

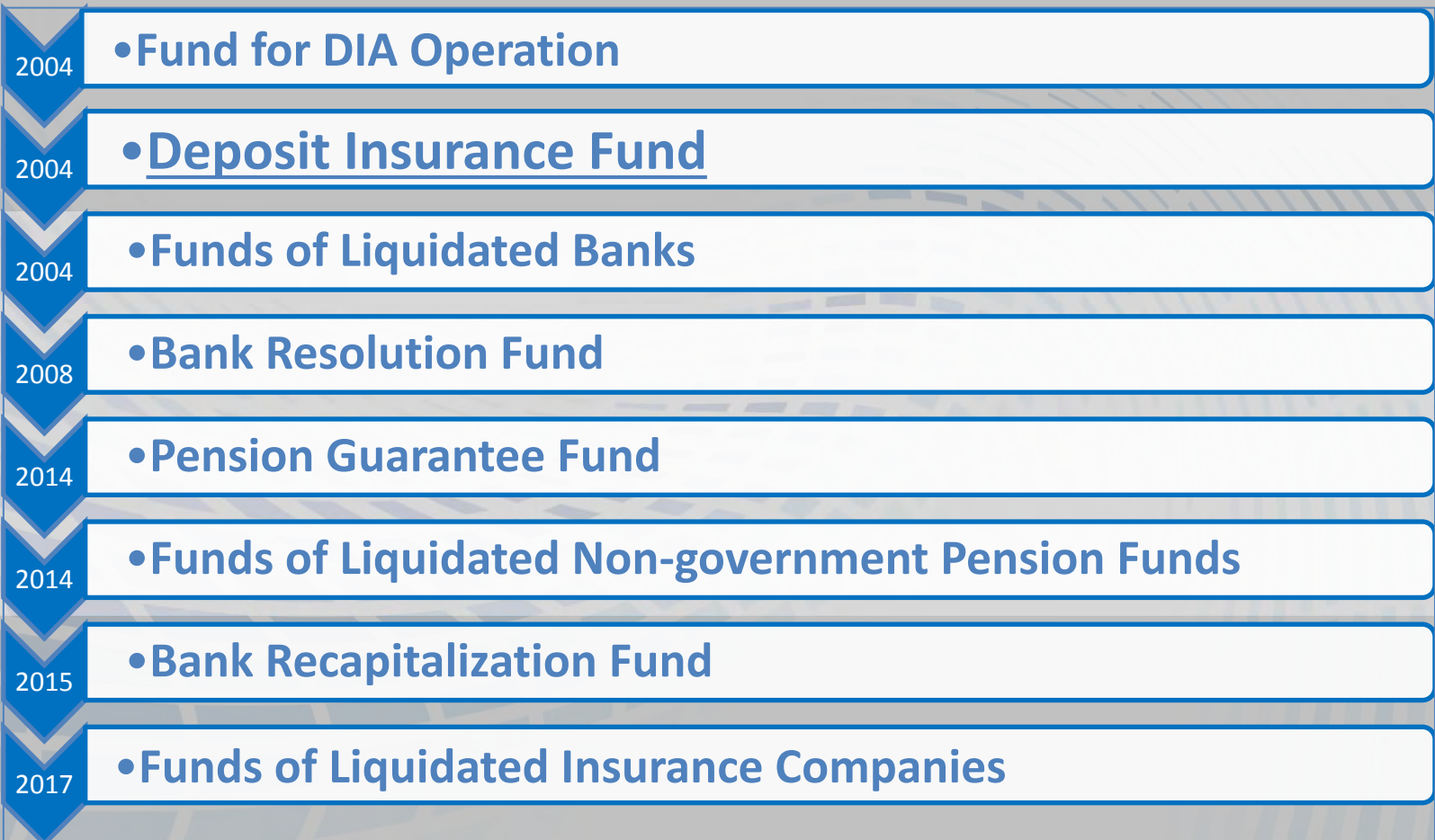


# **Current Situation and Future Prospects of Deposit Insurance Funds: Russia**

Nikolay Evstratenko  
Deposit Insurance Agency,  
Russia

**11<sup>th</sup> DICJ Round Table,  
Tokyo, 12 March 2019**

# Funds under DIA Management



# Key Parameters of the Russian DIS

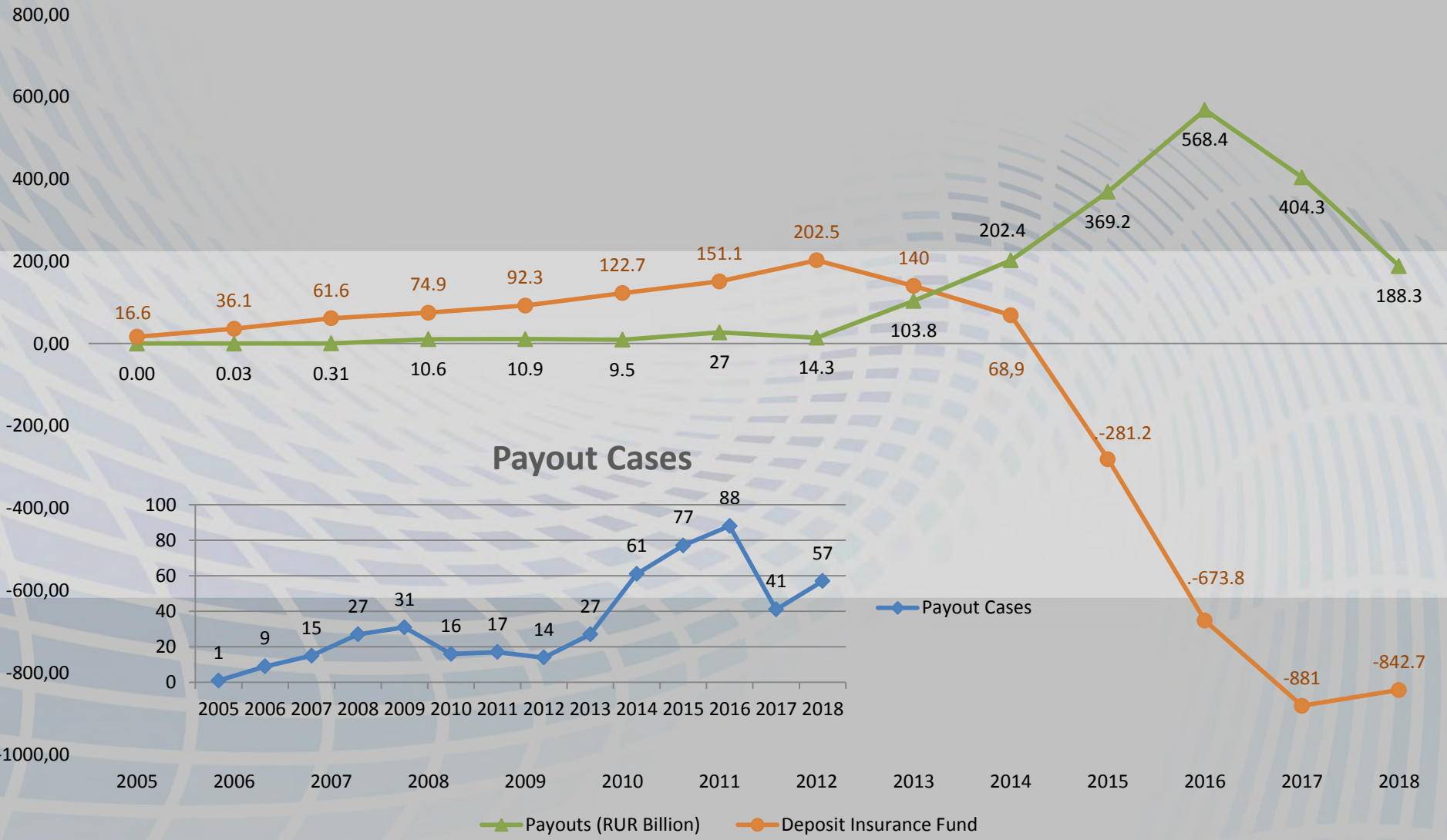
Coverage limit	<ul style="list-style-type: none"><li>• 1.4 million rubles (10 million rubles for escrow accounts for real estate purchase)</li></ul>
Operating DIS member banks	<ul style="list-style-type: none"><li>• 395</li></ul>
Scope of coverage	<ul style="list-style-type: none"><li>• individuals, small businesses</li></ul>
Total eligible deposits	<ul style="list-style-type: none"><li>• 28.9 trillion rubles</li></ul>
Total covered deposits	<ul style="list-style-type: none"><li>• 19.6 trillion rubles (68% of eligible deposits)</li></ul>
Payout cases	<ul style="list-style-type: none"><li>• 484 (including 3 in 2019)</li></ul>
Total payouts	<ul style="list-style-type: none"><li>• 1.9 trillion rubles</li></ul>
Number of reimbursed depositors	<ul style="list-style-type: none"><li>• 4.0 million</li></ul>
Deposit insurance fund balance	<ul style="list-style-type: none"><li>• - 841.1 billion rubles</li></ul>
Borrowings from the Bank of Russia	<ul style="list-style-type: none"><li>• 797.0 billion rubles (about US\$ 12.2 billion)</li></ul>

