

The Central Bank of the Russian Federation

**PSS**

# **Payment and Settlement Systems**

## **Analysis and Statistics**

**No. 41**

The National Payment System  
in 2012

**2013**

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107016 Moscow, Neglinnaya St., 12

Prepared by the Bank of Russia National Payment System Department  
E-mail: [prs@cbr.ru](mailto:prs@cbr.ru)

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**THE NATIONAL PAYMENT SYSTEM  
IN 2012**



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## INTRODUCTION

In recent years, the Russian payment services market, which is developing in the framework of the global transition to a new model of relations between suppliers and consumers, has experienced significant changes. Such important factors determining current trends and specifics of its development include an active penetration of information and communications technologies and mobile communication means into the everyday life, higher mobility of the population leading to growing demand for retail payment services, as well as the continued globalization of financial markets.

The above-mentioned factors influence the nature of preferences and behavioral specifics of modern consumers of payment services, first of all in the retail segment. Requirements for the characteristics and quality of payment services have increased amid a wide use of mobile communication means by population, growing financial literacy of consumers and demand for payment services. Providers are expected to ensure that their customers have a remote (mobile) access to services at any time and to make funds transfers with a maximum speed through secured payment information transmission channels.

It is important for corporate customers, large holding companies, vertically integrated business entities to have a possibility of using payment services to optimize cash flows and incoming customer payments, as well as to manage their financial assets efficiently.

Within the context of the Russian financial market development and its integration with the international financial market there increases priority of clearing and payment infrastructure improvements which ensure settlements on transactions with securities and other financial assets at minimum risk for investors.

The specifics of the current development stage of international and Russian payment services markets impact government payments. The Government is a major participant of the payment services market, funds recipient and originator. The organizational and technological modernization of the government payment system, and an improvement of payment services are an important factor of optimizing budget flows and enhancing the efficiency of budget funds management.

Modern payment services market characteristics, new requirements for the quality and technological component of payment services involve a larger range of institutions that ensure payment transactions, including those specializing in technological support, as well as a spectrum of financial innovations. This promotes competition among payment services providers and spur them to meet the needs of consumers demanding high quality services. Along with that an integration of market participants is observed. Organizations join their effort to enhance the efficiency of their activities and satisfy consumer needs. In particular, banks closely cooperate with mobile operators for providing remote banking services to their customers, outsource the services of processors, etc. Such interaction contributes to a fast and sufficiently safe provision of services at all funds transfer stages.

The Russian market of payment services shares the global trend of providers' specialization in certain types of activities or in certain segments of the market which allows them to control costs more effectively and use the advantages of specialization for business expansion.

The current development of the payment sphere is covered by Russian legislation. The Federal Law No. 161-FZ of June 27, 2011, "On the National Payment System" (hereinafter referred to as the Federal Law No. 161-FZ) has started to shape a new configuration of the payment landscape which generally complies with the principles of organizing the activities of national payment system agents practiced in the world. In Russia, the national payment system is based on a banking model where credit institutions are the main providers of payment services. This does not exclude a possibility of introducing non-bank organizations into the structure of payment systems. These organizations function as payment system operators, as well as payment infrastructure service operators.

In 2012, important steps were made in designing and developing a new form of payment services, funds transfers within payment systems<sup>1</sup>. During the year, the Bank of Russia registered 19 payment systems which were operated by 12 credit institutions and 7 non-credit institutions.

Among the payment systems, two systemically important payment systems were functioning by the beginning of 2013: the Bank of Russia Payment System (hereinafter referred to as the BRPS) and the CJSC National Settlement Depository specializing in cash settlements on the securities market.

In addition to payment system operators, as of the beginning of 2013 the following organizations used to operate as national payment system entities: 958 funds transfer operators (the Bank of Russia, Vnesheconombank and credit institutions), 38 electronic money operators, payment infrastructure service operators (23 operation centers, 21 payment clearing centers, 22 settlement centers), the federal state unitary enterprise "the Russian Post" (the Russian Post), 12,000 bank payment agents and payment agents<sup>2</sup>.

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<sup>1</sup> The Federal Law No. 161-FZ defines a payment system as "the combination of organizations interacting according to payment system rules for making a funds transfer, including a payment system operator, payment infrastructure service operators and payment system participants, of which at least three organizations are funds transfers operators".

<sup>2</sup> Based on the data of the National Association of E-commerce Participants.

## National Payment System entities as of end of 2012

|  |                            |        |
|--|----------------------------|--------|
| Funds transfer operators                 | • the Bank of Russia       | 1      |
|  | • Vnesheconombank          | 1      |
|  | • credit institutions      | 956    |
| Payment system operators                 | • the Bank of Russia       | 1      |
|  | • credit institutions      | 12     |
|  | • non-credit institutions  | 7      |
| Payment infrastructure service operators | • operation centers        | 23     |
|  | • payment clearing centers | 21     |
|  | • settlement centers       | 22     |
| Electronic money operators               |                            | 38     |
| The Russian Post                         |                            | 1      |
| Bank payment agents and payment agents   |                            | 12,000 |

The emergence of organizations in the national payment system that are specializing in the provision of payment services enhances the transparency of the payment services market, allows to create a clear structure for supervision and oversight of national payment system entities and objects, enables the Bank of Russia to regulate the national payment system on the basis of common approaches.



Chapter I.

PAYMENT SYSTEMS

## I.1. PAYMENT SYSTEMS REGISTERED BY THE BANK OF RUSSIA

On July 1, 2012, the requirements of Article 15 of the Federal Law No. 161-FZ came into force, one of which is the compulsory registration of payment systems by the Bank of Russia.

*Pursuant to the Federal Law No. 161-FZ, a payment system operator is an organization determining payment system rules and performing other functions stipulated by this Federal Law.*

*A payment system operator is a credit institution or a non-credit institution established in accordance with Russian legislation, as well as the Bank of Russia or Vnesheconombank.*

During the second half of 2012, the Bank of Russia considered 20 registration applications from organizations intending to become payment system operators. As a result, 19 organizations were registered as payment system operators, 12 of which were credit institutions<sup>3</sup>. The larg-

Box 1

### Payment systems' importance criteria

The payment system's importance is one of its main characteristics. The systemic importance of a payment system shall be recognized by the Bank of Russia based on information confirming the payment system's compliance with importance criteria, including data on payment systems' activities received within mandatory reporting of payment system operators. In 2012, pursuant to the Federal Law No. 161-FZ and Bank of Russia Ordinance No. 2815-U of May 2, 2012, "On Establishing Criteria for Recognizing a Payment System to be Systemically Important" the following criteria **of systemic importance** were used:

- 1) execution of funds transfers to a total of 240 billion rubles and of individual transfers to the amount of 100 million rubles for three consecutive calendar months;
- 2) making funds transfers by the Bank of Russia for bank refinancing and conduct of operations in the open market;
- 3) execution of funds transfers on transactions made on on-floor trades.

The following criteria **of social importance** were used:

- 1) execution of funds transfers to a total of no less than 12 billion rubles<sup>1</sup> for three consecutive calendar months with more than half of such transfers exceeding the amount of 100,000 rubles;
- 2) execution of no less than 100 million funds transfers using payment cards during the calendar year;
- 3) execution of no less than 2 million funds transfers without opening a bank account during the calendar year;
- 4) execution of no less than 2 million funds transfers by individuals using their bank accounts during the calendar year (excluding funds transfers involving payment cards).

<sup>1</sup> The Bank of Russia Ordinance No. 3009-U of June 7, 2013, raised the total value of transfers made within the payment system during three months to 100 billion rubles.

est payment systems, the operators of which have been registered by the Bank of Russia, are VISA, MasterCard and the National Settlement Depository payment systems.

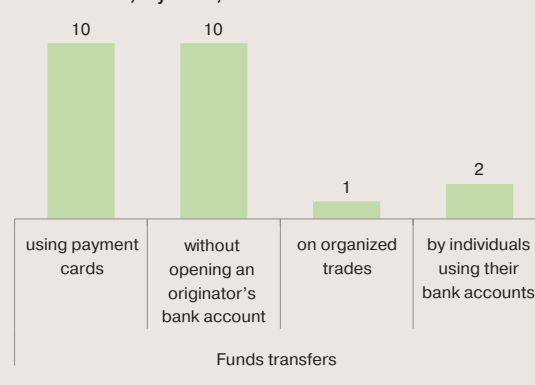
Funds transfer services provided within registered payment systems can be divided into four areas: funds transfers without opening a bank account; funds transfers us-

<sup>3</sup> A register of payment system operators can be found on the Bank of Russia site in the Section "The Russian Payment System".

ing payment cards; funds transfers on transactions made on on-floor trades, funds transfers by individuals using their bank accounts.

The vast majority of payment systems are involved only in one of these areas. So, eight payment systems specialized only on funds transfers without opening a bank account, eight others – only on funds transfers using payment cards. Only two payment systems out of 19 registered in 2012 made funds transfers in several areas. In addition to the above-mentioned areas, “CONTACT” payment system also made funds transfers to individuals using their bank accounts. “Golden Crown” payment system offered services to its customers in two areas: funds transfers involving payment cards and funds transfers by individuals using their bank accounts.

**Chart I.1.1.** The number of payment systems as of end of 2012, by area, units<sup>4</sup>



**Table I.1.1.** Priority activities of payment systems registered in 2012

| No. | Name of payment system                                | Funds transfers     |                                |                                       |                    |
|-----|---|---------------------|--------------------------------|---------------------------------------|--------------------|
|     |   | using payment cards | without opening a bank account | by individuals on their bank accounts | on on-floor trades |
| 1   | CONTACT payment system                                | ✓                   | ✓                              | ✓                                     |                    |
| 2   | UNISTREAM international funds transfer system         |                     | ✓                              |                                       |                    |
| 3   | NATIONAL CREDIT CARDS (NCC) Payment System            | ✓                   |                                |                                       |                    |
| 4   | Western Union payment system                          |                     | ✓                              | ✓                                     |                    |
| 5   | UNION CARD Payment System                             | ✓                   |                                |                                       |                    |
| 6   | ANELIK «Payment System»                               |                     | ✓                              |                                       |                    |
| 7   | Unified Settlement System                             | ✓                   |                                |                                       |                    |
| 8   | Payment system «Regional Payment System»              |                     | ✓                              |                                       |                    |
| 9   | HandyBank payment system                              | ✓                   |                                |                                       |                    |
| 10  | BLIZKO Payment System                                 |                     | ✓                              |                                       |                    |
| 11  | Visa Payment System                                   | ✓                   |                                |                                       |                    |
| 12  | Payment System «Golden Crown»                         | ✓                   | ✓                              |                                       |                    |
| 13  | PrivatMoney payment system                            |                     | ✓                              |                                       |                    |
| 14  | National Settlement Depository Payment System         |                     |                                |                                       | ✓                  |
| 15  | Migom international funds transfer system             |                     | ✓                              |                                       |                    |
| 16  | Customs Card Payment System                           | ✓                   |                                |                                       |                    |
| 17  | Payment System «International Money Transfers Leader» |                     | ✓                              |                                       |                    |
| 18  | MasterCard Payment System                             | ✓                   |                                |                                       |                    |
| 19  | Universal Electronic Card Payment System              | ✓                   |                                |                                       |                    |

For obtaining information on payment systems activities (quantitative indicators), as well as for identifying systemically and (or) socially important payment systems, the Bank of Russia has developed a reporting form<sup>5</sup> through which an operator of the payment system registered by the Bank of Russia shall quarterly submit information on its activities to the Bank of Russia starting with the reporting quarter following the quarter in which the operator received a registration certificate from the Bank of Russia.

<sup>4</sup> A payment system may be involved in several areas.

<sup>5</sup> Bank of Russia Ordinance No. 2824-U of May 31, 2012, “On Payment System Reporting by Payment System Operators”.

Cross-border remittances were executed by 10 payment systems: CONTACT payment system, UNISTREAM international funds transfers system, Western Union payment system, ANELIK payment system, Regional Payment System, BLIZKO payment system, PrivatMoney payment system, Migom international funds transfer system, LEADER International Funds Transfers and Golden Crown payment system.

#### **Payment infrastructure service operators**

As of end of 2012, 19 registered payment systems had 33 organizations acting as payment infrastructure service operators (18 credit institutions and 15 non-credit institutions, of which 4 were foreign). 17 of them served as settlement centers, 20 – as payment clearing centers, 22 – as the operation centers of payment systems.

Box 2

### **The National Settlement Depository**

The Russian financial market largest infrastructure that makes funds transfers on on-floor trades is the National Settlement Depository payment system (PS NSD), which under points 2 and 3 of part 1 of Article 22 of the Federal Law No. 161-FZ is recognized by the Bank of Russia as systemically important as (“2) it makes funds transfers by the Bank of Russia for bank refinancing and effecting of operations in the open market, and 3) executes funds transfers on transactions made on on-floor trades”). The PS NSD is part of the post-trade infrastructure of OJSC MICEX-RTS Moscow Exchange<sup>1</sup> (hereinafter referred to as the Moscow Exchange).

The NSD makes the following types of funds transfers on participants' accounts:

- on transactions of PS NSD participants executed on Moscow Exchange organized trades;
- on transactions of PS NSD participants struck in the OTC market;
- on Bank of Russia open market operations and refinancing of credit institutions.

The NSD settlement center executes other funds transfers on PS NSD participant accounts.

Only direct participation is provided for in the NSD. It is expected that all NSD customers who under the national payment system legislation may become participants in the payment system will become PS NSD participants. The PS NSD participants have the following basic types of accounts:

- trading bank accounts;
- clearing bank accounts;
- correspondent accounts of NSD participating credit institutions;
- settlement accounts of NSD customers that are non-credit institutions.

The NSD as the NSD payment system operator combines its activities with the activities of a funds transfer operator and of all payment infrastructure service operators.

NSD operating hours shall be from 8:30 to 20:30 of each working day. The acceptance and execution of the instructions of PS NSD participants goes on throughout the business day in the real time mode on gross basis within the balances of participants' accounts. Crediting of PS NSD participants is not provided, in case of insufficient funds instructions are placed into the intraday queue.

The PS NSD is a participant of the BRPS. The Bank of Russia is also a PS NSD participant. Such mutual participation allows the transfer of funds between the accounts of PS NSD participants and the BRPS, including transfers for making settlements on the Bank of Russia operations.

An important distinctive feature of the PS NSD are funds transfers on trading bank accounts, which requires a record of a clearing organization's powers for disposal of funds in trading bank accounts that are participants' accounts. To this end, the PS NSD operator has signed a cooperation agreement with the clearing organization servicing trades at the Moscow Exchange, CJSC JSB National Clearing Centre.

Recognition of a payment system as systemically important imposes some additional requirements for its operation, including settlements, as well as risk monitoring and management. Oversight of the PS NSD is one of the Bank of Russia priorities in the oversight of the national payment system. In 2014, the Bank of Russia is to evaluate the PS NSD compliance with Principles for Financial Market Infrastructures elab-

orated by the Committee on Payment and Settlement Systems of the Bank for International Settlements and the International Organization of Securities Commissions.

<sup>1</sup> OJSC MICEX-RTS Moscow Exchange was established in 2011 through the merger of the two largest Russian exchange groups – Moscow Interbank Currency Exchange Group and Russian Trading System Group. During 2012, a new version of the OJSC statute was registered. Under this statute the official abbreviated of the organization is the Moscow Exchange.

### Settlement centers of payment systems

As of end of 2012, 17 credit institutions operated as the settlement centers of the payment systems registered by the Bank of Russia in the second half of 2012.

According to the Federal Law No. 161-FZ, a *settlement center* is an organization established under Russian legislation within the payment system for the execution of the instructions of payment system participants by debiting and crediting their bank accounts, as well as for sending confirmations of the execution of payment system participants' instructions.

A credit institution, the Bank of Russia and Vnesh-econombank may serve as a settlement center.

**Table I.1.2.** Payment systems' infrastructure organizations as of end of 2012

| №  | Name of organization               | Type of organization | Russian/foreign | Payment system operator                       | Payment infrastructure service operators          |  |                  |
|----|------------------------------------|----------------------|-----------------|---|---|--|------------------|
|    |                                    |                      |                 |   | settlement center                                 | payment clearing center                    | operation center |
| 1  | JSCB RUSSLAV-BANK (CJSC)           | CI                   | R               | CONTACT payment system                        |   |  |                  |
| 2  | OJSC VTB Bank                      | CI                   | R               |   | Western Union payment system, Visa payment system |  |                  |
| 3  | OJSC CB UNISTREAM                  | CI                   | R               | UNISTREAM international funds transfer system |   |  |                  |
| 4  | CJSC NKK                           | NCI                  | R               | NCC (NATIONAL CREDIT CARDS) payment system    |   | NCC (NATIONAL CREDIT CARDS) payment system |                  |
| 5  | OJSC JSCB EVROFINANS MOSNARBANK    | CI                   | R               |   | NCC payment system, UNION CARD payment system     |  |                  |
| 6  | LLC NCI WESTERN UNION DP VOSTOK    | CI                   | R               | Western Union payment system                  |   | Western Union payment system               |                  |
| 7  | NCI USS                            | CI                   | R               |   | Western Union payment system                      |  |                  |
|    |                                    |                      |                 | Unified Settlement System                     |   |  |                  |
| 8  | CJSC Union Card Processing Company | NCI                  | R               | UNION CARD payment system                     |   | UNION CARD payment system                  |                  |
| 9  | LLC CB Anelik RU                   | CI                   | R               | ANELIK payment system                         |   |  |                  |
| 10 | CJSC UCS                           | NCI                  | R               |   |   | Unified Settlement System                  |                  |
| 11 | LLC SwitchMaster.RU                | NCI                  | R               |   |   | Unified Settlement System                  |                  |

| №  | Name of organization   | Type of organization | Russian/foreign | Payment system operator                       | Payment infrastructure service operators                            |  |                         |
|----|--|----------------------|-----------------|---|---|--|-------------------------|
|    |  |                      |                 |   | settlement center   | payment clearing center                  | operation center        |
| 12 | CB Tula Settlement Center (OJSC)                                 | CI                   | R               | Regional Payment System                       |   |  |                         |
| 13 | LLC Municipal Settlement Center                                  | NCI                  | R               |   |   |  | Regional Payment System |
| 14 | CJSC HandySolutions  | NCI                  | R               | HandyBank payment system                      |   | HandyBank payment system                 |                         |
| 15 | Bank New Symbol (CJSC)   | CI                   | R               |   | HandyBank payment system  |  |                         |
| 16 | OJSC JSCB Svyaz-Bank   | CI                   | R               | BLIZKO payment system                         |   |  |                         |
| 17 | COINSTAR EURASIA Limited (Joint Stock Limited Liability Company) | NCI                  | F               |   |   |  | BLIZKO payment system   |
| 18 | LLC Financial Service Bureau                                     | NCI                  | F               |   |   |  | BLIZKO payment system   |
| 19 | LLC VISA Payment system  | NCI                  | R               | Visa payment system                           |   | Visa payment system                      |                         |
| 20 | Visa International Service Association                           | NCI                  | F               |   |   |  | Visa payment system     |
| 21 | Settlement NCI Payment Center (LLC)                              | CI                   | R               | Golden Crown payment system                   |   |  |                         |
| 22 | CJSC Golden Crown  | NCI                  | R               |   |   | Golden Crown payment system              |                         |
| 23 | CJSC Moscow Commercial Bank MOSCOMPRIVAT-BANK                    | CI                   | R               | PrivatMoney payment system                    |   |  |                         |
| 24 | NCI CJSC NSD   | CI                   | R               | National Settlement Depository payment system |   |  |                         |
| 25 | NCI CJSC Migom   | CI                   | R               | Migom international funds transfer system     |   |  |                         |
| 26 | CB EUROTRUST (LLC)   | CI                   | R               |   | Migom international funds transfer system                           |  |                         |
| 27 | LLC Customs Card   | NCI                  | R               | Customs Card payment system                   |   | Customs Card payment system              |                         |
| 28 | LLC MKS  | CI                   | R               |   | Customs Card payment system   |  |                         |
| 29 | NCI CJSC LEADER  | CI                   | R               | LEADER international funds transfer system    |   |  |                         |
| 30 | LLC MasterCard   | NCI                  | R               | MasterCard payment system                     |   |  |                         |
| 31 | OJSC Sberbank of Russia  | CI                   | R               |   | MasterCard payment system, Universal Electronic Card payment system |  |                         |
| 32 | MasterCard Europe  | NCI                  | F               |   |   | MasterCard payment system                |                         |
| 33 | OJSC Universal Electronic Card                                   | NCI                  | R               | Universal Electronic Card payment system      |   | Universal Electronic Card payment system |                         |

Note. CI – credit institution; NCI – non-credit institution; R – Russian organization; F – foreign organization.

In most cases, credit institutions acting as settlement centers were the settlement centers of one payment system. Only four credit institutions functioned as settlement centers for two payment systems:

- OJSC VTB Bank is the settlement center of the Western Union payment system and the Visa payment system;
- OJSC JSCB EVROFINANCE MOSNARBANK is the settlement center of NCC payment system and UNION CARD payment system;
- NPI USS (OJSC) is the settlement center of Western Union payment system and Unified Settlement System;
- OJSC Sberbank of Russia is the settlement center of MasterCard payment system and Universal Electronic Card payment system.

### ***Payment clearing centers of payment systems***

As of end of 2012, twenty payment clearing centers functioned in Russia: 10 credit institutions and 10 non-credit institutions (of which one was foreign<sup>6</sup>).

**According to the Federal Law No. 161-FZ, a payment clearing center is an organization established under Russian legislation to accept for execution payment system participants' instructions on funds transfers and other operations stipulated by this Federal Law. A credit institution, a non-credit institution, the Bank of Russia or Vnesheconombank may serve as a payment clearing center.**

In all but one payment systems, payment clearing services were rendered by only one payment clearing center. The only exception was the Unified Settlement System, which has two payment clearing centers that are non-credit institutions, CJSC Unified Cards System and LLC SwitchMaster.RU.

### ***Operation centers of payment systems***

As of end of 2012, twenty two operation centers worked in Russia: 9 credit institutions, 13 non-credit institutions (of which 3 were foreign).

**Under the Federal Law No. 161-FZ, an operation center is an organization that provides its participants and their customers with funds transfer services, including those involving electronic means of payment, as well as the exchange of electronic messages. A credit institution, a non-credit institution, the Bank of Russia or Vnesheconombank may serve as an operation center.**

In two payment systems, operation services were rendered by several operation centers: in the Unified

---

<sup>6</sup> Pursuant to part 11 of Article 16 and part 7 of Article 38 of the Federal Law No. 161-FZ, a foreign organization may serve as a payment clearing center until July 1, 2014.

Settlement System – by two non-credit institutions (CJSC Unified Cards System and LLC SwitchMaster.RU), in the BLIZKO payment system – by three (COINSTAR EURASIA Limited, Financial Service Bureau and OJSC JSCB Sviaz-Bank). Only one operation center functioned in all other payment systems.

### ***Functional schemes of payment systems' organization***

Among payment systems registered by the Bank of Russia as of end of 2012, there prevailed payment systems, in which operator's functions, and, in some cases, the functions of payment infrastructure service operators were performed by a credit institution. This is due to the fact that funds transfers are traditionally made by credit institutions, and they tend to expand their functions without establishing (separating) legal persons responsible for these or those payment infrastructure services. However, at present, a trend among credit institutions is taking shape to qualify retail payment services (money transfers without opening a bank account, including those using electronic means of payment) as a separate line of business. At the same time, a division of responsibilities between different legal entities performing the functions of an operator, payment clearing center, operation center, settlement center of a payment system can be regarded as positive in terms of minimizing payment system risks. This separation is achieved by diversifying entities (there can be several payment clearing centers, operation centers and settlement centers in a payment system) and by using additional (backup) payment infrastructure service operators, which in case of major problems occurred in the activities of the main payment infrastructure service operators can promptly resume funds transfers within the payment system.

Payment systems registered by the Bank of Russia are characterized by the fact that the operator of such system shares the functions of settlement, payment clearing, operation centers and that one organization performs functions of a payment clearing center and operation center.

