

Resumé

For my master work I chose a topic from the Russian economic sphere: The Influence of the 1998 Financial Crisis on the Russian Banking Sector.

In 2006 the Russian banking sector celebrated the 15th anniversary of its existence. During that relative short interval experienced events that banking systems of other countries need decades to live through.

I divided my master work into three parts – Banking sector in 1987-1997, Russian banking in critical year 1998 and New period (late 1998-2006).

I also set the thesis that Russian financial crisis had a positive impact on banking in sense of its further stabilisation.

First part is dedicated to events during interval 1987-1997. At the beginning of mentioned era was made a clue reform of Soviet banking and the two-tier banking system arose for the first time in the history. Since that we could speak about historical tradition of modern banking.

In the opening part I dealt with turbulent development of banking system, which evolved in unfavourable economic conditions. I mention banking legislative, huge growth of credit organisations, its illegal operations like money laundering or capital flight and I also describe the rise of banking financial-industrial groups headed by powerful Russian oligarchs. Oligarchs like Chodorkovsky, Potanin or Vinogradov dominated not only the financial sphere, but also the whole economy because they managed to control the biggest strategical Russian companies, especially in oil industry.

The second chapter deals with situation of banking system in 1998 when this clue sector of Russian economy almost went bankrupt. I start with description of financial crisis of various types, its causes and generation models. I tried to classify the Russian financial crisis into appropriate category. After this I deal with Asian financial crisis from 1997, which strongly affected Russian banking and became one of the reason of its future troubles.

As the most important part of the second chapter is considered part dealing with Russian financial crisis. I analyze situation in the banking sector at the beginning of 1998 and describe the particular intervals of crisis. For example, I mention the clue decisions made by Russian Central Bank and government on August 17th and history of crisis till its end in September

1998. At the end of the chapter are named reasons and factors considered to be the causes of banking sector troubles.

The third and last chapter, called New period (late 1998-2006) is dedicated period after the hardest time for the Russian post-communist economy. I describe results of the financial crisis, government plans for elimination of crisis consequences or restructuring efforts within the banking sphere. I also mention approval of the important deposit insurance system, 2004 „mini-crisis“ or position of foreign banks after 1998.