list *of50*, we estimate the asset share of foreign-controlled banks to range over 2012 - 2015 between 8.0 and 11.9%. These estimates are close to those of the CBR (Table 4).

As in the case of state-controlled banks, some figures in Table 4 suggest the CBR’s definition of foreign-controlled banks may change over time. First, for no apparent reason, the share of genuine foreign banks in loans to non-banks dropped from 9.8% in 2012 to 5.9% in 2013 (Table 4 rows 1-2). Second, the figure of January 1, 2014 fluctuates from one CBR official report to another: from 5.9% (CBR, 2014) to 7.4% (CBR, 2015). We interpret these jumps as a possible change in definition, and caution researchers against mechanically borrowing these data from the CBR.

For many research purposes, the list of foreign-controlled banks *of50* is problematic. It represents a heterogeneous group of entities owned by another heterogeneous group of entities. In particular, it includes both commercial and investment banks, while the owners range from private individuals to international institutions. From experience, we know researchers prefer to limit their empirical analysis to a relatively homogeneous group of entities, namely, commercial banks owned by other commercial banks. To get to this list, we apply two more filters.

First, we exclude institutions primarily engaged in activities other than commercial banking. Those range from financial market activities (investment banking, brokerage and dealership) to card and payments processing, to the financing of sales of certain industrial products. The latter is done by entities controlled by foreign industrial loan corporations: the offspring of the foreign automotive companies (BMW, VW, Daimler, Toyota, PSA Peugeot Citroen, Mitsubishi, Renault-Nissan, etc.) as well as IKEA and Auchan.

Second, we exclude banks controlled by foreign non-banks. The latter include private individuals, non-bank institutional investors, international organizations such as EBRD, and small business enhancement entities.

The resulting list *ofsub* represents a homogeneous group of foreign bank subsidiaries that we feel should suit most researchers’ needs.

3 Research Potential

The database suggests several avenues for future research. First, the dramatic increase in bank license withdrawals in 2014-2016 (see Table 2) provides rich testing ground for various failure

prediction models (for earlier studies of Russian bank failures see [Claeys and Schoors \(2007\)](#); [Lanine and Vander Vennet \(2006\)](#); [Peresetsky et al. \(2011\)](#)). Second, the large number of mergers (especially since 2008) invites questions about their effects on bank efficiency ([Rhoades, 1998](#)), competition ([Carletti et al., 2007](#)) and financial stability ([Weiß et al., 2014](#)). Third, alternative ways to define state and foreign banks encourage a re-examination ([Mamonov and Vernikov, 2015](#)) of earlier findings on the relative efficiency of Russian banks ([Karas et al., 2010](#)). Finally, the database supports studies of how a particular event, such as merger, location change or acceptance to deposit insurance, affects bank behavior and performance.

4 Conclusion

For every Russian bank we collect records of its registration, license withdrawal, liquidation, location changes, mergers and acquisitions, entrance to and exit from the Deposit Insurance System as well as state and foreign ownership. We improve on existing sources of ownership data by providing our own classification of state- and foreign-controlled banks. In particular, within the highly heterogeneous group of foreign-controlled banks we define foreign bank subsidiaries, that is, banks whose parents are foreign banks and whose core business in Russia is commercial banking. Most of the resulting data is freely available in a user-friendly format.

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