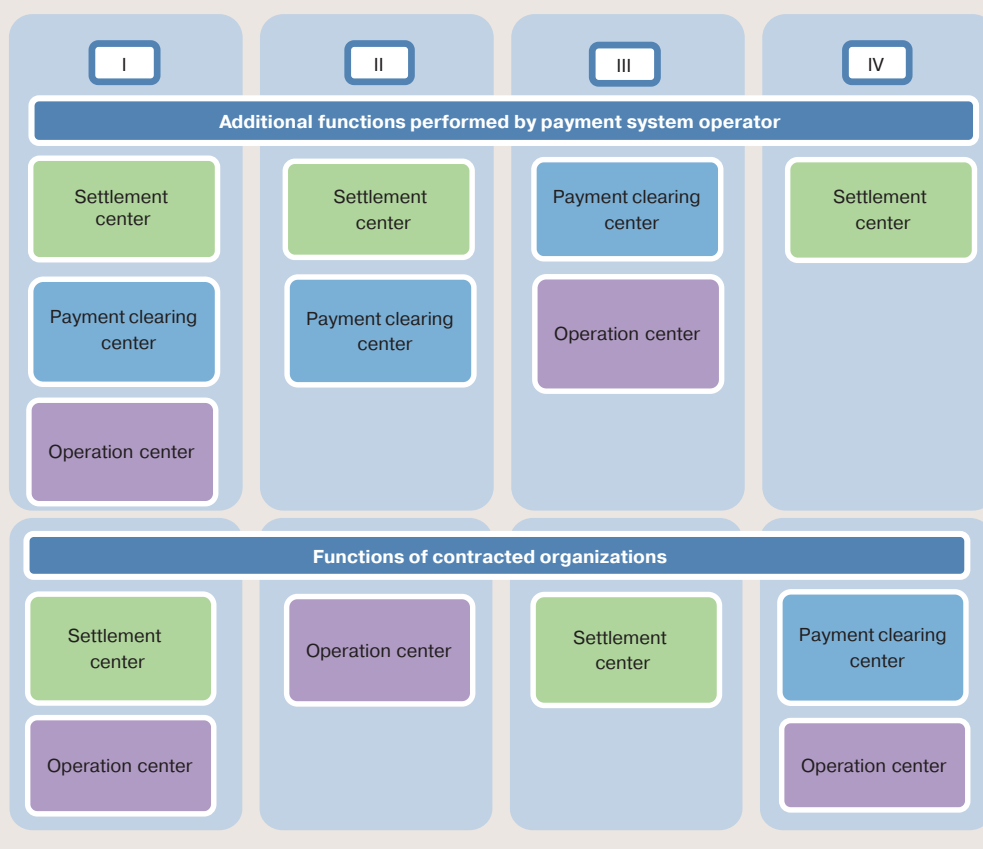
Sharing by the payment system operator of the functions of payment infrastructure services operator characterizes 18 registered payment systems. An exception is the MasterCard payment system, in which the functions of the payment clearing and operational centers are outsourced by a foreign organization, while that of the payment system's settlement center by a credit institution.

As of end of 2012, the number of payment systems in which one organization simultaneously functioned as a payment clearing center and an operation center of the payment system amounted to nine.

On the basis of the above, the following functional schemes of the organization of the payment systems registered by the Bank of Russia may be identified as of end of 2012: payment systems operated by credit institutions (Scheme I), and payment systems operated by non-credit institutions (Scheme II).



**Chart I.1.2.** Payment systems operated by credit institutions (Scheme I)



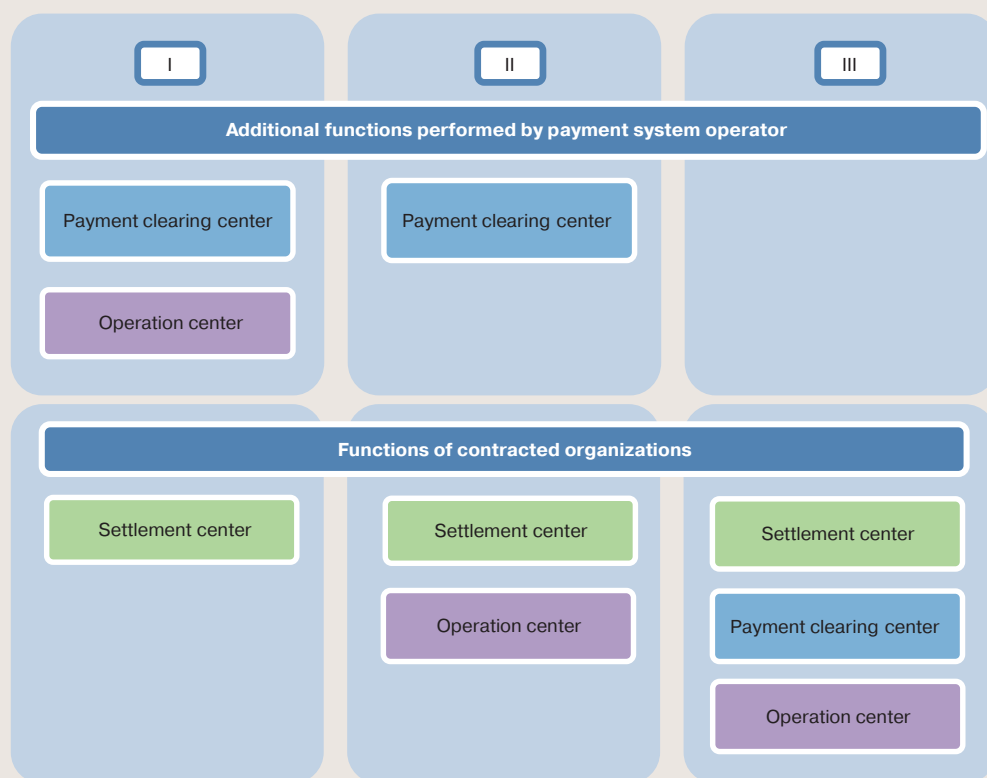
According to Scheme I (Chart I.1.2), the payment system operator that is a credit institution can simultaneously perform the functions of an operator of payment infrastructure services of the payment system (a settlement center, payment clearing center and operation center). Other credit institutions may also be contracted as a settlement center and non-credit institutions may serve as a payment clearing center and an operation center. In particular, Scheme I underlies:

I. Payment systems the operator of which is a credit institution that serves simultaneously as a settlement center, a payment clearing center and an operation center. Among such systems there are:

- 1) CONTACT payment system;
- 2) UNISTREAM international funds transfer system;
- 3) ANELIK payment system;
- 4) PrivatMoney payment system;
- 5) the National Settlement Depository;
- 6) LEADER international funds transfer system;
- 7) Migom international funds transfer system (a third-party credit institution is used as the second settlement center);
- 8) BLIZKO payment system (two foreign organizations are contracted as operation centers).

II. Payment systems the operator of which is a credit institution that serves simultaneously as a settlement center and a payment clearing center of the payment system. The operation center of the payment system is a contracted non-credit institution. One of these systems is the Regional Payment System.

**Chart I.1.3.** Payment systems operated by non-credit institutions (Scheme II)



III. Payment systems the operator of which is a credit institution that serves simultaneously as a payment clearing center and an operation center of the payment system. The functions of the settlement center are performed by contracted credit institutions. Western Union payment system is among these systems.

IV. Payment systems the operator of which is a credit institution that serves as a settlement center of the payment system. The functions of the payment clearing center and the operation center of the payment system are performed by contracted non-credit institutions. Among such systems there are:

- 1) Unified Settlement System (two operation centers and two payment clearing centers are involved);
- 2) Golden Crown payment system (one payment clearing center and one operation center are involved).

According to Scheme II (Chart I.1.3), the functions of a payment clearing center and an operation center of the payment system can be performed either by the operator of the payment system that is a non-credit institution or contracted non-credit institutions. Contracted credit institutions serve as a settlement center of the payment system. In particular, Scheme II underlies:

I. Payment systems the operator of which is a non-credit institution that serves simultaneously as a payment clearing center and an operation center of the payment system. Settlement center functions are performed by a contracted settlement organization. Among such systems there are:

- 1) NCC payment system (NATIONAL CREDIT CARDS);

- 2) HandyBank Payment System;
- 3) Union Card payment system (UNION CARD);
- 4) Customs Card payment system;
- 5) Universal Electronic Card payment system.

II. Payment systems the operator of which is a non-credit institution that serves as a payment clearing center. Functions of the operation center of the payment system are performed by a contracted foreign organization, functions of a settlement center – by a contracted credit institution. Visa payment system is one of such systems.

III. Payment systems in which the function of the payment clearing center and operation center is performed by a contracted foreign organization. Settlement center functions are performed by a contracted credit institution. One of such systems is MasterCard payment system.

## **I.2. THE BANK OF RUSSIA PAYMENT SYSTEM**

In 2012, the BRPS developed in compliance with the BRPS Development Concept until 2015 (hereinafter referred to as the Concept). It specifies the formation of a single, universal payment system centralized on the federal level that is aimed at effecting urgent and non-urgent payments, and complies with all modern requirements, as well as provides for the further development of the functional capabilities of the BRPS and the extension of the range of its services.

Recent years saw the BRPS development in widening the spectrum of liquidity management services, interacting with organized markets, the possibility of account management and further development of the electronic data processing.

### **I.2.1. Functionality and services provided by the Bank of Russia**

The BRPS is a complex organizational and technological system that performs a number of functions aimed at achieving main legislative objectives, and provides a wide range of services to credit institutions and public authorities. The BRPS is characterized by the lowest risk in the national payment system and is a major stabilizing element of the national payment infrastructure.

To extend the functionality and further develop services, in 2012, the Bank of Russia improved the BRPS legal framework, its institutional and technical infrastructure, methods and techniques of managing participation, improving regulations and settlements with the use of modern information technologies.

The Bank of Russia issued the Regulation No. 384-P of June 29, 2012, "On the Bank of Russia Payment System" (hereinafter referred to as the Regulation No. 384-P) to define BRPS rules under the Federal Law No. 161-FZ and general funds transfer rules specified by the Bank of Russia Regulation No. 383-P of June 19, 2012, "On Funds Transfer Rules" for ensuring BRPS operation.

The Regulation defines, inter alia, the criteria for participation, suspension and termination of participation in the BRPS, applied forms of non-cash settlements and procedures for funds transfer within the BRPS, the pro-

cedure for payment clearing and settlement, as well as BRPS working hours.

The Regulation No. 384-P provides the basis for the regulatory framework in line with the Concept:

1) for the federal component:

- it defines standard operational rules for non-urgent transfers in the receipt mode and discrete mode;
- it sets general rules of the BRPS;

2) for a single multi-service settlement system:

- it introduces the concepts of “urgent transfer service” and “non-urgent transfer service”;
- it specifies the criteria for the BRPS participation.

Adoption of the Regulation No. 384-P removes the last obstacles to electronic data processing throughout the country when executing all types of settlements in the BRPS. Electronic data processing has been implemented and dominates all BRPS stages of acceptance for execution and execution of instructions. A reliable institutional framework for the national single payment area has been created to ensure an equal access to the BRPS.

Bank of Russia customers that are participants of electronic message exchange, including recipients and recipient banks gained a possibility of sending to the Bank of Russia any instructions electronically, including collection orders, payment claims, payment orders for execution in all Bank of Russia settlement systems. All electronic actions of obtaining payment claims’ authorization are regulated.

These possibilities regarding the electronic application of collection orders may be used by financial market infrastructures to finalize settlements with funds held in accounts with the Bank of Russia, using “delivery versus payment” and “payment versus payment” mechanisms. The Bank of Russia may use them in monetary policy operations.

The Bank of Russia continued to develop its interaction with federal executive authorities of the Russian Federation with regard to electronic data processing.

The regulator specified a procedure by which a bank informs electronically a tax authority on granting or canceling the right of an organization, individual entrepreneur, a notary in private practice and an attorney who has established a law office, as well as an investment partnership to use corporate electronic means of payment for electronic funds transfers, on changes in payment details of a corporate electronic means of payment<sup>7</sup>.

To implement the requirements of the Federal Law No. 212-FZ of July 24, 2009, “On Insurance Contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, Federal Compulsory Medical Insurance Fund and Regional Medical Insurance Funds” it is planned to allow collectors having under Russian legislation the right to make instructions to originator bank accounts that are the Bank of Russia customers, send electronic collection orders to originator banks

<sup>7</sup> See the Bank of Russia Regulation No. 377-P of April 28, 2012, “On the Procedure for Electronic Informing by a Bank a Tax Authority on Granting or Terminating the Right to Use Corporate Electronic Means of Payment for Electronic Funds Transfers, on Changes in Details of a Corporate Electronic Means of Payment”.

via the Bank of Russia (including collection orders of bodies controlling the payment of insurance contributions).

Pursuant to point 7 of Article 155 of the Federal Law No. 311-FZ, dated November 27, 2010, "On Customs Regulation in the Russian Federation", the Bank of Russia also established a procedure for electronic sending by a customs authority to a bank of a decision on suspension of operations on the accounts (account) of the payer of customs duties and taxes (organizations or individual entrepreneurs) with a bank and a decision on canceling the suspension of operations on the accounts (account) of the payer of customs duties and taxes (organizations or individuals) with a bank<sup>8</sup>.

Forwarding by banks of information on opening or closing an account, on changing of details of the account opened under a bank account agreement, is made at the Bank of Russia by way of routing messages sent to tax authorities, the Pension Fund of the Russian Federation and Social Insurance Fund of the Russian Federation. This eliminates a repeated receipt from banks of information on customer accounts with banks that has been compiled earlier and already recognized to be correct.

The BRPS provides a high level of security and operational reliability. The Bank of Russia standard "Information Security at Banking Institutions in the Russian Federation. General Provisions" is in effect.

Under the Information Security Doctrine of the Russian Federation No. Pr-1895 approved by the President of the Russian Federation on September 9, 2000, one of the main components of the national interests in the field of information is to protect information resources from unauthorized access, ensure the security of information and telecommunications systems, including the information systems of financial and banking spheres, both already deployed and being established in the Russian Federation. The purpose of the BRPS security policy is to ensure its reliable and continuous operation.

The BRPS security policy is ensured by harmonized application of methodological, technological, organizational, technical and program security measures and facilities at all stages of preparation, processing and storage of information. Each automated system in the BRPS has its information security subsystem which is a complex of hardware and software with their service regulations that implement the requirements of applicable laws and the Bank of Russia regulations.

To improve the reliability and safety of the BRPS, special attention was given to further optimization of technical and technological architecture in 2012.

It was continued to develop and improve the BRPS banking settlement technologies, draft the Bank of Russia regulations on the operation of the BRPS, its maintenance, improvement of regulatory and reference information, setting rules of settlement transactions between subdivisions of the settlement network, coordination of activities be-

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<sup>8</sup> See the Bank of Russia Regulation No. 390-P of November 30, 2012, "On the Procedure for Sending by a Customs Authority to a Bank its Decision in Electronic Form".

tween payment and settlement system units of the Bank of Russia regional branches.

Ongoing efforts to develop the BRPS are aimed at ensuring continuous provision of payment services, their availability to payment system participants, which is largely achieved by maintaining the operability of the software and hardware platform on an adequate level. The Bank of Russia is increasing the reliability of the BRPS software, computer and telecommunications systems and developing technical infrastructure. In particular, the Bank of Russia determines the conceptual framework for the development of information and telecommunications systems (ITS) which serves the BRPS as well, draws up annual informatization and security plans providing for the replacement of worn-out components of ITS, as well as develops ITS to improve the BRPS functionality and structure.

In 2012, to centralize the BRPS technical infrastructure, efforts were made to process payment information in the system of collective information processing for all the Bank of Russia regional branches, including the North Caucasus regions. Measures were taken to unify the used software and hardware systems, as well as to ensure their backup. Thus, the process of centralizing the technical infrastructure of the payment system and unifying software systems completed.

To ensure the use by the BRPS of a single standard software package for processing of accounting and operational information (RABIS-NP), work was completed on transferring the processing of accounting and operational information of the Bank of Russia regional branches from the KTsOI<sup>9</sup>-2 (St. Petersburg) to the KTsOI-MR (Moscow) and KTsOI-1 (Nizhny Novgorod). As of end of 2012, KTsOI-MR processed the payment information of the Moscow Region and 32 Bank of Russia regional branches, while KTsOI-1 – 47 the Bank of Russia regional branches.

The Bank of Russia Order No. R-910 of December 27, 2012, "On Introducing the Analytical Subsystem of the Automated System of Electronic Banking Urgent Payments Modified within the First Stage of its Development" ensured launching of the analytical subsystem of the automated system of Banking Electronic Speedy Payments (BESP) modified within the first stage of its development.

To ensure the sustainability of operation of applied transport systems, the Bank of Russia upgraded the components of its transport system of electronic settlements (TSES) in 19 regional branches.

To improve the electronic interaction of its branches with customers, the Bank of Russia modernized the unified transport environment of electronic relationship with customers in its 19 regional branches. A monitoring subsystem was put in place, which allowed the automation of procedures for monitoring the status of the electronic relationship with customers.

Further work was carried out on developing security measures and facilities to ensure the BRPS IT security. To automate information security processes in the collective

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<sup>9</sup> KTsOI is the collective data processing center.

data processing centers (thus to enhance control of security divisions over the activity of IT service employees), the KTsOI information security systems were upgraded.

In accordance with the Federal Law No. 161-FZ, a payment system operator defines its methods of payment system risk management, taking into account the specifics of its organization, risk management model, payment clearing and settlement procedures, the volume and value of funds transfers, and time of final settlement. The Bank of Russia as the operator of a payment system has chosen the model of independent risk management.

To organize and coordinate the processes of risk management assessment in the BRPS under the Federal Law No. 161-FZ, the Bank of Russia has established a collective body for risk management in the payment system – the BRPS Risk Management Committee. Its functions and competences include the determination of the BRPS risk management organizational structure ensuring control over compliance by the BRPS participants with risk management requirements established by payment system rules, working out the procedure for ensuring the BRPS smooth functioning according to the Bank of Russia regulations; approval of the methodology of the BRPS risk analysis, including risk profiles, in compliance with the requirements of the Bank of Russia regulations and other issues.

The Bank of Russia is taking certain steps towards using the ruble as a means of payment in international financial markets and maintaining ruble stability. At the end of 2011, the Bank of Russia entered into an agreement with the CLS Bank, which serves most of global OTC foreign exchange transactions. The purpose of the agreement is the inclusion of ruble into the list of settlement currencies that are used in the CLS system. Execution of transactions in the FX market via the CLS Bank allows the parties to eliminate the risk of loss of the principal amount and to significantly mitigate other risks.

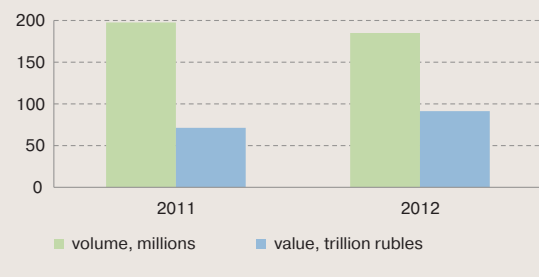
In 2012, the Bank of Russia implemented two of the four stages for ruble to become CLS eligible: the first – training, the second – analyzing the BRPS for compliance with the CLS Bank criteria, its evaluation in terms of speed, reliability and functionality. To implement the second stage, the Bank of Russia and the CLS Bank established a joint committee and a joint working group on liquidity management, operations and IT. As a result, it was proposed to extend the working schedule of BESS by two hours.

Another important step was a proposal for making an interbank transfer in the BRPS which would be consistent with international standards and CLS requirements.

### **1.2.2. Interaction with the Federal Treasury and other federal executive bodies**

Payments made by the Federal Treasury for cash servicing of budgets in the Russian budget system are of national importance, their value increases every year, accounting for a significant share of payments effected through the BRPS. The Federal Treasury and all its regional branches participate in the exchange of electronic messages with the Bank of Russia.

**Chart I.2.1. Volume and value of transfers across Federal Treasury accounts**



In 2012, 33,840 accounts were opened with the Bank of Russia for the Federal Treasury and its bodies (in 2011, 33,547).

During the year, the Federal Treasury and its bodies executed 185.0 million transfers, or 14.7% of the total volume of funds transfers made through the BRPS (in 2011, 197.6 million transfers, or 16.6%), amounting to 91.2 trillion rubles, or 7.9% of the total value of transfers made through the BRPS (in 2011, 71.3 trillion rubles, or 7.8%, respectively).

The Federal Treasury provides cash servicing of the federal budget, regional and local budgets, and regional state extra-budgetary funds.

Since the beginning of 2014, the Federal Treasury will start to service the budgets of government extra-budgetary funds: the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation and the Federal Compulsory Medical Insurance Fund.

In interacting with federal executive authorities and funds transfer operators, the Bank of Russia takes measures aimed at increasing the efficiency, transparency and convenience of government payments.

Cooperation of the Federal Treasury with the Bank of Russia on the organization and execution of funds transfers via the BRPS develops in the following directions.

1. Improving the methodology and organization of servicing of Federal Treasury budget accounts opened with the Bank of Russia, also within the framework of reforming the system of budgetary payments. The Bank of Russia worked jointly with the Federal Treasury on drafting the concept of reforming the system of budgetary payments for the period until 2017 within the Program of the Russian Government to enhance the efficiency of budget expenditure for the period until 2012.

In 2012, in collaboration with the Federal Treasury, the Bank of Russia prepared recommended forms of bank account agreements made with the bodies that open and keep corporate customer accounts.

2. Promotion of innovations and electronic means of payment in effecting payments by the Federal Treasury and its regional branches.

In accordance with its Ordinance No. 2390-U of January 29, 2010, "On the Procedure for Transferring Unused Federal Budget Balances", the Bank of Russia renders to Federal Treasury regional branches services of the program transfer of unused balances of Federal Treasury divisions' accounts. Due to changes in its organizational structure, the Federal Treasury amended its list of bodies involved in the program transfer of unused balances<sup>10</sup>.

To reduce costs, enhance transparency and accelerate the delivery of funds to recipients a consistent methodological work has been carried out in recent years to expand the use of electronic means of payment, introduce modern payment technologies and tools, specifi-

<sup>10</sup> See the Bank of Russia Ordinance No. 2812-U of April 28, 2012, "On Amending the Bank of Russia Ordinance No. 2390-U of January 29, 2010, on the Procedure for Transferring Unused Federal Budget Balances".



cally, the use of payment cards in settlements made by Federal Treasury bodies.

Almost all intra- and interregional payments effected by Federal Treasury bodies are made through communications channels and on magnetic carriers.

Almost half of the payments effected by the Federal Treasury and its regional branches via the BRPS were made through the real-time gross settlement system (the BESP system).

Federal Treasury bodies make payments via the BESP system on a regular basis starting with December 1, 2009. Every year, the volume and value of such payments rise. In 2009, only 2,500 transactions worth 1.5 trillion rubles were carried out while in 2012 – 51,000 transactions worth 28 trillion rubles. In 2009–2012, 136,000 transactions worth 72 trillion rubles were executed in total.

Introduction of the procedure for transferring federal budget balances unused at the end of the operation day from the accounts of Federal Treasury regional branches, which are the BESP participants, to the Federal Treasury federal budget account has significantly increased the concentration of funds in a single federal budget account and reduced the average daily unused balance of the accounts of Federal Treasury regional branches, as well as provided a basis for developing a mechanism for effective management of federal budget funds.

Currently, the Federal Treasury manages unused federal budget balances for earning additional income by depositing them with credit institutions.