# **DIS Funding Sources – Deposit Insurance Law**

- **Property contributions from the Government**
- **Regular (quarterly) premiums**
- **Extraordinary premiums**
- **Fines and penalties**
- **Retained profit (including net investment income)**
- **Recoveries from failed banks**
- **Borrowings from the Government**
- **Borrowings from the Bank of Russia**
- **Borrowings from the market**



# Deposit Insurance Fund and Payouts



# Property Contributions to DIF from the Government

- **Initial**
  - 2004 RUB 2.0 Billion
- **Additional**
  - **Ad hoc**
    - 2004 RUB 2.6 Billion (assets of liquidated ARCO)
    - 2014 RUB 60.0 billion
  - **Annual (from DIA profit)...**
- **Total at 31.12.2018 RUB 65.7 billion**

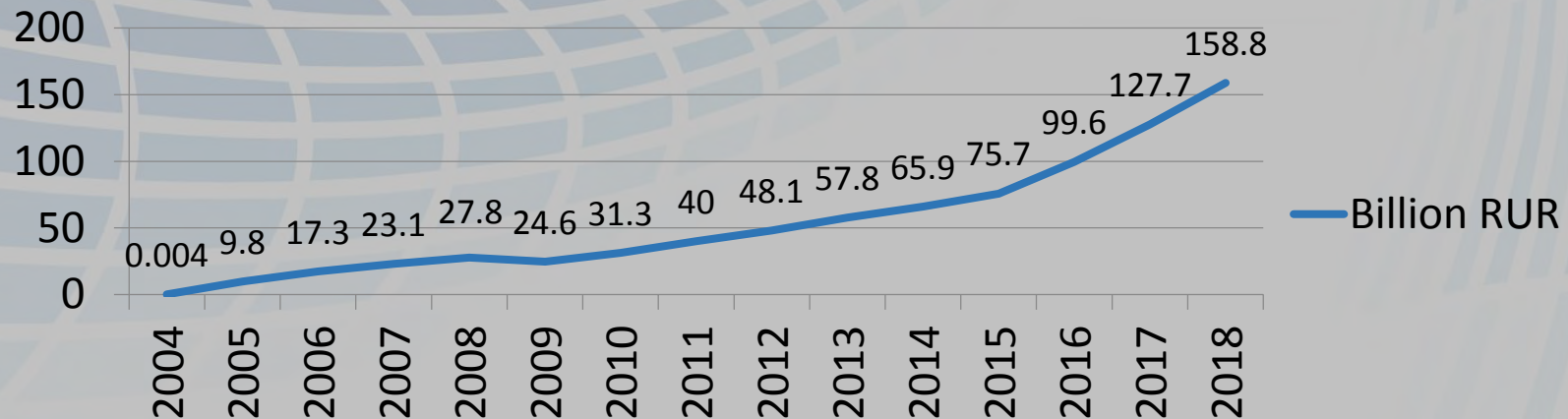
# Regular Premiums

## Quarterly premium rates:

Q3.2004 – Q2.2007	0.15%
Q3.2007 – Q3.2008	0.13%
Q4.2008 – Q2.2015	0.10%
Q3.2015 – Q1.2016	0.10 – 0.25%
Q2.2016	0.10 – 0.30%
Q3.2016	0.12 – 0.36%
Q4.2016	0.12 – 0.48%
Q1.2017	0.12 – 0.60%
Q2.2017	0.12 – 0.72%
Q1.2018 - current	0.15 – 0.90%

Differential premium rates

## Premiums paid by DIS member banks, year by year





# Recoveries from Failed Banks' Assets

**Total payouts from the DIF**  
(to 4 million depositors)

**1,909.4** billion rubles

**Recoveries to the DIF**

(13% of the amount reimbursed to insured depositors\*)

