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Moscow

Citibank and Financial Services Volunteers Corps (FSVC) announce the results of the 3-year Building Regional Bank Capacities program

Citibank and FSVC conducted 19 specialized training sessions on risk management in 11 Russian cities. Over three years more than 780 regional banks employees participated in training sessions and learnt how to implement best banking practices. International experts led the sessions and topics ranged from credit and operational risk management to the fundamentals of stress testing and lending for small- and medium-sized enterprises. The sessions helped bank employees further their ability to service customers and will support penetration of banking products and services in their communities.

Market turbulence over the past couple of years has had a profound effect on the banking industry and its approach to risk management and governance. In the aftermath of the crisis, the industry is anticipating new policies and regulations that will address some of the weaknesses and promote more robust risk management regimes.

Citibank and FSVC held an expert panel discussion on banking risk management in the post-crisis environment to sum up the results of the Building Regional Bank Capacities program. The panel included prominent Russian and international industry thought leaders with extensive implementation expertise, such as: Anatoly Aksakov, president of the Association of Regional Banks and a State Duma deputy; Allan Hirst, former president of ZAO Citibank and a member of the FSVC board; and Natalia Nikolaeva, ZAO Citibank Vice president. The panel also answered questions from employees at regional banks, the public and the media.

Natalia Nikolaeva, Vice president at ZAO Citibank, said: "We think that FSVC's initiative is very timely and important for the Russian banking sector that's why we provided them financial support for this program. We've all learnt a lot from the crisis. We believe that given the current conditions, it is absolutely essential that advanced risk management processes are put in place in the regions, as this will ensure the stability of the whole Russian banking system."

"The recent economic crisis has demonstrated what great importance for the banking system and economy as a whole has a competent risk management, - said the President of the Association of Regional Banks of Russia and a State Duma deputy Anatoly Aksakov. - To support the diversification and economic development, Russia should have a mature financial sector. In the regional banks should work qualified employees that well-orient in the modern techniques of risk management. This goal stood before joint programs of the Association of Regional Banks of Russia and the FSVC, held with the support of the Citi Foundation, and consulting projects of the Association and the International Finance Corporation. And I believe we have achieved major success in this area."

"In implementing risk management strategies, regional banks confront issues that are unique to banks of their size. This was particularly true during the crisis," said Tim O'Brien, FSVC regional director for Russia. "Lessons from the crisis are still being interpreted and there are many proposals out there that will have an impact on banking in Russia and other countries. This panel provided a practical dialogue on risk management and proposed regulatory changes such as Basel III."

The Financial Services Volunteer Corps (FSVC) is a not-for-profit, private-public partnership that works to build strong financial systems to enable developing and emerging market countries to realize economic opportunities and for their citizens to achieve a better quality of life. FSVC carries out its mission by recruiting leading financial, legal and regulatory experts. These volunteers provide state-of-the-art technical assistance to our in-country partners and build personal bridges across international borders. FSVC's targeted, results driven missions help develop central bank capabilities, strengthen commercial banking systems and build capital markets. For more information on FSVC please visit www.fsvc.org.

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