### 1.2.3. Quantitative and qualitative characteristics of the BRPS operation

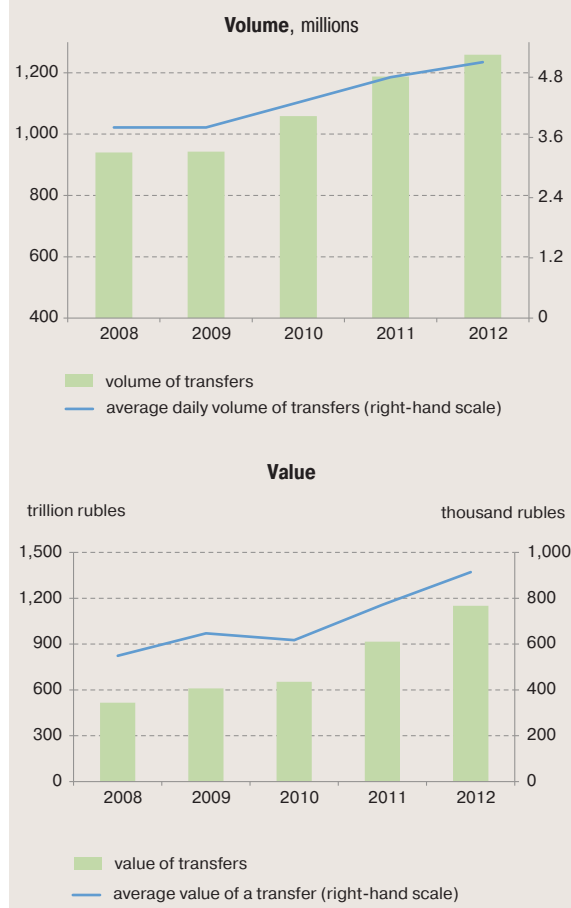
1,259.0 million funds transfers amounting to 1,150.5 trillion rubles were executed through the BRPS in 2012, which is an increase of 6.0% in volume and 25.6% in value compared to 2011. The ratio of the value of funds transfers made through the BRPS to GDP in 2012 was 18.5% as against 16.8% in 2011. The average daily volume of funds transfers made through the BRPS increased to 5.1 million in 2012 (in 2011, 4.8 million).

Dynamics of the volume and value of funds transfers executed through the BRPS demonstrate a long-term upward trend in payment operations and the use of the Bank of Russia services to meet the transactional demand, especially of credit institutions.

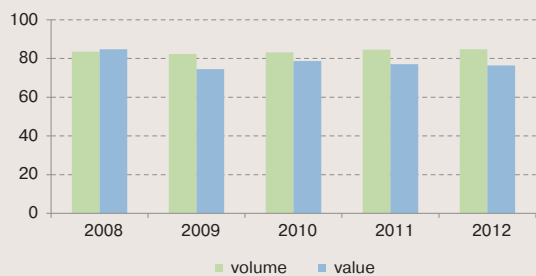
The number of customer credit institutions (branches) serviced by the Bank of Russia as of end of 2012 was 2,909 (as of end of 2011, 3,047). As in previous years, the decrease in this indicator is a result of an ongoing process of structural optimization of credit institutions (branches), including their transformation into internal structural divisions.

The volume and value of transfers executed by credit institutions (branches) through the BRPS rose by respective 6.3 and 24.6% as compared with 2011, to 1,068.0 million transfers to a total of 879.7 trillion rubles. As in 2011, funds transfers of credit institutions (branches) dominated the total volume and value of transfers made through the BRPS (84.8% of the volume and 76.4% of the value). The average daily volume of payments of credit in-

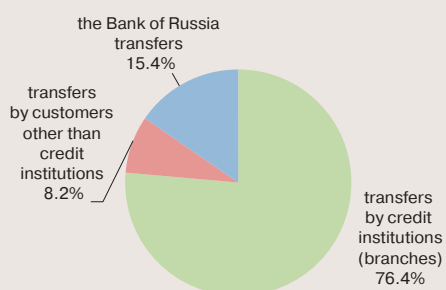
**Chart I.2.2. Funds transfers effected through the BRPS in 2008–2012**



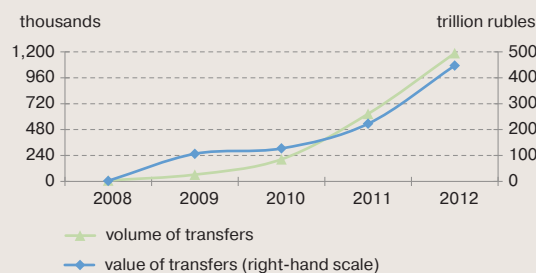
**Chart I.2.3.** Share of credit institutions' transfers in the total value and volume of payments effected through the BRPS in 2008–2012, %



**Chart I.2.4.** Value of customer transfers and transfers on the Bank of Russia own operations effected via the BRPS in 2012



**Chart I.2.5.** Funds transfers effected via the BEPS system in 2008–2012



stitutions (their branches) made through the BRPS grew from 4.1 millions in 2011 to 4.3 million payments in 2012.

The number of customers other than credit institutions (branches) serviced by the Bank of Russia under Russian legislation decreased during the year by 37.7% (from 9,584 to 5,971). This was due to the implementation of the Federal Law No. 83-FZ of May 8, 2010, "On Amending some Russian Laws in Connection with the Improvement of the Legal Status of Government (Municipal) Institutions" as regards servicing by Federal Treasury bodies and regional (municipal) financial authorities public, budget-financed and autonomous institutions, as well as the improved procedure for servicing the budget accounts of the Russian budget system. In 2012, these customers accounted for 15.1% of the total volume and 8.2% of the total value of funds transfers made via the BRPS.

The share of transfers on the Bank of Russia own operations in 2012 amounted to 0.1% of the total volume and 15.4% of the total value of funds transfers processed via the BRPS.

In early 2013, the BEPS system comprised 2,894 participants, of which:

- 82 SSPs (special settlement participants) (2.8% of the total number of BEPS participants), of which 76 were main cash settlement centers and 6 units of the Bank of Russia settlement network, including the OPERU-1;
- 511 DSPs (direct settlement participants) (17.7% of the total number of the BEPS participants), of which 196 were credit institutions, 314 – the branches of credit institutions and one – organization other than a credit institution (the state corporation "Deposit Insurance Agency");
- 2,301 ASPs (associated settlement participants) (79.5% of the total number of the BEPS participants), of which 729 were credit institutions, 1,488 – the branches of credit institutions and 83 – organizations other than credit institutions (82 of those being the Federal Treasury and its regional branches), a trustee and the Bank of Russia branch.

In 2012, the BEPS system was used more actively for funds transfers through the BRPS than in the previous year. This led to an increase in their share of the total volume of transfers effected through the BRPS to 38.9% (in 2011, 24.3%).

During the year, 1,188.8 thousand transfers totaling 447.3 trillion rubles were made via the BEPS system, which was almost twice the volume and value of the previous year (626.1 thousand transfers totaling 222.8 trillion rubles). The share of credit institutions (branch) transfers processed through the BEPS system remained the highest, as in 2011, 95.5% by volume and 60.4% by value.

Among funds transfers effected via the BEPS system prevailed large ones (totaling more than 1 million rubles) – 85.76% of the total volume and 99.98% of the total value.

In 2012, VER systems processed 923.4 million transfers worth 599.2 trillion rubles (in 2011, 898.7 million transfers totaling 600.6 trillion rubles), or 73.4% and 52.1% of the total volume and value of transfers made through the BRPS (2011, 75.7 and 65.6%, respectively).

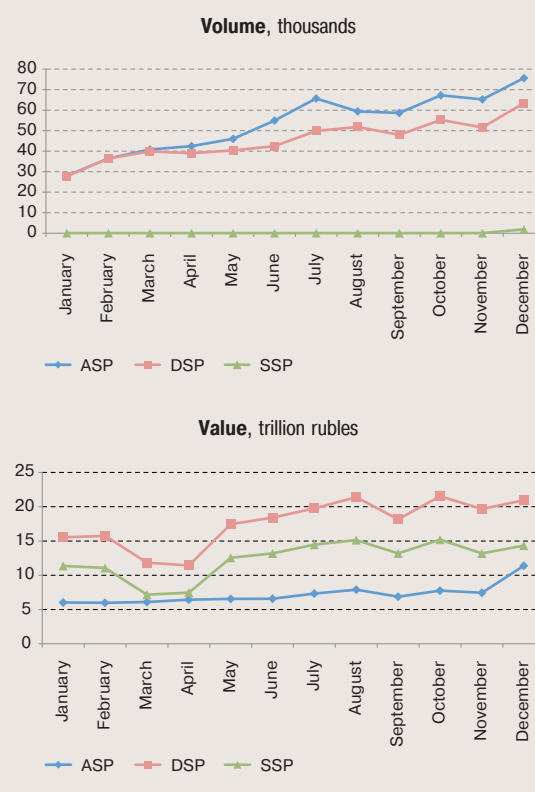
MER systems handled 333.9 million transfers worth 103.5 trillion rubles (in 2011, 287.6 million transfers totaling 92.4 trillion rubles), or 26.5 and 9.0% of the total volume and value of transfers made through the BRPS (2011, 24.2 and 10.1%, respectively).

The share of payments effected through settlement systems using letters of advice accounted for less than 0.1%, both in volume and value.

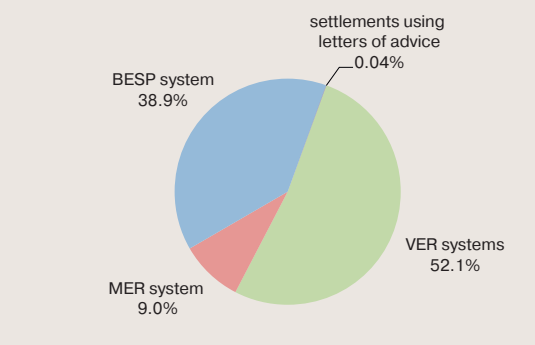
Despite a wide range of services provided to customers by the BRPS, and its evaluation as an effective system, the BRPS like any other system continues to be improved, taking into account the growing needs of its participants and the global financial system.

The Bank of Russia seeks to enhance its payment system efficiency by increasing the quality of services provided, increasing the speed of payments and requests and control actions made, as well as by mitigating credit, liquidity, operational, legal and systemic risks.

**Chart I.2.6.** Funds transfers effected via the BESP system, by type of participants



**Chart I.2.7.** Value of funds transfers effected in 2012 through the BRPS, by settlement system





Chapter II.

FUNDS TRANSFER OPERATORS

In accordance with the Federal Law No. 161-FZ funds transfer operators are the Bank of Russia, credit institutions authorized to conduct funds transfers, and the state corporation “Bank for Development and Foreign Economic Activities (Vnesheconombank)”.

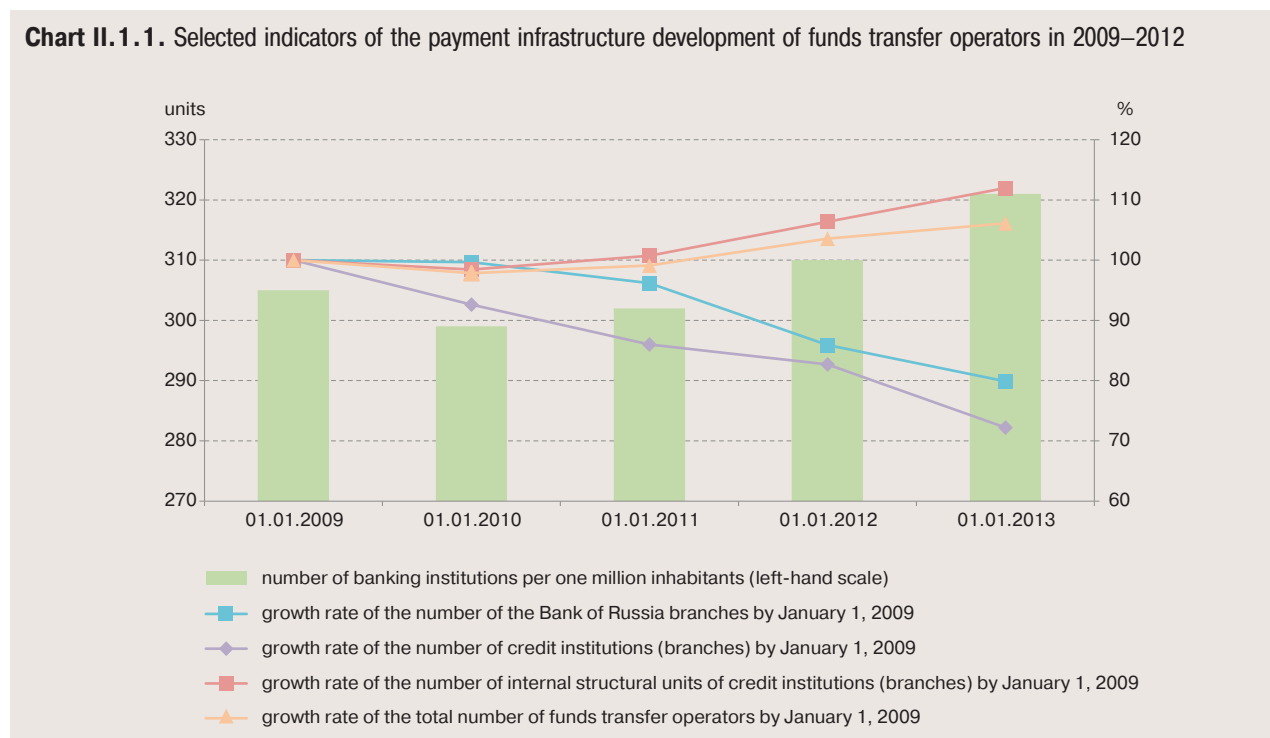
## II.1. PAYMENT INFRASTRUCTURE OF FUNDS TRANSFER OPERATORS

In 2012, the number of funds transfer operators rose by 3.6% and amounted to 46,500 as of end of 2012, of which 505 were the Bank of Russia branches and about 45.9 thousand credit institutions and their branches and internal structural units<sup>11</sup>.

In 2012, the number of credit institutions and their branches continued to decline (from 978 as of end of 2011, to 956 as of end of 2012, and by 16.3% to 2,349, respectively). The largest decrease rate was registered in the Far Eastern Federal District (11.5%) and the North Caucasus Federal District (10.7%). A slight increase in the number of credit institutions and their branches was observed only in the Northwestern and Southern Federal Districts (1.4 and 2.2%, respectively). This trend is largely linked with the ongoing optimization by large multi-branch banks of their regional units.

Additional offices (54.8%) and cash operation departments outside cash settlement centers (22.7%) as in previous years accounted for the major share of bank internal structural units as of end of 2012. The share of operations offices and credit and cash offices was lower in 2012 (17.5 and 5.1%, respectively) than in the previous year, although these figures were characterized by the highest rates of growth, by respective 38.9 and 25.3% (up to 7,447 and

**Chart II.1.1.** Selected indicators of the payment infrastructure development of funds transfer operators in 2009–2012



<sup>11</sup> Additional offices, operations offices, credit and cash offices, and cash operation departments outside cash settlement centers.

2,161 units). The number of additional offices increased by only 3.5% while the number of cash operation departments outside cash settlement centers decreased by 10.8%.

An upward trend in the number of bank operations offices was observed in all federal districts, with the highest growth registered in the Far Eastern Federal District and Urals Federal District (1.7-fold), and the lowest in the North Caucasus Federal District (12.0%). Growth rates of the number of credit and cash offices ranged from 15.8% in the Northwestern Federal District to 49.5% in the Urals Federal District.

As of end of 2012, 320 banking institutions<sup>12</sup> provided payment services per one million Russian residents as against 310 institutions as of end of 2011. The growth of this indicator was observed in all federal districts, with the largest growth in the Urals Federal District (by 8.7%). As in the previous year, the largest availability of banking units was registered in the Volga Federal District and Central Federal District (357 and 347 banking institutions per one million inhabitants, respectively; in Moscow and the Moscow Region (hereinafter referred to as the Moscow Region) – 386 and low in the North Caucasus Federal District, Siberian Federal District and Southern Federal District (140, 307 and 309, respectively).

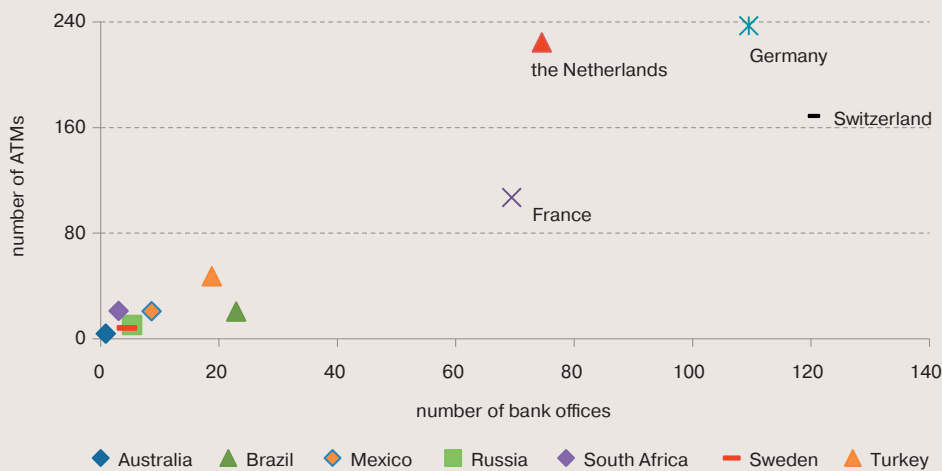
Nevertheless, despite high average indicators of the institutional availability of the payment infrastructure, there is still an uneven household access to payment services, due to differences in the economic, social and demographic development of Russian regions. Results of the Bank of Russia Survey “The Retail Payment Services Market: Consumer Behavior. Russia 2013”, conducted by the National Agency for Financial Studies (NAFS), showed that despite the fact that Russians were generally satisfied with the existing banking infrastructure (59% of respondents believed that the number and choice of access points to payment services were sufficient), almost a third of respondents expressed the need for a higher number of access points to payment services at their locality while 10% of respondents complained on almost complete lack of choice in the location or devices to effect payments or make money transfers.

Regional analysis of survey results showed that with an increase in the size of a settlement there grows a number of citizens partially or completely satisfied with the existing banking infrastructure. In particular, in rural areas, only about half of the respondents are partially or completely satisfied with the existing banking infrastructure, whereas in large cities (with a population of over 500,000), this indicator exceeds 80%, and in Moscow and St. Petersburg – 90%. Satisfaction with the banking infrastructure is also differentiated by federal district. Most respondents who expressed their dissatisfaction live in the North Caucasus Federal District (40%) and Far Eastern Federal District (35%) while residents of the Urals and Siberia are more optimistic, the percentage of people satisfied with the banking infrastructure reaches 80% there.

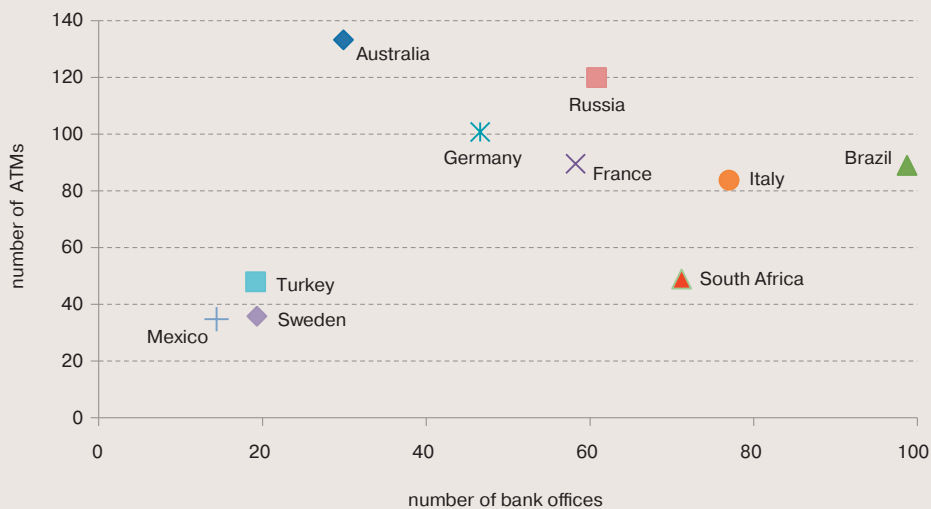
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<sup>12</sup> Credit institutions and their branches, additional offices, operations offices, credit and cash offices, and cash operation departments outside cash settlement centers.

**Chart II.1.2. Banking infrastructure per 1,000 km<sup>2</sup> at the end of 2012, units**



**Chart II.1.3. Banking infrastructure per 100,000 inhabitants at the end of 2012, units**



According to international statistics<sup>13</sup>, there were five bank branches and ten ATMs in Russia per 1,000 km<sup>2</sup> at the end of 2012. In Germany, the respective figures were 110 and 237, in France – 69 and 107, in Brazil – 23 and 21, in the USA there were 12 bank branches per 1,000 km<sup>2</sup>.

The main way to increase the regional availability of banking services within the vast territory of Russia is the development of e-banking services<sup>14</sup>, providing bank customers with broad opportunities of managing their bank accounts and obtaining a range of services without their personal presence at a bank branch. This is the cheap-

<sup>13</sup> Source: Publication of the Committee on Payment and Settlement Systems of the Bank for International Settlements *Statistics on payment, clearing and settlement systems in CPSS countries* (www.bis.org/publ/cpss112.pdf).

<sup>14</sup> Involving Internet, mobile phones, payment cards, the 'Customer-Bank' system, etc.



est and most efficient way for credit institutions to develop markets in hard-to-reach areas, as it allows to reduce transaction costs in regions. For example, bank expenses per transaction via Internet are \$0.01, via ATM – \$0.27, through a call center – \$0.54, which is much lower than the cost in case a customer makes a payment directly at a branch (\$1.07)<sup>15</sup>.

Currently, almost all Russian banks provide customers with a possibility of remote access to their accounts for making payments (94.7% of the total number of operating credit institutions), of which 89.1% – through Internet and 11.4% – via mobile phones. In 2012, the number of credit institutions providing their customers with an opportunity to make payments via Internet grew by 5.4% and of those via mobile phones – by 14.4%.

The number of remote access accounts opened with credit institutions by individuals and legal entities other than credit institutions rose by more than a quarter and reached 101.7 millions. This is more than half of total active accounts (53.8%)<sup>16</sup>.

The number of accounts available to bank customers through Internet (42.3%) and mobile phones (43.9%) continued to grow. However, the share of these accounts in the total number of remote access accounts still remains relatively modest: as of end of 2012, accounts accessible via Internet and mobile phones made up respective 31.5 and 25.5% (at the beginning of 2012, 27.8 and 22.2%).

Results of the Bank of Russia Survey conducted by the NAFS confirmed Russians' loyalty to traditional methods of making payments. The assessment of office and remote methods for making payments by a number of criteria (profitability, reliability/security and clarity) shows the dominance of payments made through a bank employee (51, 67 and 62% of respondents, respectively). Payments via ATMs and payment terminals were preferred in terms of convenience by 40% of respondents and speed of making payments – by 43% of respondents. Electronic and mobile payments ranked last in all the five ranking criteria – from 6% of respondents by reliability/safety and clarity to 15% of respondents by convenience and speed of use.

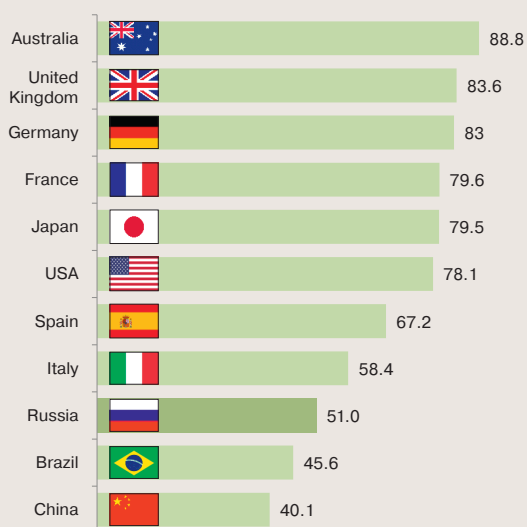
**Table II.1.1.** Evaluation by population of office and remote methods of payment, %

| What method you find... | Through an employee (cash desk) of a bank, post-office or mobile shop | Through an ATM or a terminal | Through Internet or mobile phone | Find it difficult to answer |
|-------------------------|---|------------------------------|----------------------------------|-----------------------------|
| more profitable         | 50.3  | 26.6                         | 10.7                             | 12.4                        |
| more convenient         | 38.9  | 39.5                         | 14.8                             | 6.8                         |
| faster                  | 33.4  | 42.8                         | 15.1                             | 8.7                         |
| more reliable, safe     | 66.9  | 18.9                         | 6.1                              | 8.1                         |
| more understandable     | 62.4  | 22.3                         | 6.1                              | 9.2                         |

<sup>15</sup> The Report by the Association of Russian Banks "Banks and Society: Role of Credit Institutions in the Social and Economic Development of Russia".

<sup>16</sup> Accounts through which at least one non-cash payment has been effected since the beginning of the year.

**Chart II.1.4.** Level of Internet penetration as of June 2012, by country, %



Source: *Internet World Stats* ([www.internetworldstats.com](http://www.internetworldstats.com)).