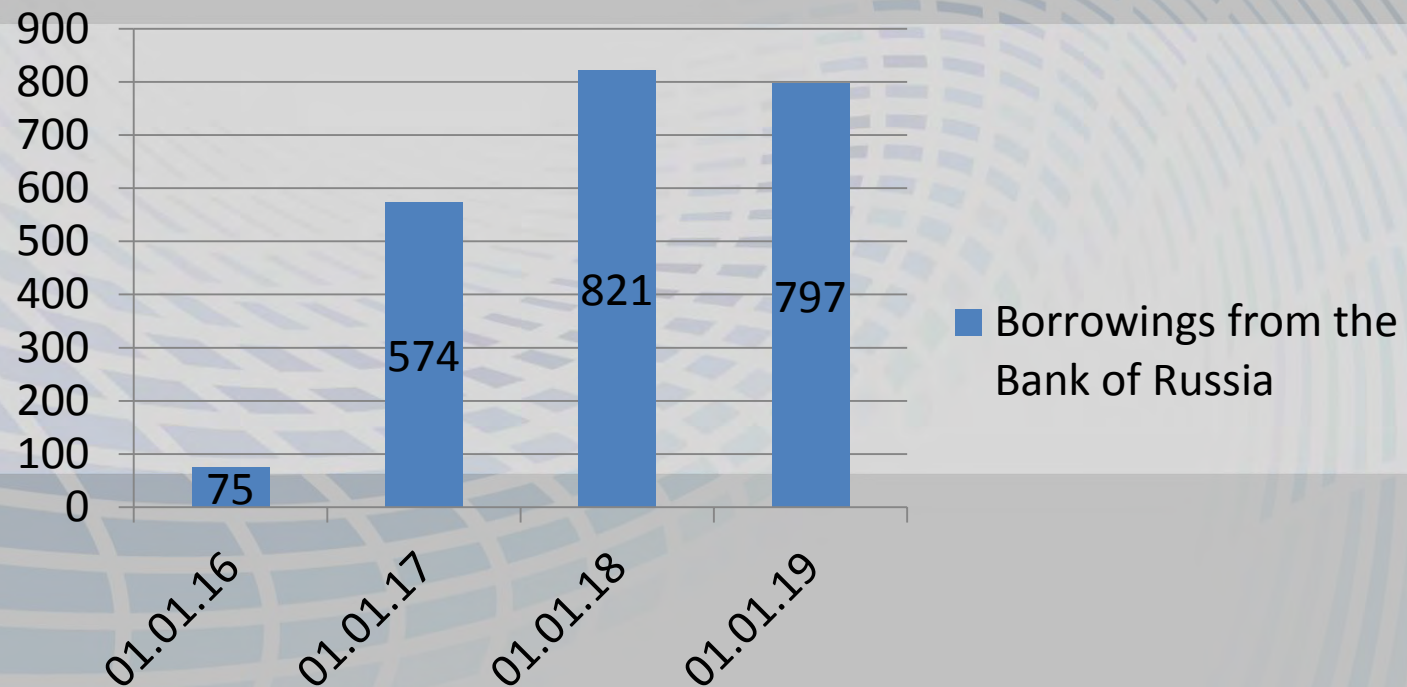
**249.7** billion rubles

\*Recoveries to the DIF from banks with completed receiverships are about 64%

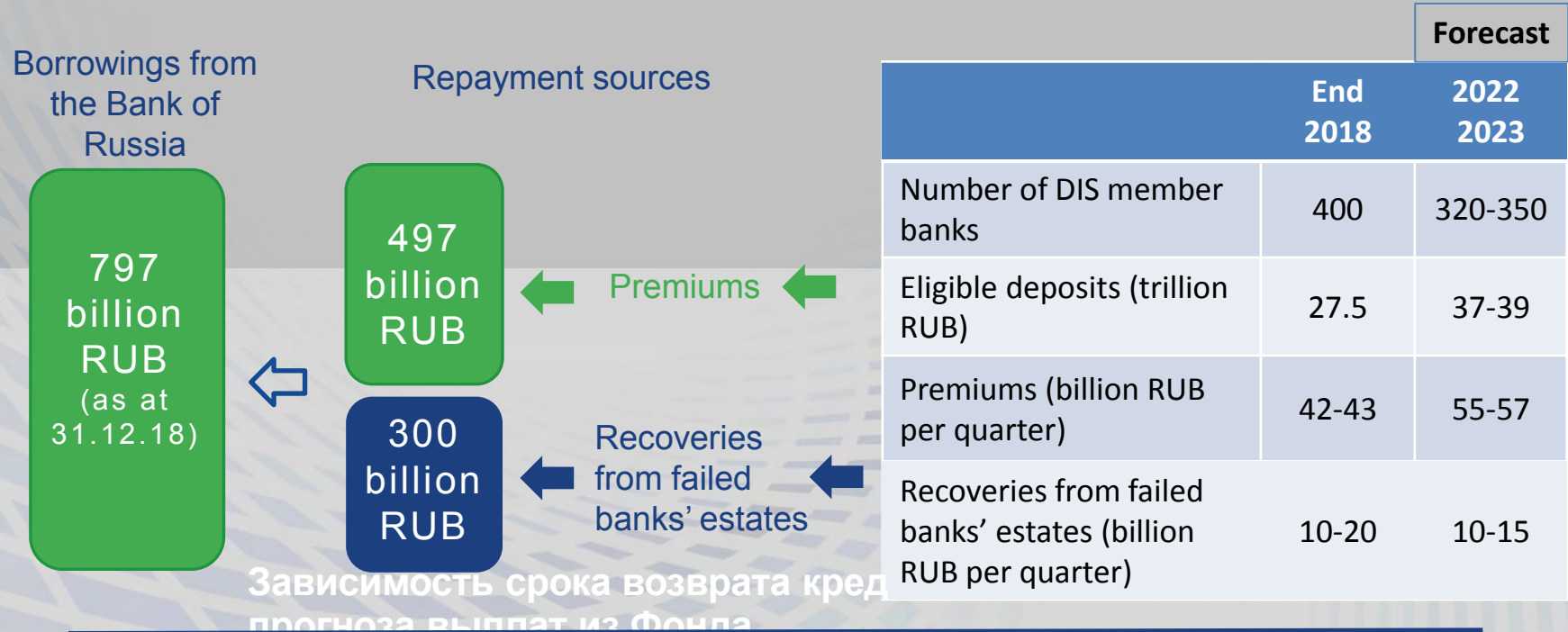


# Borrowings from the Bank of Russia

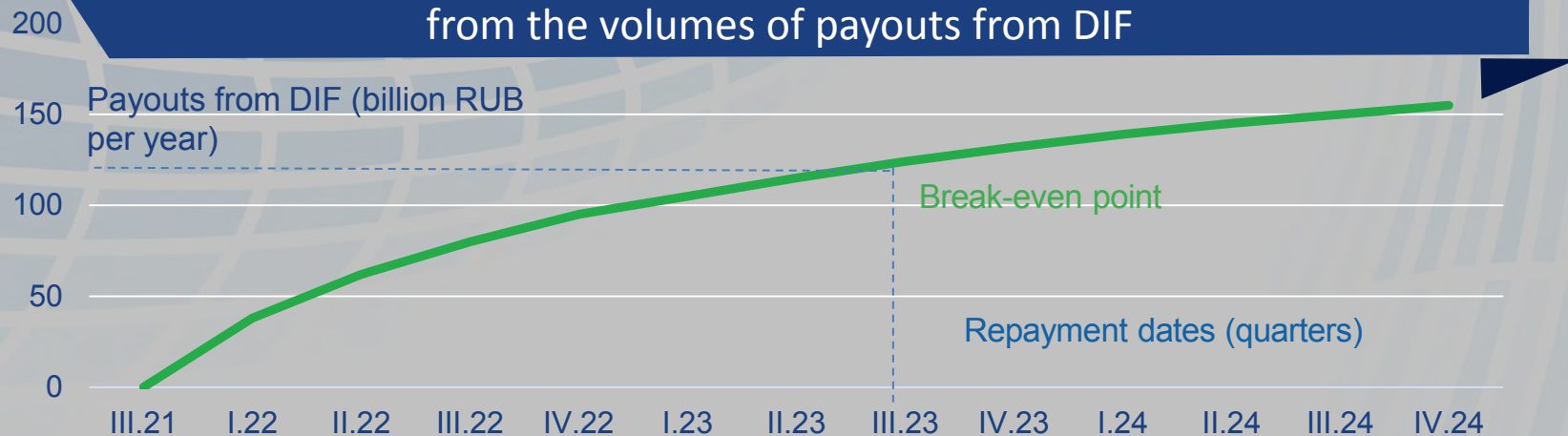
Balance of borrowings from the Bank of Russia  
(DIF), billion rubles



# Prospects for the DIF



## Dependence of the date of repayment of borrowings to the Bank of Russia from the volumes of payouts from DIF



# Conclusions

- **DIA needs a wide set of options for funding its operations**
  - **Primary sources of funding**
  - **Back-up funding sources**
- **In cases of serious crises the Government and the Central Bank should intervene and provide necessary back-up funding**
- **If DIA has to borrow funds it should be able to repay them in accordance with terms and conditions of loan agreements**
  - **Industry should pay...**
  - **Recoveries are also important...**



Deposit  
Insurance  
Agency

**THANK  
YOU  
VERY MUCH  
FOR  
LISTENING**