An important prerequisite for the development of innovative payment mechanisms in Russia is infrastructural and technical supply. In particular, a further development of remote banking services through Internet is largely due to a higher number of users, improved quality of access to it in different regions, as well as growing information security.

According to Public Opinion Foundation data, in summer of 2012, monthly Internet audience in Russia made up 59.4 million people older than 18 years. Last year, it was increasing mostly in regions, 86% of new users lived outside Moscow and St. Petersburg.

In 2012, the share of Internet users among regional residents reached 51.0%, an increase of 6 percentage points on the previous year. According to international statistics<sup>17</sup>, by this indicator, Russia is ahead of China (40.1%) and Brazil (45.6%), but significantly behind Australia (88.8%), the UK (83.6%) and Germany (83.0%).

As in previous years, the Northwestern Federal District, Central Federal District and Urals Federal District were characterized by the highest level of Internet users (58.1, 54.7 and 51.0%, respectively) in 2012. In other federal districts, this figure was lower than the national average.

Despite an annual growth in popularity of Internet and higher activity of its users, public demand for payment services via Internet proposed by credit institutions is still low. The Bank of Russia Survey conducted by the NAFS shows that only 12% of respondents made payments and money transfers from their bank accounts via Internet last year. The number of users of Internet banking in 2012 was fairly even regardless of the size of a settlement and reached the maximum (about 15%) in towns with a population ranging from 100,000 to 1 million. However, there was a significant differentiation by federal district, with the most extensive use of Internet access to accounts registered in the Far Eastern Federal District (33% of respondents), followed with an almost 2-fold lag in the Northwestern Federal District (17% of respondents).

**Table II.1.2.** Internet penetration by federal district in 2008–2012 (data as of summer 2012), %

| Year | CFD  | NWFD | SFD and NCFD | VFD  | UFD  | SBFD | FEFD |
|------|------|------|--------------|------|------|------|------|
| 2008 | 32.6 | 35.1 | 23.4         | 21.8 | 24.3 | 19.7 | 25.6 |
| 2009 | 37.2 | 43.3 | 25.0         | 27.3 | 30.1 | 28.1 | 29.8 |
| 2010 | 42.0 | 51.3 | 33.4         | 34.0 | 38.0 | 33.6 | 30.4 |
| 2011 | 47.9 | 56.5 | 41.2         | 41.5 | 43.2 | 41.3 | 44.4 |
| 2012 | 54.7 | 58.1 | 49.3         | 47.8 | 51.0 | 47.5 | 49.9 |

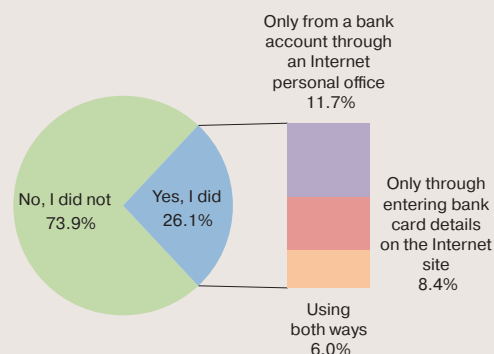
Source: *The Public Opinion Foundation*.

Despite the insufficient popularity of remote banking services among Russians, a poll of those who use Internet banking showed a high level of satisfaction with this service: 92% of respondents expressed their full or

<sup>17</sup> Data on foreign countries as of June 2012 are taken from *Internet World Stats* ([www.internetworldstats.com](http://www.internetworldstats.com)).

partial satisfaction with the promptness of getting access to these services, as well as with the quality of a service at getting access and the size of fees; 94% of respondents with the ease of using Internet banking, 88% of respondents with the speed of making payments and transfers. At the same time, more than a quarter of respondents were not satisfied with Internet access to bank accounts because of insufficient level of security and, as a consequence, the possibility of fraud.

**Chart II.1.5.** Respondent replies to the question “Did you make payments or money transfers via Internet last year?”



Box 3

### Prospects for the development of the global mobile payments and mobile commerce market<sup>1</sup>

The development of the global mobile payment services market is speeding up. This is primarily due to a wider spread of mobile communications. The number of mobile phones has reached 6 billion: they are in equal demand in all parts of the world, regardless of the geographic location of a state or its economic situation. In many countries (especially developed ones), the number of mobile phones long ago exceeded the number of population. The appearance of smartphones blurred the distinction between computer and voice communications: what used to be a telephone, today has become a computer, and what used to be a computer, is now a telecommunications device, as well. SMS messages, e-mail, social networking are new opportunities for the exchange of information coming into service every day (including payment information), which do not depend on cable networks.

Nowadays, provision of an access to payment and related services through mobile devices is a competitive advantage and no financial institution can ignore this trend. Mobile commerce has become especially promising<sup>2</sup>.

The main driver of the mobile commerce market are mobile payments for goods (mainly digital, which include mobile applications, entertainment content, etc.), money transfers between individuals come second.

Mobile commerce is a highly profitable and reliable business model, as the costs associated with the sale of digital products are minimal. To successfully promote mobile commerce projects, particularly in the early stages of their development, co-operation of all stakeholders is required. They usually include:

- **banks** – traditional payment services providers that have large facilities and capital, as well as influence in the payment services market;
- **mobile operators** who actively invest in all innovative projects on the mobile payments market and regard mobile commerce as an integral part of their business;
- **payment card systems** (e.g., MasterCard and Visa International, which in recent years have been paying higher attention to mobile business and have already launched their mobile services in cooperation with major global mobile operators).

Recently, a list of parties interested in the successful promotion of mobile commerce projects was added with **the players of the on-line- and social network payments market**, such as Google, PayPal, Amazon, etc. These players, as the most innovation-oriented, will most likely become the main drivers of the market.

Many participants have already formed partnerships to provide mobile payment services to consumers and retailers. The most common model of cooperation is when the leading role is played by a bank or a mobile operator.

Demand for mobile commerce is high, both in developed and developing countries. The mobile initiative, most talked about recently, is implemented in Kenya, where Safaricom company (the leading mobile operator in the country), largest shareholder of which is Vodafone, has offered its customers M-PESA mobile payment service. Initially, the project was regarded mainly in the context of micro-finance services, but now M-PESA is not only widely used for making all types of national payments, but also successfully

covers neighboring markets (such as Tanzania). The commercial launch of this service took place in 2003 and in 2012 more than 14 million people were connected to it, as well as about 28,000 payment agents.

The Globe project of a Philippine mobile operator is also considered to be a successful initiative. This service provides for mobile national and cross-border transfers and payments. Smart, another major mobile operator in the Philippines, whose services are used by over 47 million people, offers Smart Money, which is designed to make money transfers through its extensive network.

One of the reasons for such a demand for mobile banking in emerging markets is the limited access of population to banking infrastructure, especially in rural areas (opening offices there is too costly for banks). Access to the Internet is insufficient in these regions, and PCs are too expensive for most people, that is why Internet banking is also not a way out of the situation. Mobile operators, much earlier than banks, have realized a huge potential in mobile financial services, thereby causing a real boom in the market. As a result, in some emerging countries, mobile payments are extremely popular, and a mobile phone is a household main channel of financial interaction.

However, there is a number of problems, including those related to regulation. Even in the least developed markets, mobile operators meet with a strong resistance from “traditional” financial service providers that want new players to comply with the regulatory and supervisory requirements they have to meet. Since getting a banking license may be disadvantageous for mobile operators, they often enter into partnerships with banks or buy them.

Since a number of people using Internet via mobile phones is continuously growing (more and more mobile phones get Internet access), so is their concern with a possibility of fraud. Many Internet banking users require a further clarification and guarantees so that they could feel secure enough when making mobile payments. Storing financial and personal data on the same device is a matter of concern as well.

<sup>1</sup> Based on Advanced Payments Supplement study conducted by Edgar, Dunn & Company commissioned by Payments Cards & Mobile Journal (August, 2012).

<sup>2</sup> Mobile commerce (M-commerce) is a purchase of goods and services, usually electronic software products on-line via mobile devices. In a broad sense, the term can also mean mobile banking, billing, information support, etc.



## II.2. PAYMENT INSTRUMENTS

In 2012, non-banks effected 7.4 billion payments in rubles and foreign currency<sup>18</sup> to the amount of 547.7 trillion rubles. The average payment decreased by 13.6% to 74,100 rubles as compared with the previous year. 29.7 million payments worth 2.2 trillion rubles were effected daily.

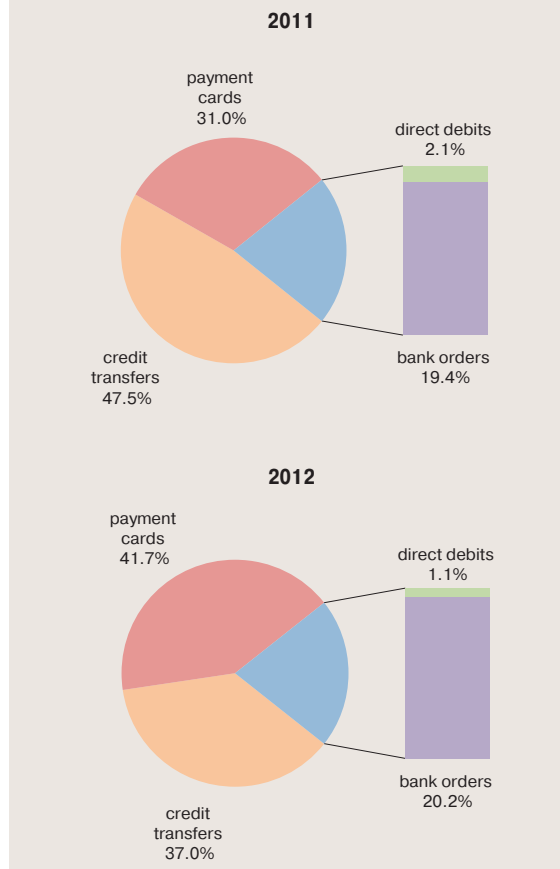
The overwhelming majority of payments were made in rubles. The volume of payments rose by almost a third, to 7.3 billions, the value – by 12.4%, to 499.1 trillion rubles year on year. The value of payments equivalent of the annual GDP turned over the banking system every 31 days, which was slightly higher than the average for CPSS participant countries<sup>19</sup> (25 days). The highest rate was registered in the UK (5 days). As in previous years, the amount of payments denominated in foreign currency significantly exceeded the amount of ruble payments in 2012. The average amount of a foreign currency payment stood at 621,700 rubles, which was more than 9-fold the same indicator for ruble payments (68,300 rubles).

<sup>18</sup> Including payments in rubles and foreign currency (except financial market and loan repayment transactions) from the accounts of the Bank of Russia customers and credit institutions (individuals and legal entities other than credit institutions), including card payments; funds transfers made by individuals without opening a bank account; and credit institutions' own (self supporting) payments. Under the terminology of the Bank for International Settlements, these transactions are defined as “payments by non-banks”.

<sup>19</sup> CPSS – the Committee on Payment and Settlement Systems.

The volume of payments using payment cards increased significantly year on year (1.7-fold). The share of such payments in the total volume of non-bank payments rose considerably, from 31.0% in 2011 to 41.7% in 2012. The share of credit transfers in the total volume of operations, in contrast, declined by 10.5 percentage points, to reach 37.0%, with their volume increasing by 0.9%. Nevertheless, credit transfers with a larger sum of a payment still dominated non-banks payments (97.6%) in terms of value.

**Chart II.2.1.** Volume of non-bank payments effected through the Russian banking system, by payment instrument



Box 4

### The social costs of payment instruments

A recent study of the costs of using different payment instruments has become a topical subject. A number of central banks and governments have published the results of relevant researches, mainly to determine the social utility of cash refusal, to generate the awareness on the issue among regulators, banks and retailers, thereby promoting the efficiency of retail payment services.

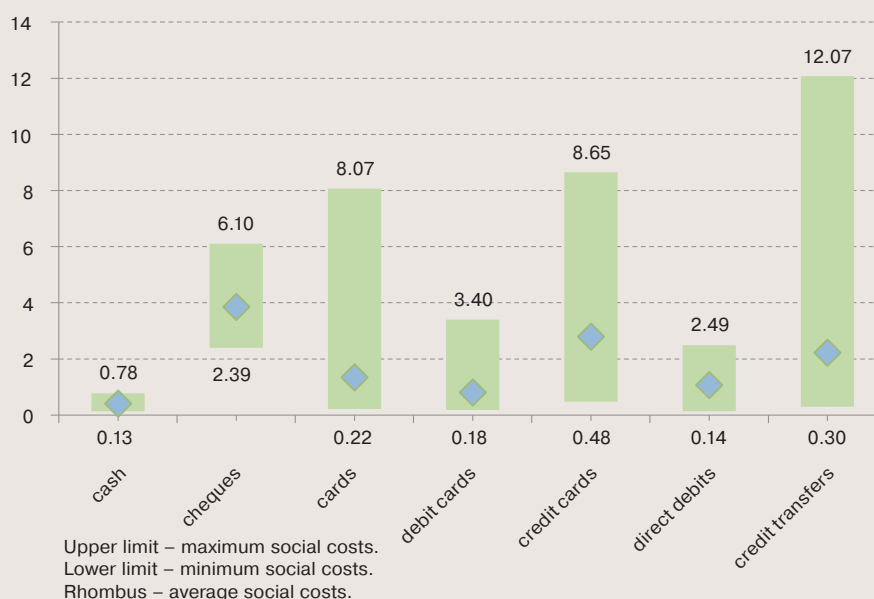
In particular, in 2009, the European Central Bank with the participation of 13 national banks in the European System of Central banks countries carried out a comprehensive study of the level of social and private costs of payment instruments<sup>1</sup>. The EU market of retail payment services has been divided by participant category and five business segments, each being characterized by absolute and relative indicators, having various components of costs, level of market development, behavioral models, etc. The study addressed cash payments, payments using debit and credit cards, direct debits and credit transfers up to 50,000 euros, which accounted for at least 5% of the total volume of payments in each country.

In this study, social costs mean the costs to society reflecting the use of resources in the production of payment services.

The study showed that in 2009 the social costs of payment instruments were substantial and amounted 45 billion euros, or 0.96% of the GDP of European countries participating in the study.

It is a common belief that the predominant use of non-cash payment instruments can lead to lower operating costs and has a positive effect on the public welfare. This study revealed that due to the high usage of cash, its social costs accounted for nearly half of all social costs for all payment instruments. Nevertheless, cash showed the lowest costs per payment transaction in the EU as a whole, and it was closely followed by debit card payments. However, in one-third of the EU countries debit cards turned to be less burdensome to society than cash. Meanwhile, recent global trend shows higher costs of processing payments in the paper form and lower costs of electronic processing of payments.

### Social costs per operation involving different payment instruments, euro



Source: The European System of Central Banks.

Based on analysis of the retail payment market by participant category, the following conclusion has been made: banks and infrastructures account for half of all social costs, retailers – for 46%, central banks – for 3%, cash-in-transit companies – for 1%.

Similar studies were conducted in **the Netherlands**. In 2005, the Bank of the Netherlands and the Dutch Bank Association committed McKinsey to make a detailed review of national banks, assessing their net income and costs of providing to customers these or those payment instruments, by type of costs, segment and service<sup>2</sup>. In 2006 and 2009, the Association to Improve the Efficiency of Dutch Payment Systems monitored<sup>3</sup> various retail payment instruments used by customers at points of sale<sup>4</sup> and analyzed various associated costs of retail outlets (including temporary costs). Outlets were differentiated by size, sector and payment segment; in addition, their preferences and behavior were analyzed. The study showed significant potential savings for retail outlets if they accepted debit cards instead of cash, and this led many of them to the more active introduction of non-cash payments.

<sup>1</sup> Schmiedel H., Kostova G., Ruttenberg W. The social and private costs of retail payment instruments. European perspective // ECB Occasional paper series. 2012, September. No. 137.

<sup>2</sup> Payment services in the Netherlands: an analysis of revenues and costs for banks. Final report, 2006.

<sup>3</sup> A poll of large trade enterprises was based on a questionnaire, medium-sized and small trade enterprises were interviewed by telephone. The evaluation of time costs was carried out on site.

<sup>4</sup> Point-of-sale payment transactions in 2009 (Frans Pleijster, Arjan Ruis). 2011, May.

## II.2.1. Credit transfers

### Credit institutions

The specific feature of payment behavior in Russia is the use by economic entities and households of credit transfers as the main payment instrument. In 2012, bank customers (individuals and legal entities other than credit institutions) and credit institutions issued more than 2.5 billion orders<sup>20</sup> to make credit transfers in rubles and foreign currency to a total of 440.4 trillion rubles. The value of credit transfers, as in 2011, was 7-fold the GDP. The average size of a payment was 173,200 rubles. Credit

<sup>20</sup> Payments sent to a credit institution may be executed via the Bank of Russia or other payment systems.

transfers accounted for about a third of the total volume and 97.1% of the value of the payment orders received by credit institutions.

Among countries where credit transfers are most common compared to other payment instruments are the UK (where in 2012, according to international statistics<sup>21</sup>, the share of credit transfers in the total value of payments effected in the national currency stood at 96.8%), Switzerland (96.3%), Mexico (95.6%) and Belgium (95.5%). In 2012, credit transfers were the least popular by payment volume in Saudi Arabia (0.4%), Singapore (1.2%), India (6.9%) and Canada (9.9%), by value – in Singapore (20.2%), Canada (32.2%) and the USA (39.7%).

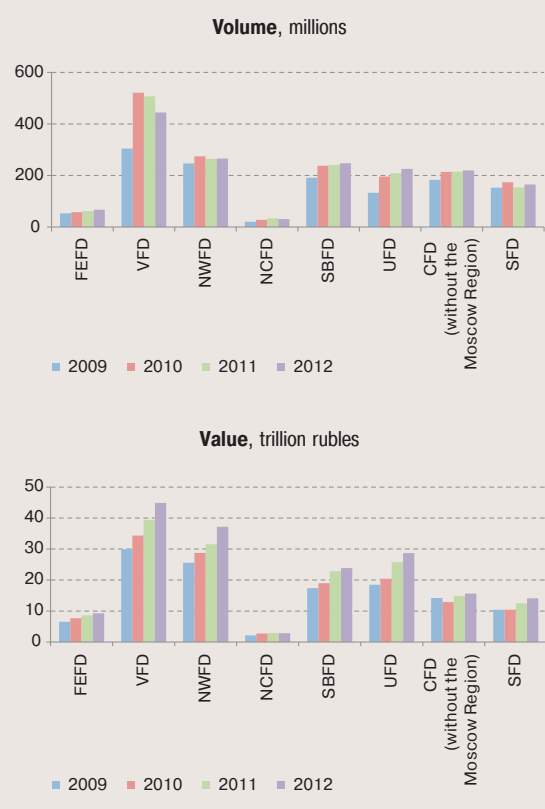
As compared with 2011, the volume of payments by non-banks via credit institutions in the form of credit transfers increased by 0.6%, while their value – by 9.8%. The most significant increase of the volume of these payments was in the Far Eastern Federal District (by 8.6%) and the Urals Federal District (7.8%). The higher value of credit transfers was registered in all federal districts, except for the North Caucasus Federal District, and ranged from 4.5% in the Siberian Federal District to 18.0% in the Northwestern Federal District.

The Central Federal District accounted for about half of the total volume of credit transfers and more than 60% of their value, of which the Moscow Region totaled 34.5 and 59.9%, respectively. The shares of other federal districts in payments using this instrument were substantially lower: by volume from 1.2% (North Caucasus Federal District) to 17.5% (Volga Federal District), by value from 0.6 to 10.2% (the same federal districts respectively).

Federal districts differed significantly by the volume and value of credit transfers per capita in 2012. The highest values of this indicator were registered in the Northwestern Federal District and Urals Federal District: in the Northwestern Federal District, one resident made nominally 19 credit transfers on average to a total amount of 2.7 million rubles, in the Urals Federal District – 18 transfers totaling 2.4 million rubles. The lowest values of this indicator, both in volume and value, were observed in the North Caucasus Federal District: 3.2 transactions totaling 0.3 million rubles per inhabitant.

As in the previous year, top five credit institutions in terms of capital accounted for about 40% of all credit transfers and for more than a third of their total volume. On average, each credit institution within the group processed annually 203.8 million of instructions to a total of 29.7 trillion rubles, which was much better performance than that of credit institutions with less capital.

**Chart II.2.2.** Credit transfers in 2009–2012, by federal district

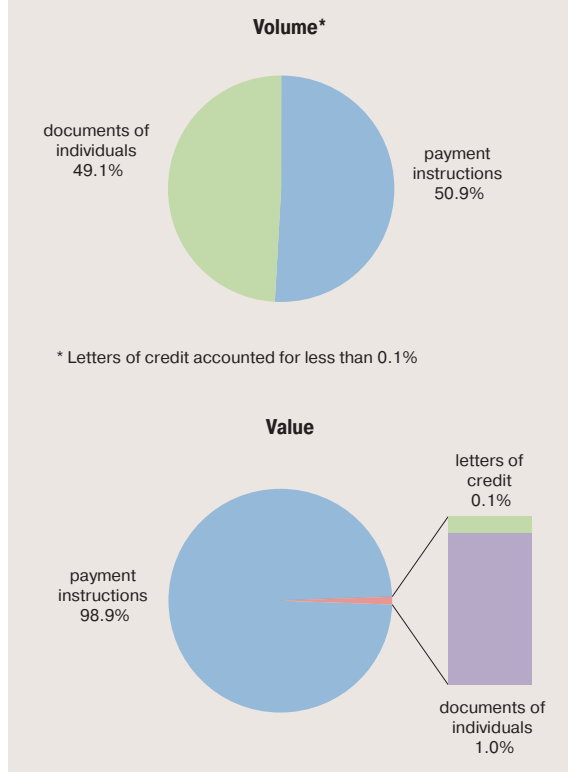


<sup>21</sup> Source: Publication of the Committee on Payment and Settlement Systems of the Bank for International Settlements Statistics on payment, clearing and settlement systems in CPSS countries ([www.bis.org/publ/cpss112.pdf](http://www.bis.org/publ/cpss112.pdf)).

**Table II.2.1.** Credit transfers by group of credit institutions in 2012

| Distribution of credit institutions ranged by size of equity capital (descending order) | Share of credit transfers, % |       | Average credit transfer per credit institution |                       |
|---|------------------------------|-------|--|-----------------------|
|   | volume                       | value | volume, millions                               | value, billion rubles |
| Top 5   | 40.2                         | 33.8  | 203.8  | 29,708.8              |
| From 6th to 20th  | 17.2                         | 20.9  | 29.1   | 6,127.4               |
| From 21st to 50th   | 8.4                          | 16.0  | 7.1  | 2,342.7               |
| From 51st to 200th  | 13.8                         | 16.0  | 2.3  | 467.8                 |
| From 201st  | 20.4                         | 13.4  | 0.7  | 78.0                  |

**Chart II.2.3.** Credit transfers effected by credit institutions in 2012, by type of payment document



In each group, there was a big gap, both in volume and value of credit transfers, between leaders and outsiders. The largest difference was observed in the values of the latter group, the lowest – of the second.

In 2012, there were no significant changes in the structure of credit transfers in terms of payment documents. The payments using payment orders accounted for about half of the total volume of credit transfers and 98.9% of their total value. The average size of a payment based on payment order stood at 336,700 rubles (in 2011, 320,800 rubles). Of each 100 payments by payment orders, 79 payments were effected by legal entities other than credit institutions, 16 by individuals and 5 by credit institutions. Payments by legal entities (92.4%) dominated the total value of payments by payment orders.

The vast majority of credit transfers were made by individuals without opening a bank account. Their share of the total volume of credit transfers by individuals reached 86.9% (1.2 billion transactions), which represented about one-third of the total value (4.4 trillion rubles). Their value increased by 11.1% on 2011, with a slight decrease in the volume (by 3.4%). The average size of a transfer amounted to 3,500 rubles. There were nine transfers totaling 31,000 rubles per capita, on average.

Household demand for this type of payment services is confirmed by the fact that the value of transfers made by individuals in the infrastructure of credit institutions without opening a bank account, was almost 4-fold the total value of postal remittances and payments effected by individuals through payment and bank payment agents (PAs and BPAs), including the Russian Post.

Payments to legal entities, primarily, organizations providing housing and communal services, and government bodies dominated the transfers by individuals without opening a bank account (88.3% by volume and 68.2% by value). The average size of a transfer to legal entities rose by 19.3% year on year to 2,700 rubles, which was 3.5-fold less than the average size of the transfer to individuals.

Recipients of money sent without opening a bank account were located mostly in Russia. Money transfers made within Russia prevailed, they were 45-fold larger in volume and 8-fold larger in value than transfers outside the country.

99.0% of the total volume and 92.4% of the total value of transfers by individuals without opening bank accounts were executed in rubles. Foreign-currency trans-



fers accounted only for respective 1.0 and 7.6%. But they tended to be much larger: the average size of such transfer was 26,200 rubles, or almost 8-fold the size of a ruble-denominated transfer.

As of end of 2012, the Bank of Russia registered 10 payment systems executing money transfers without opening a bank account: CONTACT payment system, UNISTREAM international funds transfers system, Western Union payment system, ANELIK payment system, Regional Payment System, BLIZKO payment system, Golden Crown payment system, PrivatMoney payment system, Migom international funds transfers system, LEADER International Funds Transfers payment system.

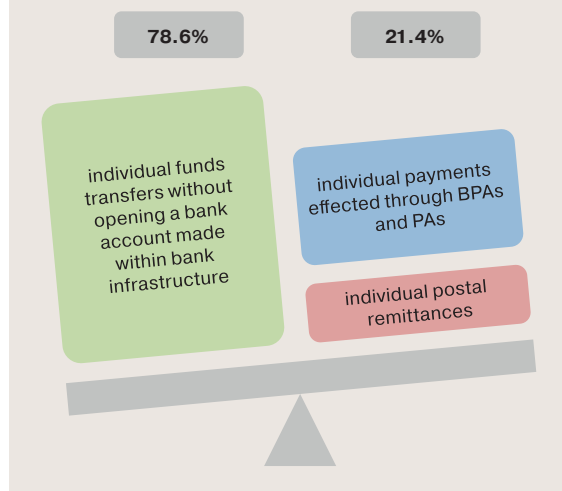
A gradual increase in competition within this segment of the retail payment services market is evidenced by an ongoing decline in the concentration of payment services rendered by banks in the form of money transfers without opening a bank account. In 2012, five largest credit institutions accounted for 70.1% of the total volume of money transfers without opening a bank account, a decrease of almost 3 percentage points on the previous year. Credit institutions in the Moscow Region retained their dominant positions with a 38.9%-share of the total volume of money transfers. The ratio of bank payment services concentration slightly decreased in terms of the value of such transfers and stood at 44.4%.

The volume of credit transfers by a letter of credit remained insignificant, their share of the total value of credit transfers did not exceed 1.0%. Individuals settlements by a letter of credit dominated in terms of volume (74.0%) while in terms of value prevailed non-bank payments (72.4%).

### Bank of Russia

Credit transfers made in 2012 from the accounts of the Bank of Russia non-bank customers other than credit institutions grew by 4.7% in volume and by 23.4% in value year on year and totaled 190.2 million transactions worth 94.1 trillion rubles. The average size of a payment was 494,500 rubles. All credit transfers were executed by payment orders. Bank of Russia non-bank customers other than credit institutions did not use letters of credit.

**Chart II.2.4.** Value of individual transfers and payments without opening a bank account made within bank and non-bank infrastructure in 2012



**Chart II.2.5.** Individuals transfers without opening a bank account in 2012, by direction, %



Box 5

### Fees charged by credit institutions from individuals for money transfers to pay for goods (works, services)

In the context of implementation by national payment system's participants of measures aimed at improving the availability of payment services, it is becoming increasingly important to regulate fees charged by credit institutions from individuals for money transfers to pay for goods (works, services). To this end, in March 2013, the Bank of Russia conducted a survey of credit institutions on the commensurability of non-cash payments and fees charged by them from individuals. The survey involved 22 credit institutions, which account for over half of all individuals transfers in the payment services market<sup>1</sup>.

Analysis of information indicates that credit institutions apply a differentiated approach to establishing a fee. Its size depends on several factors, which, inter alia, include:

- the procedure for effecting a funds transfer (within one credit institution or to another credit institution);
- the amount of the transfer;
- terms of a contract with a supplier of goods (works, services) who is a funds transfer recipient;
- location of the credit institution's branch to which a customer has applied
- the transfer method – at the office of the credit institution with the involvement of a cashier or using electronic payment methods (Internet, mobile communications devices, ATMs, payment terminals).

The amount of a fee is usually set in rubles and (or) as a percentage of the amount of a funds transfer with a fixed maximum value (e.g., 0.25% of the transfer amount, but no more than 1,500 rubles).

According to credit institutions data, the smallest fee for individual customers is charged when they execute internal bank transfers, i.e. transfers between an originator and a recipient that are the customers of the same credit institution. Generally, for the transfers made using mobile communications devices or via Internet, the fee is lower than for transfers involving a cashier. Thus, the minimum amount of a fee for transfers via mobile communications devices was two rubles on average, for transfers via Internet – 19 rubles, and its maximum size did not exceed 1,500 rubles<sup>2</sup>. At the same time, the average fee of a similar transfer involving a cashier was 47 rubles, and the maximum amount stood at 2,500 rubles<sup>3</sup>. It should be noted that in 10 of the 22 surveyed credit institutions a fee was not charged from an individual in case there was a respective term in the agreement between the credit institution and the supplier of goods (works, services).

In contrast to internal transfers, the amount of a fee on interbank transfers between an originator and a recipient that are the customers of different banks, tended to be significantly higher, as a rule. The minimum fee charged by the credit institution from an individual for an interbank transfer involving a cashier amounted, on average, to 78 rubles, which is 1.7-fold the fee for an internal bank transfer. The use of electronic means of payment reduced the cost of a transfer for a customer. The average size of a fee charged by a credit institution from an individual for an interbank transfer via Internet went down to 29 rubles and to 10 rubles if a phone, smart-phone or other mobile communications device was used. When making a transfer through ATMs and payment terminals, fees averaged 11 rubles.

A fee charged from a customer having a bank account was lower, as a rule. A number of banks made money transfers on behalf of individuals without opening a bank account to legal entities to pay for goods (works, services) through payment systems, such as Western Union, UNISTREAM, LEADER International Funds Transfers, and Golden Crown. In this case, fee rates for these types of transfers were set by the payment systems.

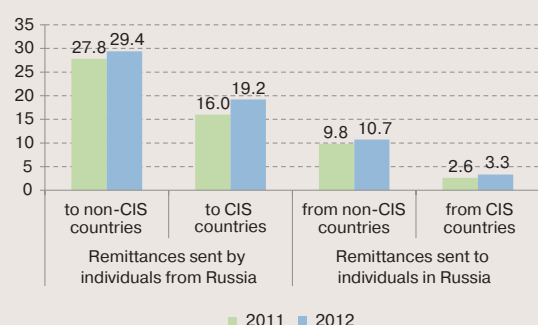
Regional banks may charge a minimum fee for a transfer without opening a bank account based on the specifics of regional legislation and local regulations. The fee may also depend on the amount of fees in the individuals transfers market subject to market positions occupied by the parties involved, as well as demand and supply elasticity. In this context, great importance is attributed to such factors as alternative payment services and a number of market participants.

<sup>1</sup> Based on the data of reporting form 0409251 "Information on Customer Accounts and Payments Effected through a Credit Institution (its Branch)".

<sup>2</sup> Not all of the surveyed credit institutions indicated the maximum fixed amount of the charged fee.

<sup>3</sup> See footnote No. 2 of this Box.

**Chart II.2.6.** Individuals cross-border remittances sent, by transfer direction, billion dollars



### **Cross-border money remittances by individuals**

The Russian market of cross-border remittances was characterized by slower growth rates in 2012 as compared with the previous year. During the year, the total value of cross-border remittances<sup>22</sup> from Russia and to Russia made by individuals increased by 11.4% (in 2011, by 35.5%) to \$62.6 billion. Of these remittances from Russia made up almost 78%, which were 3.5-fold the remittances received by Russian individuals. The balance of cross-border operations remained negative at \$34.5 billion (in 2011, \$31.4 billion).

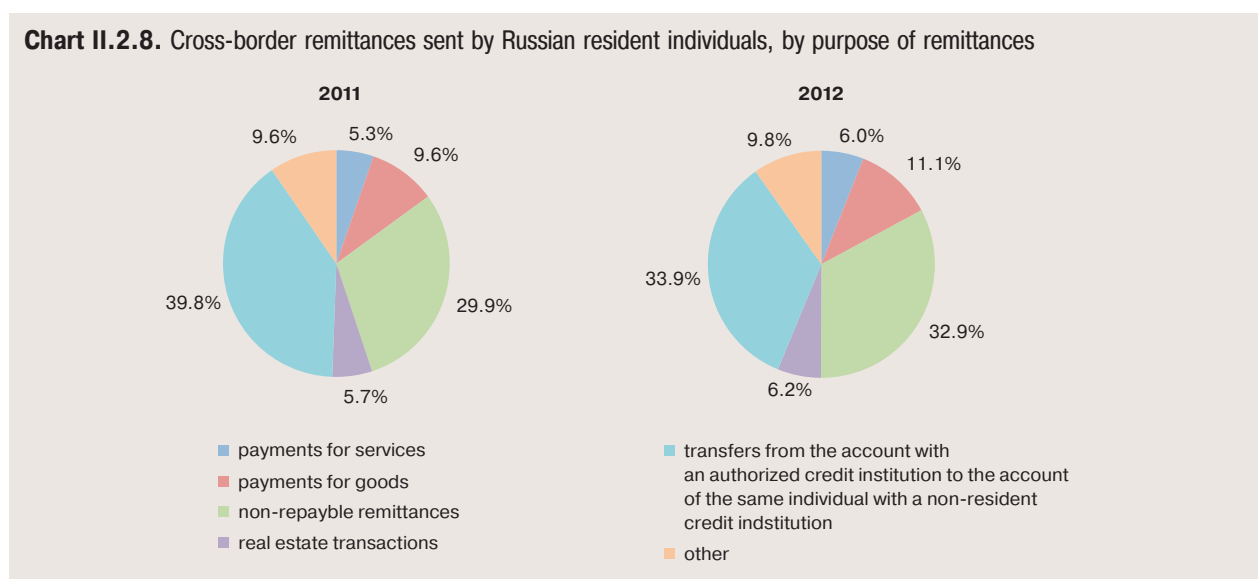
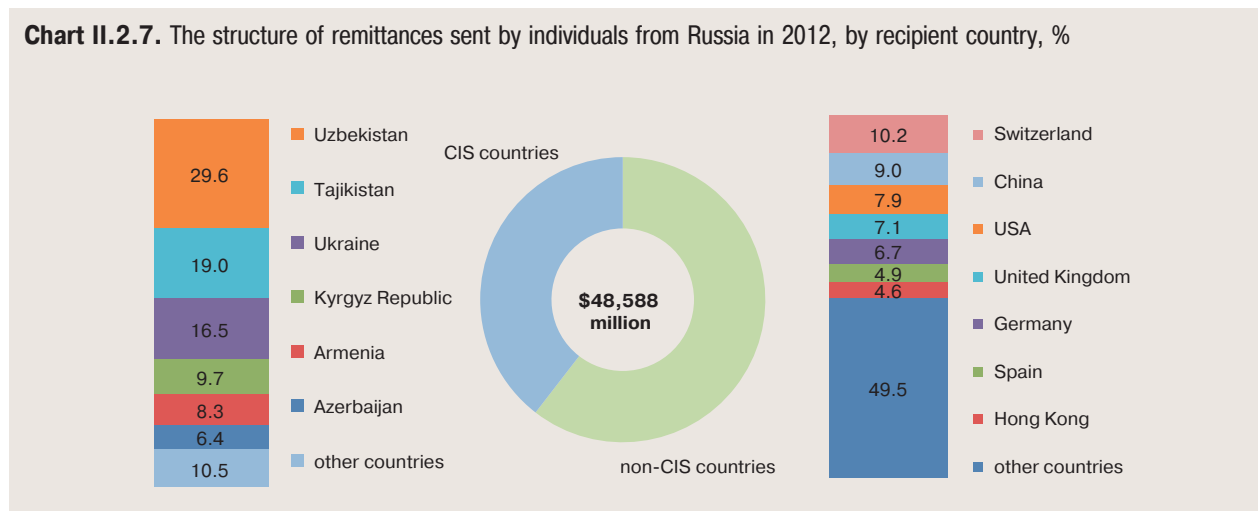
<sup>22</sup> Cross-border non-cash transactions (receipts) by resident and non-resident individuals (receipts in favor of resident and non-resident individuals) made with opening an account with a credit institution or without it, including remittances made via payment systems.

As in previous years, non-CIS countries had the largest share of individuals cross-border remittances from and to Russia, their value exceeded the similar indicator for CIS countries almost 2-fold.

### Remittances sent by individuals from Russia

In 2012, individuals executed remittances from Russia amounting to \$48.6 billion, a 10.9%-increase on 2011. Most of the transfers were sent to non-CIS countries. Top recipient countries were, as previously, Switzerland, China, the USA, UK and Germany, although their total share decreased slightly, from 43.3% in 2011 to 41.0% in 2012. Transfers to CIS countries amounted to \$19.2 billion, which was \$3.2 billion more than in 2011, with more than half of them sent to Uzbekistan, Tajikistan and Ukraine.

The share of remittances sent by individuals from Russia via payment systems without opening a bank account<sup>23</sup> remained at the 2011 level and made up 43.0%, of which the major share (87.2%) was sent to CIS countries.



<sup>23</sup> Payment systems for remittances are: Anelik, BLIZKO, Coinstar Money Transfer, Contact, InterExpress, Migom, MoneyGram, PrivatMoney, UNISStream, Western Union, Asia-Express, Allure, Blitz, Bistraya Pochta, Golden Crown, Leader, the Russian Post, Faster, Caspian Money Transfer.

Residents accounted for the largest share of remittances from Russia. They transferred money to their own accounts with foreign banks in more than a third of all cases (33.9%). Non-repayable remittances accounted for 32.9%, and payments for goods and services, real estate transactions, etc. – the remaining 33.1%.

### Remittances received by individuals in Russia

In 2012, the value of cross-border transfers sent to individuals in Russia exceeded the analogous value of the previous year by 13.0% and stood at \$14.1 billion. The average amount of a transaction grew by 2.7% to \$2,600. Non-CIS countries accounted for the largest share of all transfers, with Switzerland, Cyprus and the USA being top remitters.

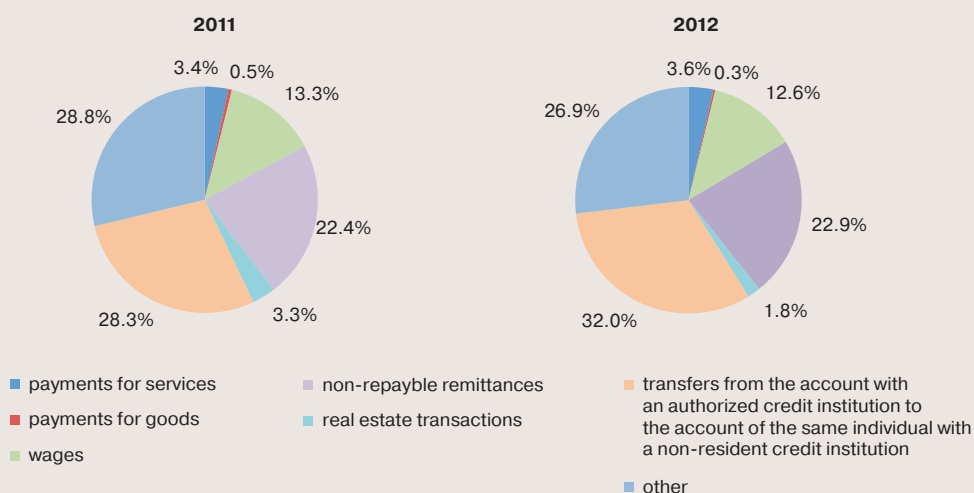
In 2012, 23.4% of all remittances were made via payment systems without opening a bank account. Transfers from CIS countries to individuals in Russia grew faster, they amounted to \$2.3 billion whereas their share increased to 69.4%. The average amount of a transaction exceeded the same indicator for non-CIS countries and stood at \$859.

As before, remittances to Russia from abroad were made mostly to residents, their share was 76.8%. The

**Chart II.2.9.** The structure of cross-border remittances made to individuals in Russia in 2012, by remitter-country, %



**Chart II.2.10.** Cross-border remittances to Russia for the benefit of resident individuals, by purpose of receipts

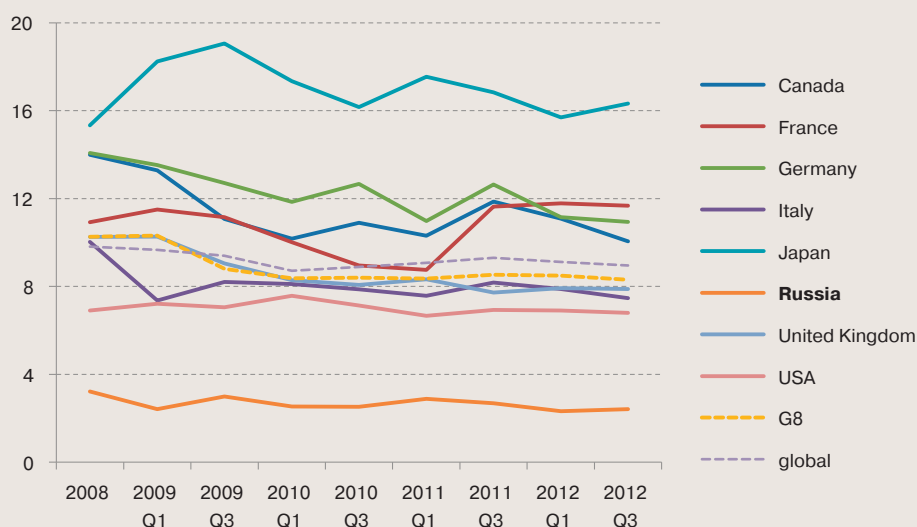


structure of remittances to Russia changed slightly compared to the previous year: 32.0% of funds were transferred to own accounts with credit institutions; almost 41% were non-repayable remittances, wages, payments for services and goods, as well as proceeds from property transactions, and 26.9% were transfers for miscellaneous purposes.

### Costs of migrant remittance services in different countries

According to data of the World Bank Remittance Prices Worldwide<sup>24</sup>, covering 219 country corridors originating from 32 remittance sending countries to 89 receiving countries, the global average total cost of remitting \$200 or its equivalent in the national currency decreased from 9.3 to 9.0% in 3Q 2011 and 3Q 2012, respectively. The cost of remittances in Japan, France, Germany and Canada was higher than the global average and the average for G8 countries<sup>25</sup>. In Russia, the USA, Italy and the UK, the opposite situation was observed. Despite a small annual increase in the average cost of a remittance (from 2.3 to 2.4% of its amount), Russia registered the lowest remittances cost among the G8 countries. Generally, there is a unique situation in Russia: cross-border remittances are mostly conducted in the same currency and possible additional costs deriving from a currency exchange are not known.

Chart II.2.11. Average total cost of a remittance in G8 countries, as % of a remittance amount



<sup>24</sup> An analysis of trends in the average total cost of migrant remittance services, No. 4, November 2012.

<sup>25</sup> The international club that unites the governments of the UK, Germany, Italy, Canada, Russia, the USA, France and Japan.

## II.2.2. Direct debits

### Credit institutions

In 2012, the share of direct debits in the total volume of non-cash payments of customers of credit institutions and their own payments amounted to a little more than 1.0%, and in the total value – to 0.3%. The share of direct debits to GDP decreased year on year to 2.5% (in 2011, 3.3%).

The value of direct debit payments<sup>26</sup> in Russia fell by 16.4% to 1.5 trillion rubles. The decrease was registered in five of the eight federal districts. The volume of direct debit payments fell by a third, to 82.3 millions, with the largest decrease observed in the Far Eastern Federal District (27.4%). The average size of a direct debit payment in Russia increased by 20.1% to 18,700 rubles. The Far Eastern Federal District (26,500 rubles), North Caucasus Federal District (25,200 rubles), and Urals Federal District (24,000 rubles) were the leaders by this indicator.

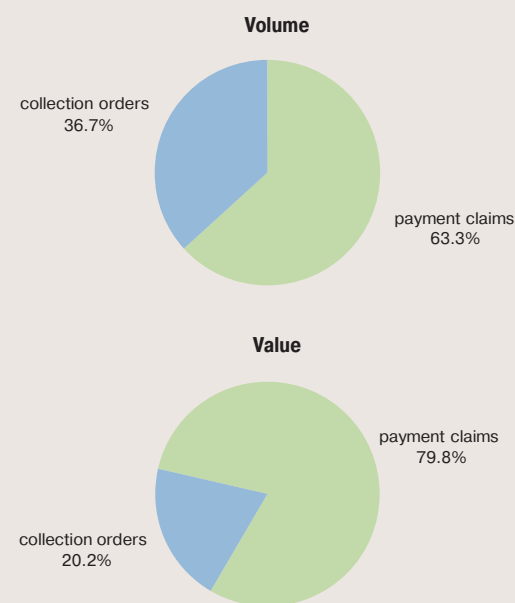
Two of three payments in the form of direct debits were effected by payment claims; such payments accounted for almost 80% of the total value of payment transactions (1.2 trillion rubles). In comparison with 2011, the value of payments by payment claims decreased by a quarter, the volume – by one-third. The average size of such payment was 23,600 rubles.

The share of payments under collection orders rose to 36.7% in volume and to 20.2% in value; the average size of such payment was 10,300 rubles.

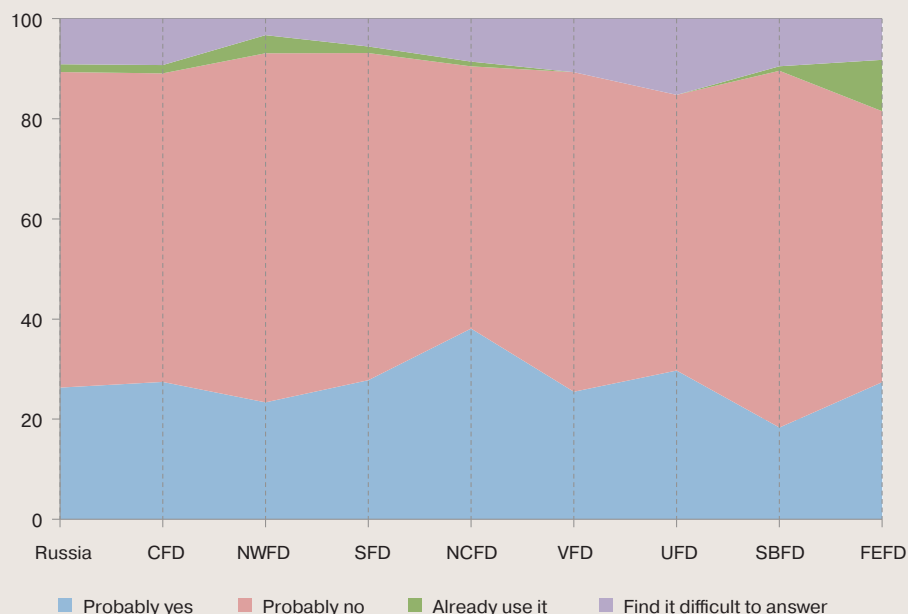
As in previous years, in 2012, payments by non-banks dominated direct debit payments making up 84% of the total volume and more than 90% of the total value. Individual payments accounted for respective 16 and 9%.

Currently, households show little interest in the use of direct debits in Russia. In particular, this is confirmed by the Bank of Russia survey carried out by the NAFS which

**Chart II.2.12.** Direct debit payments in 2012, by type of payment documents

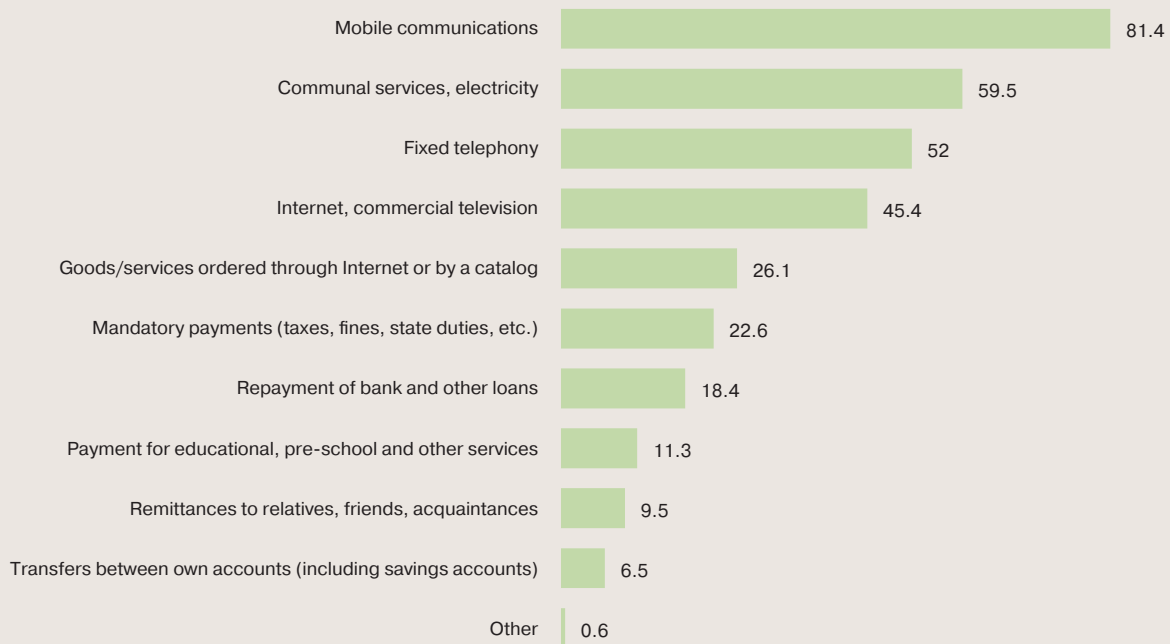


**Chart II.2.13.** Respondent replies to the question “Are you ready to use the service of direct debiting?”, %



<sup>26</sup> In accordance with Russian legislation, direct debiting is defined as non-cash settlements in the form of a funds transfer on the funds recipient's demand.

**Chart II.2.14.** Respondent replies to the question “What exactly are you ready to pay for with these means of payment?”, %



showed that almost two thirds of respondents (63.0%) were not ready to effect direct debit payments. More than a quarter of respondents reacted positively to this possibility (26.3%). Direct debiting was used by less than 2.0% of the respondents, of which the larger part of them were people aged between 25 and 34.

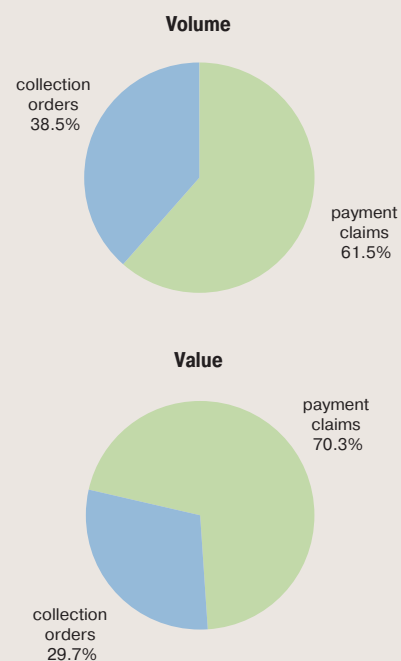
Respondents were not ready to use direct debits due to distrust to a bank and their desire to control amounts paid themselves (more than half), as well as distrust to a service provider which may make a mistake in the amount of payment (almost a third of the respondents). About a fifth of the respondents expressed doubt in getting money back if the bank wrote down an amount larger than required, and 17.1% admitted that they did not have enough money in their bank accounts.

More than half of the respondents expressed their willingness to use direct debiting in case the amount of debited funds was prior agreed by a bank with them and notified thereof after its write-down. Almost half of the respondents required an immediate refund in the event of writing-down an incorrect amount, about one third of the respondents were ready to make payments via direct debits provided the commissions charged were lower. Only 6% of the respondents said that they would not use this service under any circumstances.

### **Bank of Russia**

In 2012, the Bank of Russia non-bank customers effected 7,800 payments in the form of direct debits to the amount of 862.2 million rubles. The volume of such operations decreased by almost a third and their value fell 1.7-fold year on year. Payments based on payment claims prevailed (61.5% of the volume and 70.3% of the value).

**Chart II.2.15.** Direct debits payments effected by the Bank of Russia customers in 2012, by type of payment documents



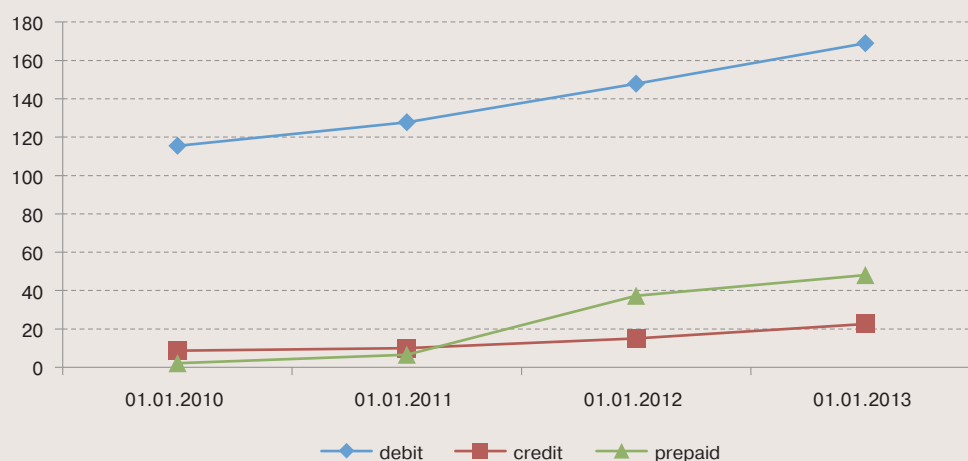
### II.2.3. Payment cards

In Russia, as in many other countries of the world, payment cards have been increasingly used as a payment instrument in recent years. At the beginning of 2013, payment cards were issued and (or) acquired by 68.9% of operating credit institutions. They issued 239.5 million cards (an increase of 19.7% on 2011), of which more than 70% were settlement (debit), 9.4% – credit, 20.0% – prepaid cards used for electronic money operations. The issue growth of credit cards was the fastest (1.5-fold), the volume of settlement (debit) and prepaid cards increased by 14.3 and 28.9%, respectively.

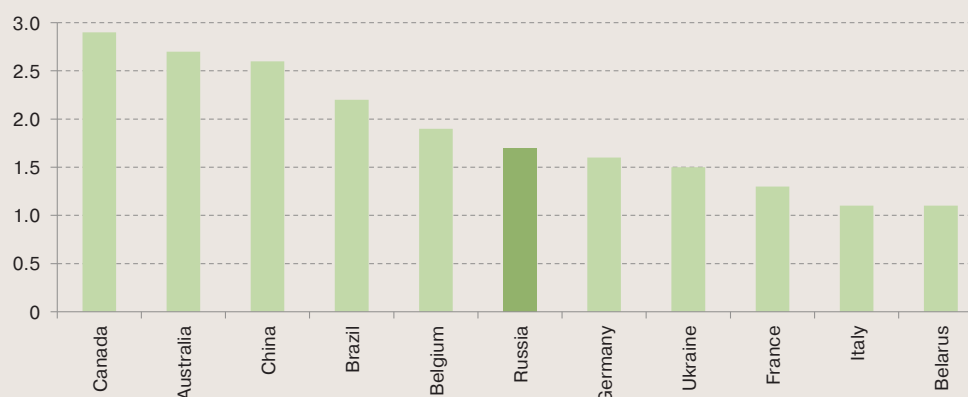
In 2012, by the absolute volume of cards issued and by the volume of cards per inhabitant (1.7 cards per inhabitant), Russia was ahead of developed countries such as France (1.3), Italy (1.1), Germany (1.6), as well as CIS countries: Ukraine (1.5) and Belarus (1.1).

In 2012, 5.9 billion operations worth 23.8 trillion rubles were made in Russia and abroad involving payment cards issued by Russian credit institutions, which represented an increase of 40.5% in volume and 34.4% in value as compared with the previous year. The volume of cash

**Chart II.2.16.** Number of payment cards issued by Russian credit institutions in 2010–2012, by type of cards, millions



**Chart II.2.17.** Number of cards issued per one inhabitant<sup>27</sup> as of end of 2012, by country, units



<sup>27</sup> See: <http://bis.org/pub/cpss112.htm>.



withdrawals accounted for 48.2% of all transactions with payment cards, their value – for 76.4%. Growth in the volume of non-cash transactions involving cards remained high, outpacing significantly the same indicator characterizing the dynamics of cash withdrawals. Over the year, the volume of non-cash transactions with payment cards rose 1.7-fold and their value 1.6-fold whereas the growth rates of cash withdrawals were 16.4 and 28.6%, respectively. It caused an increase of non-cash payments share in the total volume of operations using payment cards from 41.8% in 2011 to 51.8% in 2012, and in the total value from 20.2 to 23.6%. The overwhelming majority of these transactions were payments for goods and services (including customs payments) that accounted for 92.6% in volume and 68.9% in value, while funds transfers from one bank account to another and charity payments, etc. made up 7.4 and 31.1%, respectively.

As in previous years, a high growth in the volume of payments for goods and services (excluding customs payments) effected in Russia using payment cards issued by credit institutions continued in 2012. Their volume and value grew 1.7- and 1.6-fold, respectively, year on year. Their share in the turnover of retail trade, paid services to households and public catering establishments was 11.6% (a 3.7%-increase on 2011).

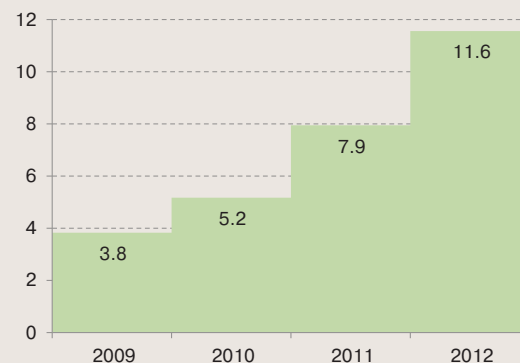
Card holders preferred to use point-of-sale terminals for non-cash transactions. These terminals processed 56.8% of payments to an amount equal to 79.0% of the total value of these payments. Payments effected through ATMs accounted for 36.5% of the total volume and 13.9% of the total value of payments while payments made through other devices/technologies (Internet, mobile phones and imprinters) made up about 7%, both in volume and value.

**As of end of 2012, the Bank of Russia registered 10 payment systems executing funds transfers using credit cards: CONTACT, NATIONAL CREDIT CARDS, Union Card, Unified Settlement System, HandyBank, Visa, Golden Crown, Customs Card, MasterCard, Universal Electronic Card. In 2012, these payment systems issued 85.5% of all payment cards and made up 88.1% of the total volume and 64.1% of the total value of non-cash operations using payment cards.**

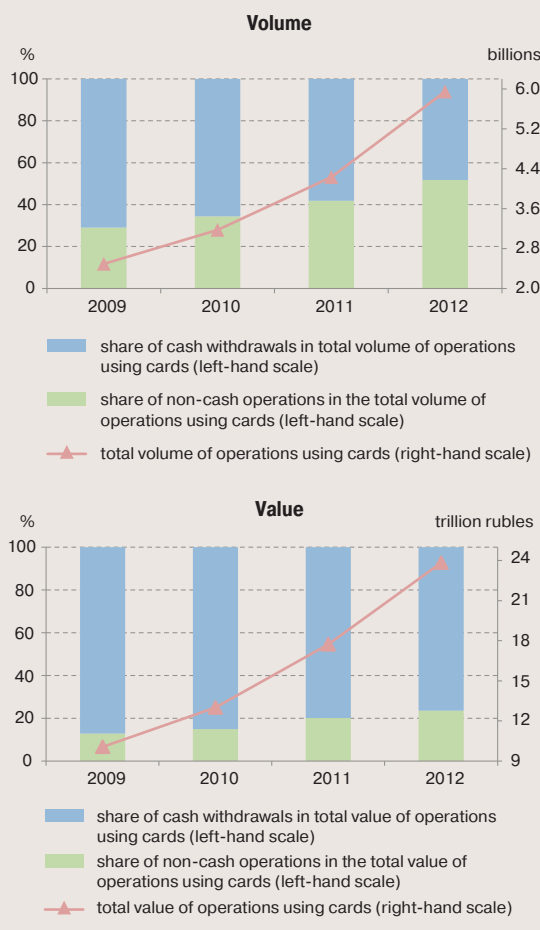
The Central Federal District and the Northwestern Federal District showed the best ratios of cash and non-cash operations using payment cards. The share of non-cash payments in the total volume of operations using payment cards made up 59.7% in the Central Federal District and 55.3% in the Northwestern Federal District. The lowest ratios were registered in the Southern Federal District (34.6%) and the North Caucasus Federal District (21.8%).

Over the years, the use by Russian citizens of payment cards as a non-cash payment instrument in foreign trips remains consistently high. In 2012, Russian citizens made 170 million payment card operations abroad amounting to

**Chart II.2.18.** Share of payments for goods and services using cards in the turnover of retail trade, paid services to households and public catering establishments in 2009–2012, %



**Chart II.2.19.** Operations using payment cards in 2009–2012



759.6 billion rubles, of which 87.3% in volume and 75.1% in value were used as payments for goods (works and services). Russians actively use payment cards abroad, as well as adopt the experience and culture of their daily use in the developed countries. This gradually changes the consumption habits of Russian citizens and encourages them to use cards as a payment instrument.

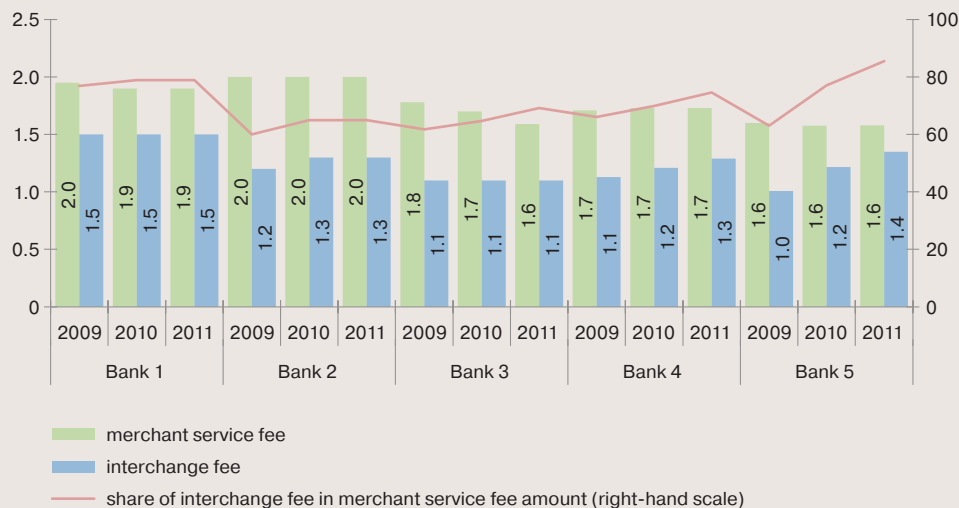
In Russia, payment cards issued abroad are used much less frequently than those of Russian issuers. In 2012, 61.8 million operations worth 244 billion rubles were carried out in Russia with cards issued abroad. Thus, 70 of 100 operations were made for the payment of goods (works and services), making up half of the total value of transactions with cards issued outside of Russia. State support of tourism, major international sports and cultural events will promote trade and service enterprises and banks to expand and improve the card infrastructure.

Box 6

### Merchant acquiring fees

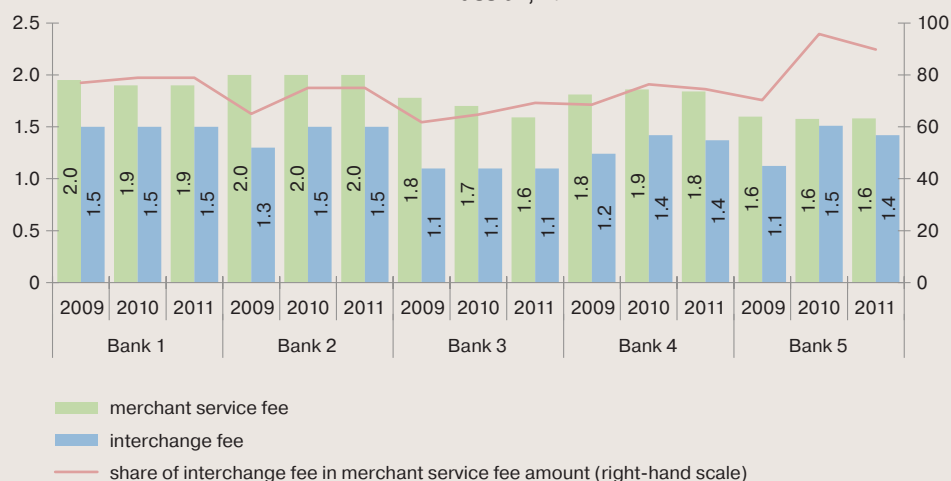
One of the main reasons hampering the development of merchant acquiring in Russia, as estimated by ten largest acquirers<sup>1</sup>, is a high level of interchange fees which are set by international payment systems ignoring Russian banks' opinion. The share of an interchange fee in the total amount of a merchant service fee<sup>2</sup> is up to 70%<sup>3</sup>.

**Average size of an interchange fee and a merchant service fee within the VISA payment system in Russia, %**



In Russia, the regulation of interchange fees set by payment systems is in the focus of attention of the Inter-agency Committee on Drafting Measures Aimed at Optimizing Payment Transactions in Russia established by Finance Ministry Order No. 398 of November 1, 2011. The Council consists of the representatives of the Bank of Russia, ministries and agencies concerned, the banking community, as well as payment services market participants.

### Average size of an interchange fee and a merchant service fee within the MasterCard payment system in Russia\*, %



\* According to a Survey of Retail Payment Services Market in Russia in 2011 ([www.cbr.ru/today/payment\\_system/analytics/Survey\\_2011.pdf](http://www.cbr.ru/today/payment_system/analytics/Survey_2011.pdf)).

In January 2013, the Bank of Russia conducted a survey of credit institutions in the Moscow Region regarding fees in the merchant acquiring market. The survey involved 30 credit institutions which processed the largest volume of non-cash operations using payment cards.

Analysis of the information received indicates that in most cases credit institutions apply a differentiated approach to determining a merchant service fee for trade and service enterprises. A merchant service fee depending on the volume and value of operations with payment cards made at trade and service enterprises was the most common response (83% of respondents). The vast majority of respondents (90%) mentioned the dependence of the service cost of payment cards on their type (settlement (debit), credit, prepaid) and kind (e.g., Electron, Gold, Platinum, etc.) while 79% of them used this criterion in determining a merchant service fee.

The size of a merchant service fee set by the surveyed credit institutions for serviced businesses ranged from 1.4 to 2% of payment amount (one bank reported 4%). A share of an interchange fee in a merchant service fee makes up 75% on average. Fees paid by acquirers to payment system operators (including the commission for authorization) accounted for another 7%. Thus, the acquirer was left with about 18% of the commission received from trade and service enterprises on average.

Most of the surveyed banks pointed to a need for reducing the amount of a merchant service fee for trade and service enterprises as a means to expand the use of cards in paying for goods and services. One way to do it is to lower interchange fees and commissions established by payment system operators for acquirers.

In general, a half of respondents reported the necessity of differentiated interchange fees for operations made at trade and service enterprises. In the opinion of credit institutions, the size of an interchange fee and, accordingly, a merchant service fee should depend mainly on payment card risks, the types of activities and turnovers of trade and service enterprises. They also highlighted the need for reducing interchange fees on operations using cards issued by Russian banks for trade and service enterprises located in Russia relative to the amounts of fees on operations using cards of foreign issuers. However, a number of respondents truly noted that a split of commissions would require an upgrade of the operating platform of processing and clearing centers, as well as a complex and expensive refinement of bank IT systems.

High interchange fees hamper the development of merchant acquiring. Its development in Russia could be promoted not only by lower interchange fees but also by reduced customs duties on imported foreign equipment used for servicing payment cards, as well as the development of modern, high-speed telecommunications and innovative technologies (e.g. NFC) that can significantly reduce the time of customer service and also improve the level of safe use of payment cards by reducing associated risks.

<sup>1</sup> The survey was conducted by the Bank of Russia within the Inter-agency Committee on Drafting Measures Aimed at Optimizing the Payment Turnover in Russian established by Ministry of Finance Order No. 398 of November 1, 2011.

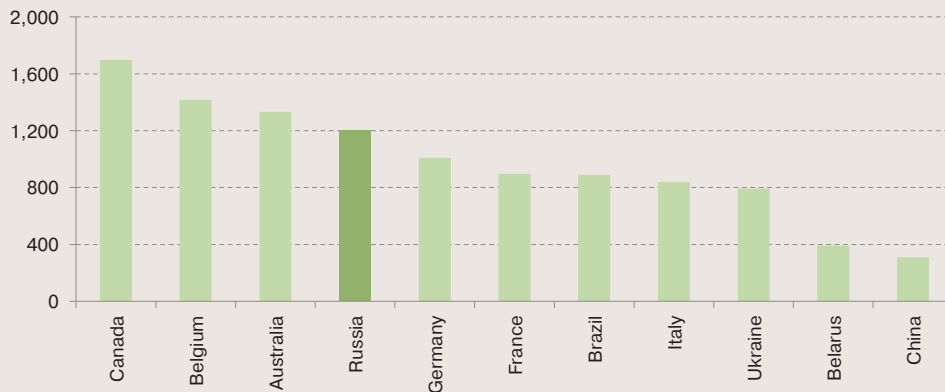
<sup>2</sup> A merchant service fee – funds charged from a trade (service) enterprise for an acquiring service. The merchant service fee consists of an acquirer's commission, including an interchange fee paid by an acquirer to a card issuing bank.

<sup>3</sup> According to the Survey of Retail Payment Services Market in the Russian Federation in 2011 ([www.cbr.ru/today/payment\\_system/analytics/Survey\\_2011.pdf](http://www.cbr.ru/today/payment_system/analytics/Survey_2011.pdf)).

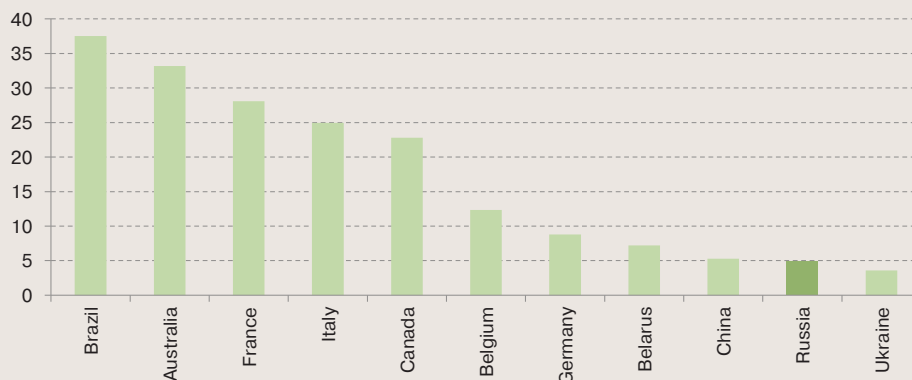
Card servicing infrastructure is a key factor for developing the market of payment cards, including the expansion of their use for the non-cash payments for goods and services. As of end of 2012, 171,900 ATMs were installed in Russia, a 1.2-fold increase on the previous year. Russia is among the largest countries by the number of ATMs following China (415,600) and Brazil (175,000), but in relative terms – per 1 million inhabitants – Russia (1,200 ATMs per 1 million inhabitants) is slightly behind the leading countries: Canada (1,697), Belgium (1,417) and Australia (1,333).

As of end of 2012, the infrastructure for non-cash operations totaled 165,000 ATMs, 739,400 electronic terminals and imprinters installed at points of sales in Russia. It should be noted that Russia saw a significant shortage of devices for non-cash payments at trade and service enterprises as compared with developed countries. By the number of POS terminals per one million inhabitants, Russia (4,849) left behind only Ukraine (3,565); while the leaders were Brazil (37,506) and Australia (33,191).

**Chart II.2.20.** Number of ATMs per 1 million inhabitants as of end of 2012, by country, units



**Chart II.2.21.** Number of electronic terminals per 1 million inhabitants as of end of 2012, by country, units



## Mobile POS experience: expansion prospects, efficiency, safety<sup>1</sup>

Mobile POS technology<sup>2</sup> has become one of the most interesting developments to have impacted the payment industry over the last year. Essentially, these consist of plugin card readers which can be implemented into existing merchant POS systems to accept either contact card or contactless NFC mobile phone payments. A mobile terminal is connected through a headphone jack to your smartphone or tablet computer and allows you to make payments at any time and in any place. To operate the mobile terminal one does not need a connection to the power network or a special Internet line, since it works with mobile devices in the 2G/3G networks and Wi-Fi, and a register receipt is available in the electronic form.

This rapidly growing area has a considerable potential. Mobile POS technology is designed for making small payments and is aimed at small merchants sector where cash is the predominant mechanism for paying. The number of people who prefer to pay with payment cards is constantly growing. According to various researches, 20% of customers refuse to buy unless they can pay with a card. This hinders the development of small businesses which cannot afford merchant acquiring. Mobile terminals are proving to be a cost-effective alternative for merchants, allowing to significantly raise a service level, attract new customers and increase the sales volume.

The Mobile POS technology enables merchants to accept payment cards and significantly reduce costs in comparison with merchant acquiring. Implementation and support for mobile acquiring come much cheaper: no monthly fee for devices, no turnover requirements, no need to pay for a special Internet line, a fee for effecting payments (typically 2.75% of a transaction amount) is optimal for small businesses. To receive payments, a businessman just needs a mobile phone or a tablet computer with Internet access, a mini-terminal and a bank account. Since the use of Mobile POS is cheap enough for small merchants, it will give them an opportunity to gradually move to non-cash payments, increase a turnover, and keep their money in a more secure manner.

Mobile POS is no less attractive as an alternative for retailers having a POS-terminal infrastructure, since it eliminates the need for its further modernization.

In recent years, a lot of Mobile POS-products have come to market, the most successful of them were solutions by *Square* and *iZettle*. Their business model is based on covering low-margin market segments and companies with a small turnover that are unattractive for acquirers with a network of mobile terminals.

American company *Square* is the leader in the Mobile POS-market. It was established in 2009, and has already sold more than 800,000 mobile terminals. At present, the company processes more than 2 billion payments a year. Square successful operation attracted investments worth \$37 million, and Visa International has become a strategic investor in the company. Square charges merchants a transaction fee of 2.75%-commission.

A standard Square payment scheme looks as follows. The seller and buyer shall be registered by Square, and the buyer shall download an application that will store his card details. The seller enters the price of goods or services, swipes a card and payment information is sent to a bank. Since the buyer is registered in the Square system, the seller sees his photographic image on his smartphone, thus making sure that he is the real card holder. The buyer puts his signature on the smartphone screen to confirm the payment. The buyer and seller can immediately send an electronic cheque by e-mail or with an SMS message. Electronic cheques are much more informative than standard ones: besides usual payment information they can include, for example, a photo of a purchase or the address of a place where it was made. Funds are credited to the seller's account within one-two days after the transaction. The Square also has a function that allows you to get immediate repayment.

PayPal has come to the USA market with PayPal Here plug-in solution. Some experts consider it to be quite risky because PayPal charges a smaller fee on transactions than Square and its counterparties, relying mainly on its wide-spread network of merchant relationships and customers.

Sweden *iZettle* consists of plug-in card reader for Apple tablets and smartphones. So far his payment scheme has been concentrated in Scandinavia. To increase its attractiveness to the European market, *iZettle* dropped its flat fee of 15 eurocents on all transactions, and implemented a new rate, 2.75% per transaction fee for card payments (3.75% for American Express card payments). As *iZettle* is used in EMV<sup>3</sup> markets in Europe, it claims to be more secure than solutions for mag stripe card payments. *iZettle* is also pursuing partnerships with a number of European acquirers, offering them an additional service of payments using mobile terminals.

Equipping mobile terminals with devices for contactless payments will largely contribute to more active Mobile POS market development, but this is not enough. Obviously, it is also necessary to expand the

use of smartphones with NFC chips, and today there is still a relatively low number of them. According to expert assessments,

the results of currently offered initiatives in this area will become obvious in two-three years provided there is cooperation between retailers, banks and mobile operators.

Currently, the Mobile POS technology is most widely used in the USA, where in 2011 alone, there were 500 venture projects registered in this area. This market segment is also very promising in developing countries, where there is a high rate of mobile payments along with the insufficient development of traditional terminal infrastructure. At the same time in Europe security has a bigger role than in other regions and that may make it more restrictive to switch to mobile payments and also makes the solutions more complicated.

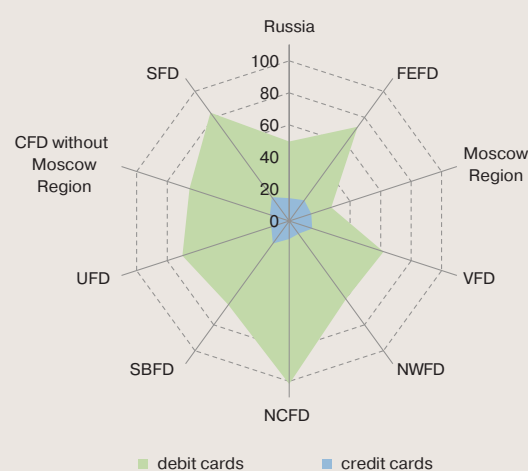
In Russia, a number of banks in cooperation with mobile operators have also started to use Mobile POS technology. Thus, iPay services (MTS and PryvatBank), Yandex.Kassa (Yandex.Dengi), 2can (Visa International, PromSvyazBank and CJSC Smartfin), Alpha-PAY (Alfa-Bank, Beeline, Visa International and Pay-Me) and the service of SumUp company together with Svyaznoy bank were launched in 2011–2012. For banks it is important to reduce the use of cash while mobile operators are interested in increasing their network usage. The scheme is mainly aimed at small companies with high mobility (taxis, delivery of goods, etc.). The fee ranges from 1.5 to 3% of a transaction amount. The cost of a mobile terminal is about 1,500 rubles, but some services provide them free of charge.

<sup>1</sup> Based on the article “New m-payments frontier” (Payments Cards & Mobile. 2014, July–August. No. 4).

<sup>2</sup> Mobile terminals at points of sale.

<sup>3</sup> EMV is an international standard for operations using payment cards with an embedded chip developed by Europay, MasterCard and Visa to enhance the security of payment card operations. The main feature of this standard is a prior claim of entering a PIN code when making payments through an electronic terminal.

**Chart II.2.22.** Growth rate in the number of debit and credit cards in 2012, by federal district, %



### Debit and credit cards

In 2012, debit cards traditionally dominated the payment card structure: at the end of the year, their share of the total number of cards issued by credit institutions was 70.5%. About a third of the total number of debit cards was issued in the Central Federal District, of which 69% – to residents of the Moscow Region. Low values were still registered in the North Caucasus Federal District (2.3%), Far Eastern Federal District (4.3%) and Southern Federal District (7.4%). The share of active debit cards<sup>28</sup> in Russia as a whole stood at 53.8% (in 2011, 52.9%).

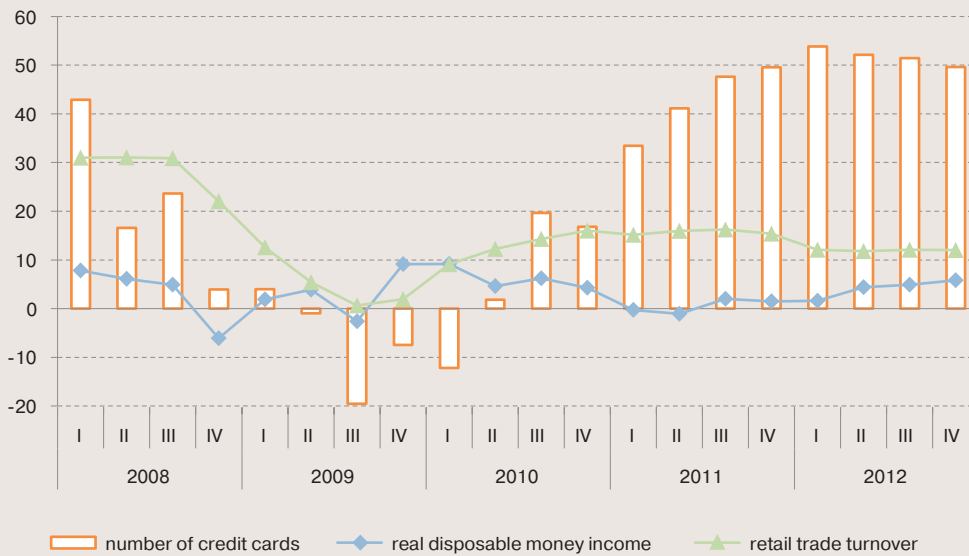
In 2012, the growth rate of retail trade turnover exceeded that of real disposable money income. Consumer demand was increasingly satisfied by loans, including the ones using credit cards. The number of credit cards issued to households, grew 1.5-fold, as in 2011. In seven of the eight federal districts, this figure was above the nation-wide level, with the highest growth rates observed in those federal districts where the average per capita income was the lowest. Thus, in the North Caucasus Federal District, where the per capita income in 2012 was 17,100 rubles, the number of credit cards doubled while in the Central Federal District, with the per capita income of 29,700 rubles, the growth rate was significantly lower (32.9%).

The Bank of Russia Survey conducted by the NAFS showed that 64 of 100 respondents had payment cards, with two thirds of them having only one card, and a quarter of respondents – two cards.

More than a third of respondents said they did not have a payment card, explaining that, in particular, by the fol-

<sup>28</sup> In this Review, active cards are those used for operations during the reporting period.

**Chart II.2.23.** Growth rates of retail trade, real disposable money income and number of credit cards in 2008–2012, as % of corresponding period of previous year



lowing factors: a card is for the better off people than they are (27%); learning to use a card is too troublesome (17%), there is a risk of fraud (17%), it is more difficult to control expenses with a card (16%), absence of knowledge of how and where a card could be used (14%).

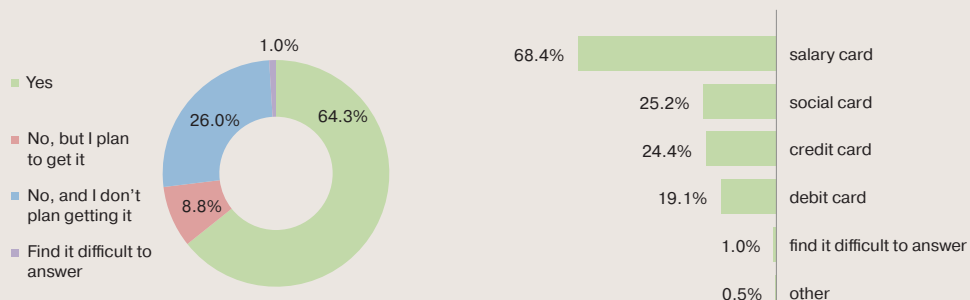
The share of respondents having payment cards is the highest in the age groups from 25 to 44 years (79.8% in the group aged 24 to 34 and 75.1% in the group aged 35 to 44). One fifth of the youngest participants in the Survey (18–24 years) said they planned to have a card in the future.

According to the Survey, 77.9% of people with incomplete or complete higher education have payment cards. This is almost 2-fold the number of respondents with payment cards that have primary education and incomplete secondary education (20.7 and 19.1%, respectively).

Analysis of the relationship between the availability of payment cards and the level of monthly income showed an upward trend in the share of card holders in each subsequent income group.

Preferred use of credit cards as a non-cash payment instrument can be attributed to their positive aspects: in 71 of 100 cases, the card holder uses it for making non-cash payments, and only in 29 – cases to withdraw money.

**Chart II.2.24.** Respondent replies to the question “Do you have a payment card?”

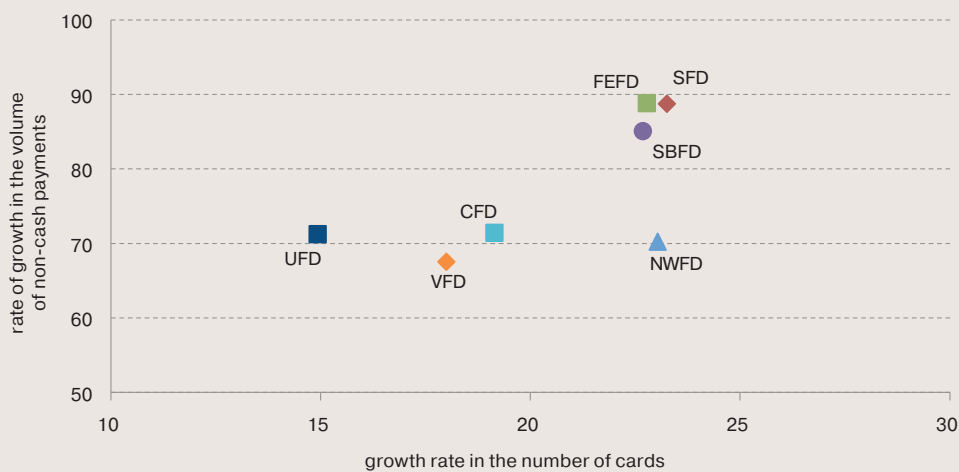


At the same time, this ratio for debit cards is in favor of cash withdrawals: 51% as against 49% (in 2011, 61% as against 39%). This is mainly due to the fact that the majority of debit cards are issued within salary and social services projects, and their card holders still prefer to use them for cash withdrawals.

The level of competition between credit institutions on the payment cards market remained low in all federal districts in 2012 while the concentration ratio by number of credit cards issued in regions<sup>29</sup> was high in all federal districts, reaching the maximum value in the North Caucasus Federal District (almost 95%) and the minimum value in the Northwestern Federal District (79.6%). As before, credit institutions of the Moscow Region held a dominant position in the market as they accounted for more than one third of all credit cards issued. Five credit institutions continued to issue about 60% of all debit cards in Russia. This situation was also typical of all federal districts: the concentration ratio by number of debit cards issued to residents of a federal district varied from 60.1% in the Urals Federal District to 80.0% in the North Caucasus Federal District.

In 2012, in all federal districts the volume and value of payments for goods and services using credit cards increased. In particular, in the North Caucasus Federal District, the value of such operations increased 2-fold, in the Southern Federal District – 1.8-fold, in the Northwestern Federal District and Volga Federal District – 1.6-fold each and in the Central Federal District – 1.4-fold. The largest growth in the volume of payments was registered in those federal districts, where a rise in the number of cards issued was the highest: in the Far Eastern Federal District, Southern Federal District and Siberian Federal District (1.9-fold each).

**Chart II.2.25.** Growth rates in the number of cards and in the volume of non-cash payments in 2012 (as against 2011), %



<sup>29</sup> The federal district concentration ratio is the share of cards issued to the residents of the federal district by the five largest credit institutions in the total number of cards issued to the residents of the federal district by credit institutions located in this and (or) other federal districts.



## The Bank of Russia activities in countering unauthorized operations

As banking technologies used in retail payments develop, including those aimed at improving the safe use of payment cards and communications channels, methods of unauthorized, essentially fraudulent, operations by third parties, as well as hardware and software they apply are upgraded. It should be noted that consolidated illegal activities of fraudsters and the creation of transnational gangs promote growth in the total number of unauthorized operations and damage caused. Almost all countries are aware of this dangerous situation and take the necessary measures to combat fraud in payment services.

In Russia, the banking community and private companies are successfully implementing various initiatives to counter any unauthorized operations using payment cards.

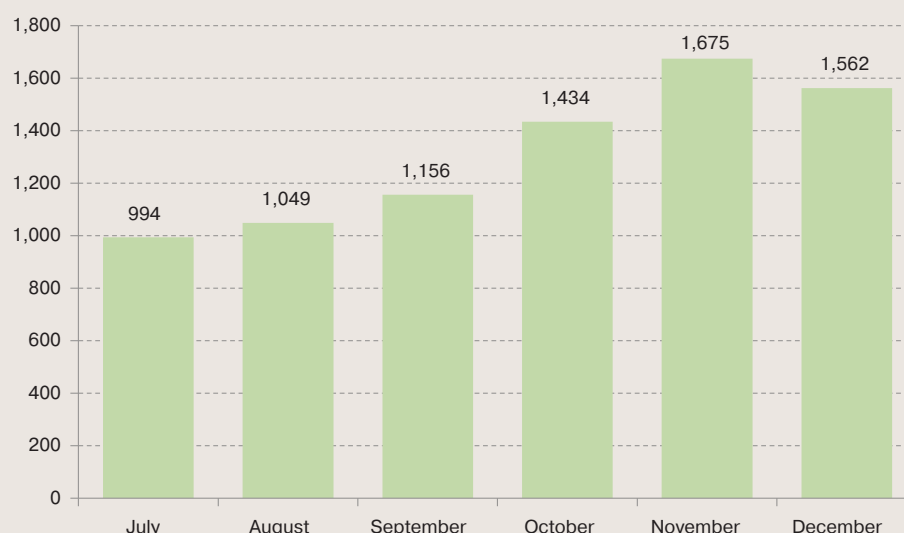
1. At the Bank of Russia initiative, a national financial operations standard is being drafted based on ISO 20022 standard, an international methodology for describing financial operations and message formats. To organize and carry out work on a national, interstate and international standardization of financial operations, Standardization Technical Committee No. 122 “Standards of Financial Operations” (TC No. 122)<sup>1</sup> was established in December 2010 in accordance with the order of the Federal Agency for Technical Regulation and Metrology.

Currently, TC No. 122 consists of five sub-committees: SC No. 1 “Safety of Financial (Banking) Operations”, SC No. 2 “Technologies of Operations in Financial Markets”, SC No. 3 “Technologies of Basic Financial (Banking) Operations”, SC No. 4 “Procedures and Settlement Technologies Using Credit Cards and Other Retail Payment Instruments” and SC No. 5 “Mobile Payments”.

SC No. 4 and SC No. 5 priority is drafting a national standard on countering unauthorized operations using electronic means of payment, including the development of approaches to a single database on unauthorized operations, national standards of collection, processing, storage and exchange of information on unauthorized operations made.

2. To obtain information on cases of the failure to comply with information protection requirements in executing funds transfers, the Bank of Russia developed a reporting form according<sup>2</sup> to which funds transfer operators, payment infrastructure service operators (operators) provide data on a monthly basis since July 2012. According to information received in the second half of 2012, operators recorded 7,870 cases of the failure to comply with information protection requirements in executing funds transfers, of which about 80% identified at least 10 such cases per month, and 20% – more than 10 cases per month.

**Number of cases of the failure to comply with information protection requirements in executing funds transfers in July–December 2012, units**



More than 43% of identified cases were related to funds transfer of persons unauthorized to use these funds, nearly 30% were breaches of the confidentiality of information required for certifying the right of customers of funds transfer operators to use funds. The latter also includes cases related to the equipment of ATMs and POS terminals with facilities for unauthorized obtaining of information necessary for funds transfers (skimming).

3. To obtain information on illegal operations using payment cards, as well as on the infrastructure involved, the Bank of Russia issued a reporting Form “Data on Unauthorized Operations Made Using Payment Cards”.

4. To set requirements for credit institutions in using microprocessor payment cards, the Bank of Russia observed in May 2013 credit institutions’ readiness to issue and service EMV microprocessor payment cards (see “Review of the State and Prospects for Implementation of EMV Microprocessor Payment Cards” published on the Bank of Russia site). The results of this Review are taken into account in developing requirements for information security when making funds transfers.

The Review results showed the following.

- The majority of respondents (92.8%) mentioned a positive impact of EMV microprocessor payment cards on information security.
- The transition to the issue of EMV microprocessor payment cards is under way at the largest credit institutions, acquirers and issuers, but this work requires additional incentives in the market on the whole.
- Trade and services enterprises have demonstrated a high level of readiness to use the equipment for processing EMV microprocessor payment cards.

5. In 2009, the Russian Europay Members’ Association, the Association of Russian Banks and the ABISS developed an interbank information resource providing banks with an access to a closed channel for data exchange on incidents with payment cards and on information security under the code name “hot line”. This allowed banks:

- to detect quickly and with a great accuracy the places where cards were being compromised;
- to timely block compromised cards;
- to obtain additional reliable information when considering customer applications;
- to identify new schemes of unauthorized operations and develop countermeasures;
- to exchange practical experience in combating fraudsters and statistical information;
- to maintain a dialogue with law enforcement bodies and inform the banking community on relevant court decisions.

At present, about 450 representatives of more than 150 largest banks in Russia, Ukraine, Belarus and Kazakhstan are certified users of this hot line.

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<sup>1</sup> For reference: Internet address at: [www.tk122.ru](http://www.tk122.ru).

<sup>2</sup> The Bank of Russia Ordinance No. 2831-U of June 9, 2012, “On Reports to Ensure Information Protection in Executing Funds Transfers by Payment System Operators, Payment Infrastructure Service Operators, Funds Transfer Operators”.

### **Prepaid cards**

In 2012, the market of prepaid cards used for e-money operations continued dynamic development.

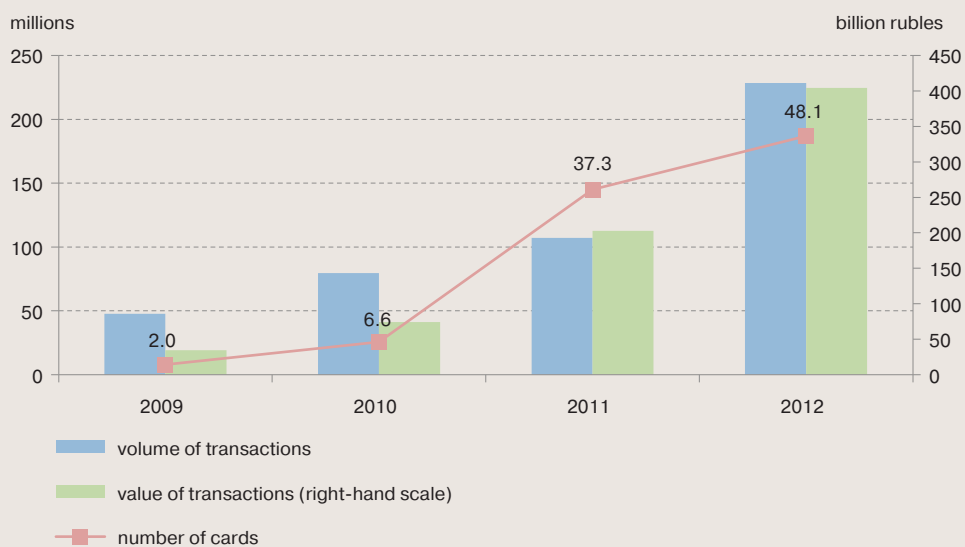
**In accordance with the Federal Law No. 161-FZ, as of end of 2012, 35 credit institutions sent notices to the Bank of Russia on starting to transfer e-money, of which about 80% provided operational services and (or) payment clearing services without outsourcing third parties, with 34 credit institutions issuing non-personified electronic means of payment (EMP), 16 – personified EMP, 7 – corporate EMP.**

In 2012, as in the previous year, the number of prepaid cards grew rapidly (1.3-fold) to reach 48.1 million. As a result, their share of the total number of cards issued increased to 20.1%. The share of active cards<sup>30</sup> in the total volume of issued prepaid cards is one of the indicators that characterize the market development. Prepaid cards are usually used to make small-value payments,

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<sup>30</sup> In this Review, active cards are those used in at least one operation related to cash withdrawal and (or) payment for goods and services during the reporting period.

**Chart II.2.26.** Highlights of the prepaid cards market in 2009–2012



and their issue is associated with one-time operations, i.e. a holder does not replenish the prepaid card after making a single payment (thus, its validity period is terminated after using the amount credited). In 2012, the number of active prepaid cards averaged 47.4 million per quarter (in 2011, 22.2 million).

Household demand for prepaid cards is demonstrated by high growth rates of operations with their use over the years. In 2012, the volume of these operations rose 2.1-fold to 228.4 million transactions and the value – 2.0-fold to 404.3 billion rubles.

Payments for goods and services dominated the structure of operations using prepaid cards (61.5%) while their share of the total value was only 16.0%. The share of operations other than payments for goods and services (money transfers to other bank accounts, replenishment of electronic purses, loan repayments, etc.) in the total volume was 37.3% and in the total value – 80.0%. Cash withdrawals accounted for only 1.2% of the total volume and 4.0% of the total value of operations effected with prepaid cards.

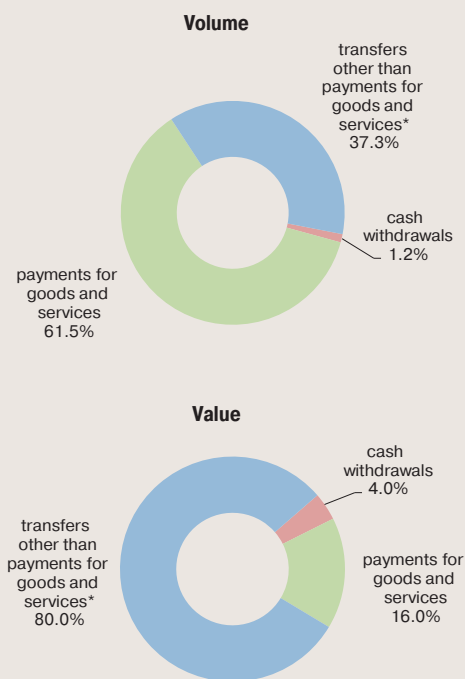
#### II.2.4. Cheques

Cheques account for the smallest share in the structure of non-cash payment instruments. In 2012, they were used for effecting 4,400 payments to the amount of 6.8 billion rubles, of which 47.0% of the total volume and 3.4% of the total value were payments by legal entities other than credit institutions, respective 6.9 and 7.7% – individual payments, and 46.1 and 88.9% were own payments of credit institutions. Cheques were most actively used in the Moscow Region (94.6% by volume and 99.9% by value).

#### II.2.5. Bank orders

Bank orders are widespread in banking practice and used primarily for making regular and bulk operations. In 2012, 84.4% of the total volume of own payments by a credit institution (branch) and 7.1% of their total val-

**Chart II.2.27.** Operations effected using prepaid cards in 2012



\* Money transfers to bank accounts, replenishment of electronic purses, etc.

ue were effected with the use of this payment document. The average amount of a payment stood at 5,100 rubles.

**The Bank of Russia issued Ordinance No. 2945-U of December 24, 2012, “On the Procedure for Making and Using a Bank Order” that expands the scope of its application. Since March 6, 2013, the Bank of Russia and credit institutions may use bank orders in carrying out operations on bank and deposit accounts denominated both in rubles and in foreign currency, opened with this bank in cases when the originator or recipient is the bank making the bank order, as well as in cases when credit institutions make operations (except for funds transfers from a bank account to another bank account) on accounts of the same customer (account holder) opened with the credit institutions making the bank orders.**

### **II.3. METHODS OF FORWARDING PAYMENTS TO CREDIT INSTITUTIONS**

In recent years, innovative telecommunications and dataware led to an active use of electronic technologies by bank customers in effecting their payments. In most countries, including Russia, the share of payments transferred to banks electronically increases every year.

Despite lagging behind most member countries of the Committee on Payment and Settlement Systems of the Bank for International Settlements in the number of payments sent electronically by bank customers<sup>31</sup> (including per capita), Russia has been the leader in the annual growth rate of such payments over the last three years. In 2010, the annual growth in the volume of payments using electronic technologies stood at 27.5%, in 2011 – at 39%, and in 2012 it reached a record high of 46%. For comparison: in developed countries, this figure from 2009 to 2012 was about 7%, in developing countries – about 20%.

#### ***Credit institutions***

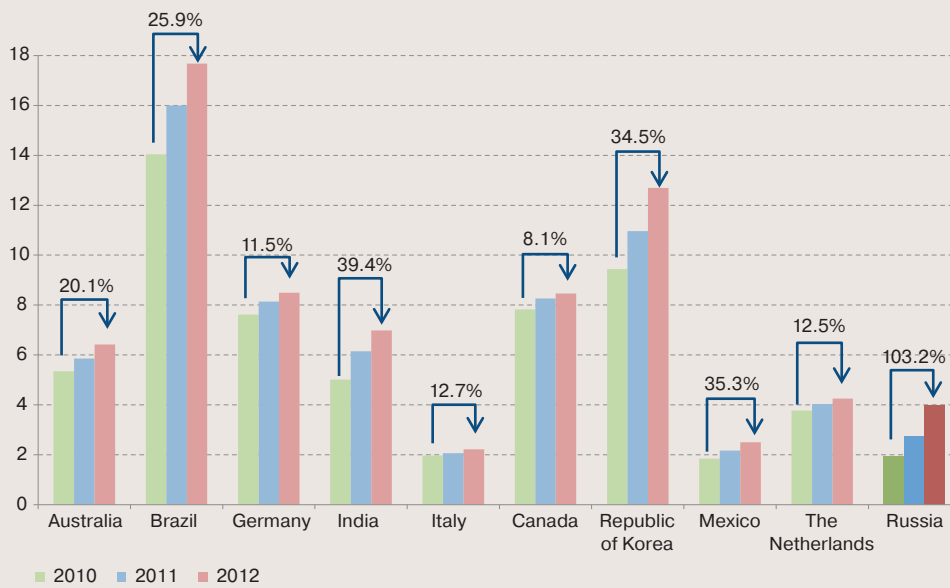
As in previous years, credit institutions customers actively used electronic technologies when effecting payments in 2012. The volume and value of non-cash payments effected on the basis of instructions sent by customers to credit institutions electronically, including with the use of payment cards, increased by 52.7 and 14.1%, respectively, to 4.0 billion operations worth 348.0 trillion rubles (72.2% of the total volume and 82.5% of the total value), of which payments through Internet and mobile phones accounted for respective 20.3 and 64.2%.

Persisting high growth rates in the volume of payments using payment cards had a significant impact on the structure of payments, the instructions for which are sent electronically. The share of non-cash operations using payment cards in the total volume of electronic payments

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<sup>31</sup> Individuals, legal entities other than credit institutions.

**Chart II.3.1.** Volume of non-bank electronic payments<sup>32</sup> in 2010–2012, by country, billions



grew by 20 percentage points as compared with 2009 to reach 77.6% in 2012.

However, the share of these operations in the total value of electronic payments was still insignificant and stood at 1.6% in 2012 compared to 1.2% in 2011.

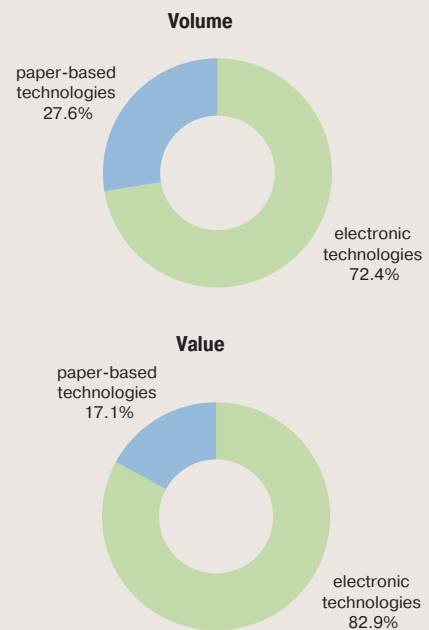
Payments by payment orders used to dominate (98.4%) the total value of electronic payments in 2012, of which payments by non-banks accounted for the main share (99.7%).

Legal entities other than credit institutions traditionally used electronic technologies more often than individuals: in 2012, they transferred electronically four of the five payment orders, which accounted for 85.3% of the total payments value. During the year, the volume and value of payment orders sent electronically by legal entities to credit institutions increased by respective 7.1 and 13.5%, and those sent in the paper form decreased by 8.6 and 2.9%. Payments made via Internet still prevailed (69.0% by volume and 65.2% by value).

Individuals have also become more active in using electronic technologies: the share of electronic payment orders in the total volume of payment orders rose to 42.5%, in the total value – to 13.2%. The volume and value of payment orders sent to credit institutions via Internet and mobile phones grew during the year by 6.3 and 48.5%, respectively. In 2012, 71 of 100 payment orders were forwarded by individuals to credit institutions via Internet (in 2011, 63), 10 – via a mobile phone (in 2011, 17) and 19 – via other methods of remote access<sup>33</sup> (in 2011, 20).

In 2012, the share of payments via Internet and mobile phones accounted for 5.9% of the total volume and

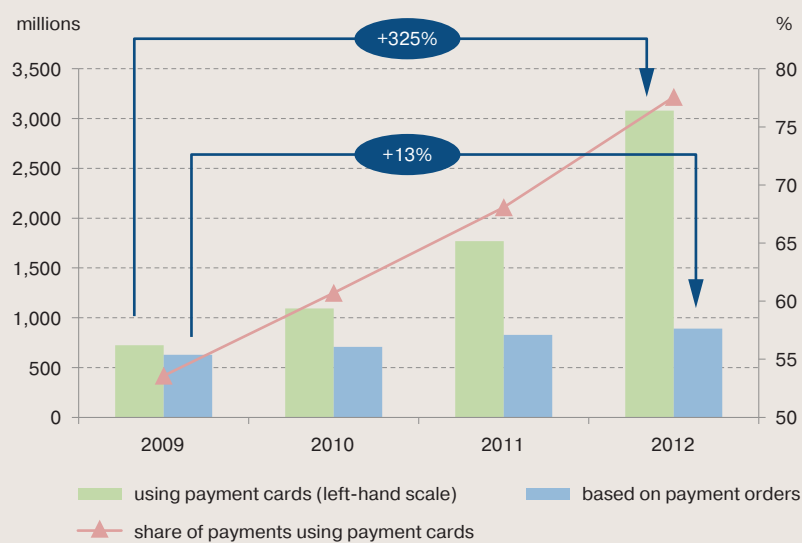
**Chart II.3.2.** Non-bank payments forwarded to credit institutions in 2012, by type of technology



<sup>32</sup> Includes non-paper-based credit transfers and operations using payment cards issued in this country.

<sup>33</sup> Payments using the “Customer–Bank” automated system, through telephone banking, etc.

**Chart II.3.4.** Volume of non-cash payments based on instructions sent by non-banks to credit institutions electronically in 2009–2012



3.9% of the total value of operations made by individuals using payment cards.

Despite the fact that in Russia a growing number of payments are made via remote banking channels, they have not yet acquired sufficient popularity among individuals. According to the Bank of Russia Survey conducted by the NAFS, 74% of respondents did not make any payments and money transfers through Internet last year, 82% of respondents did not use any mobile devices for this purpose, with two thirds of them not planning to apply them in the future. About 40% of the respondents explained their non-interest to payments via Internet and mobile devices by the lack of need for making payments in such ways, a third of the respondents – by the doubt in their reliability and safety, about 22% – by the lack of sufficient knowledge about electronic payments.

A noticeable effect on the use of remote payment channels is produced by socio-demographic factors such as age. Payments and money transfers through Internet or mobile phones are more attractive for Russians younger than 45 than for representatives of the elder age groups.

According to the Bank of Russia Survey, most payments via Internet are made by citizens aged from 25 to 34 (31%), and the activity of the youngest respondents (18–24 years) is lower (23%), which may be due to their lack of a bank account or of the need for such payments.

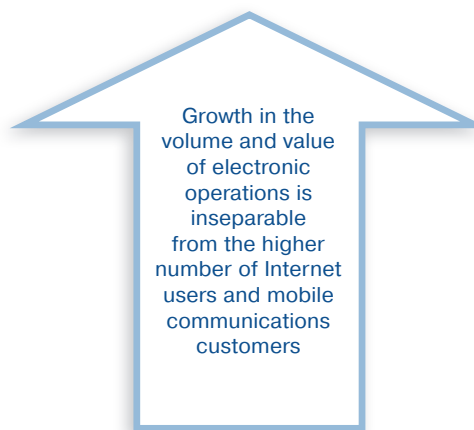
The share of respondents who expressed their concern with the reliability and security of payments through Internet, was the highest in Moscow and St. Petersburg (over 50% in each), among well-off citizens with a monthly family income from 60,000 to 100,000 rubles (46%), and also in the age group over 60 years (41%). Least concern about this was expressed by pupils and students (19% of respondents).

The largest number of payments via Internet were effected by the Survey participants in the Far Eastern Federal District, Northwestern Federal District and Urals Federal District (43, 42 and 39%, respectively), the lowest – in

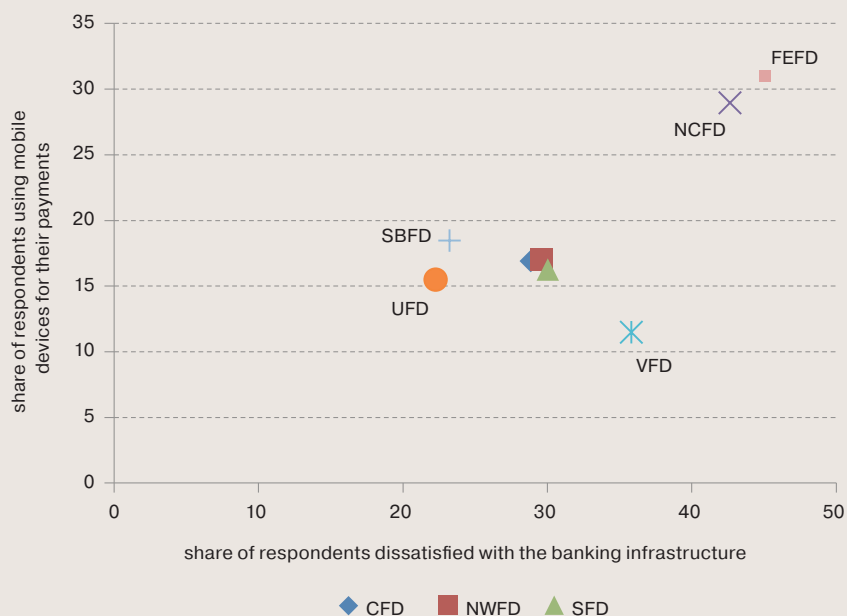
the Volga Federal District and Urals Federal District (19% each). Residents of Moscow and St. Petersburg, according to the Survey, made 1.5–2 times more payments and transfers through Internet than other respondents. The share of respondents that did not make payments via Internet was the highest in towns with a population of less than 100,000 people and in villages (80 and 78% of respondents).

Payments using mobile devices were most actively made in the regions with a lower level of availability of the banking infrastructure. Thus, the number of respondents who reported their use of such payment services, at least occasionally, in small towns (with a population of 100,000–500,000) and in villages was 28 and 19%, respectively, while in Moscow, St. Petersburg and cities with a population over one million – only about 12%. Federal districts, residents of which took part in the Bank of Russia Survey and registered the lowest level of satisfaction with the banking infrastructure, the North Caucasus Federal District (29%) and the Far Eastern Federal District (31%) also became leaders in mobile payments. Respondents in the Volga Federal District used mobile devices for payment purposes most rarely (12% of respondents).

The Bank of Russia Survey confirmed that young Russians mastered innovative means of payment faster. Elder respondents were observed to show a sharp decrease in the volume of payments using mobile devices. In the age group of up to 24 years, the share of respondents who at least occasionally made mobile payments (28%) was 9-fold the corresponding figure in the age group of over 60 years (3%) and twice the figure in the age group of 44 to 59 years (14%). The share of those who planned to use mobile devices for payments in the future was also inversely to the age: among respondents of up to 24 years, it was 21% and fell to 6% in the age group of over 60 years.



**Chart II.3.5.** Use of mobile devices for payments and level of banking infrastructure satisfaction, by federal district, %



The Bank of Russia Survey showed that the higher was the educational level of citizens, the more often they made payments through mobile devices. The Survey participants with incomplete or complete higher education made mobile payments almost 2.5-fold respondents with lower secondary education (9% as against 22%).

Analysis of payments and money transfers made through mobile devices allowed to determine the most frequent payment purposes: payments for mobile communications (75% of respondents), payments for Internet or commercial television (18%), money transfers to individuals (11%) and payments for information content (11%).

#### **II.4. DEVICES OF CREDIT INSTITUTIONS USED IN EFFECTING PAYMENTS**

Credit institutions devices allowing to effect remote payments win growing popularity with households. These devices include ATMs, payment terminals, imprinters and electronic terminals established at points of sale, as well as remote terminal units (RTU).

In 2012, the number of credit institutions devices used for making payments increased by 26.8% year on year to reach 953,300 units as of end of 2012. The highest growth rates were observed in the Far Eastern Federal District (48.9%) and Northwestern Federal District (35.6%), the lowest – in the Central Federal District (16.9%) and North Caucasus Federal District (14.5%). Nevertheless, a significant rise in growth rates was registered in all federal districts.

Credit institutions continued to expand their networks of ATMs and payment terminals. As of end of 2012, there were 220,900 ATMs and payment terminals of credit institutions in Russia, which was a 19.9%-increase on the previous year. Their number was the highest in the Northwestern Federal District (by 31.1%) and the Far Eastern Federal District (by 37.5%), the lowest in the North Caucasus Federal District (4.6%). The share of ATMs in the total number of devices used for payments decreased slightly year on year to reach 23.0%.

Compared to 2011, the level of availability of ATMs and payment terminals grew by 19.8% to 1,544 units per one million inhabitants. This indicator exceeded the nationwide figure in the Central Federal District (1,993) (in the Moscow Region – 2,567) and in the Northwestern Federal District (1,902). In other federal districts, this figure ranged from 484 ATMs in the North Caucasus Federal District to 1,497 ATMs in the Siberian Federal District.

A priority of the ATM network development for credit institutions is the modernization of their software and hardware, and enhancement of their functionality. Card holders are more frequently provided with an opportunity of cash depositing, as well as making payments and transfers via ATMs along with traditional cash withdrawals.

In 2012, it was possible to make payments through almost all ATMs of credit institutions (96.0%). The number of ATMs with the function of payment for goods and services increased by 21.1% year on year (to 165,000), the growth rates of this indicator were fairly even in all federal districts (from 13.6% in the North Caucasus Federal

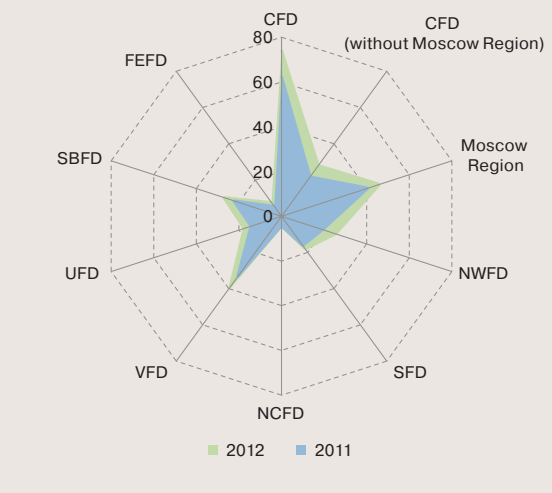


District to 23.7% in the Siberian Federal District), with the exception of the Far Eastern Federal District (38.4%).

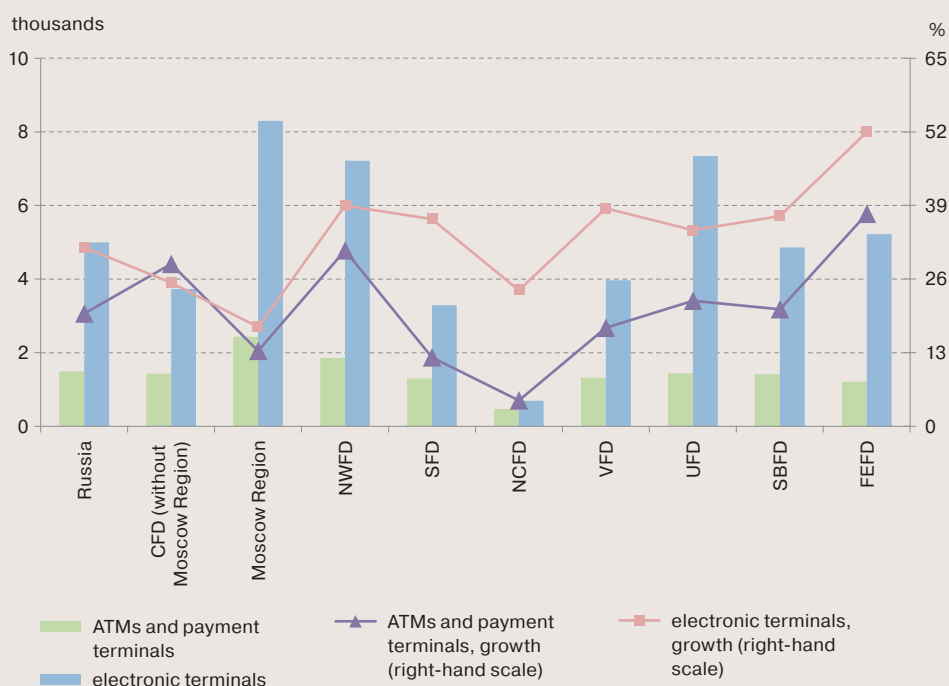
Devices with a cash-loading function (ATMs and payment terminals) continued to be in a strong demand with households, in case of making payments, as well. Their number rose by more than a quarter over the year, making up 58.8% of the total number of ATMs and payment terminals. The highest growth rates of this indicator were registered in the Far Eastern Federal District (63.9%) and Northwestern Federal District (55.5%), the lowest – in the North Caucasus Federal District (7.4%). The number of electronic terminals at points of sale, as well as RTUs terminals grew by almost a third to 716,400 in 2012. While in the Central Federal District, the rate of growth of this indicator remained at the level of the previous year (19.9%), in other federal districts, it accelerated significantly (1.5-fold on average): the growth rate ranged from 24.0% in the North Caucasus Federal District (in 2011, 16.8%) to 52.0% in the Far Eastern Federal District (in 2011, 27.6%).

In 2012, there were 5,008 electronic terminals per one million inhabitants, an increase of nearly a third on the previous year. The highest density of these devices per capita were observed in the Urals Federal District (7,377), Northwestern Federal District (7,242) and Central Federal District (5,997), due to the largest values of this parameter in major Russian cities. So, in the Moscow Region, as well as in St. Petersburg, the number of electronic terminals per capita amounted to 8,390 units and 7,862 units, respectively. The North Caucasus Federal District was significantly behind other districts in the density of electronic terminals (697), while the gap between the federal district leading in providing electronic terminals and the district with the lowest value of this parameter continued to increase (at the beginning of 2012, the gap was 4,943 elec-

**Chart II.4.1.** Number of ATMs and payment terminals with a function of payment for goods and services in 2012, by federal district, thousands



**Chart II.4.2.** Number of payment devices per one million inhabitants in 2012, by federal district



tronic terminals per one million inhabitants, while at the end of the year, it increased to 6,680).

**In early 2013, Russia took a leading position in Europe by the number of ATMs – 1,200 ATMs per one million inhabitants (as against 1,046 ATMs in the UK, 897 in France and 359 in Sweden). However, the density of electronic terminals remained at a low level as compared with developed countries. At the beginning of 2013, there were only five POS terminals per one thousand residents in Russia as against 28 in France, for example.**

Results of the Bank of Russia Survey conducted by the NAFS confirm that one of the main obstacles to the development of retail payment services in the segment of non-cash payments is the lack of the necessary payment infrastructure. Among all indicators of the payment infrastructure availability, Russians are least satisfied with the number of trade and service enterprises that accept payment cards (58% of satisfied respondents). The number of ATMs and convenience of their location satisfies 76% of respondents.

The Far Eastern Federal District is the leader in dissatisfaction with the infrastructure accepting payment cards: 43% of respondents are partially or fully unsatisfied with the number of trade and service enterprises that accept credit cards. By ATM accessibility, the share of unsatisfied respondents (48%) exceeded the share of those satisfied (46%). The North Caucasus Federal District has the similar values: the share of those who are unsatisfied with the number of trade and service enterprises that accept credit cards is 40% and the number of respondents unsatisfied with ATM number and convenience of location is 38%. The highest level of satisfaction with the number of electronic terminals at points of sale is shown by residents of the Northwestern Federal District and Siberian Federal District (71% in each), and with ATM number and the convenience of location – by residents of the Central Federal District (77%). A direct correlation between the size of a settlement where the survey was conducted and the satisfaction of respondents with the payment card infrastructure was also revealed.

In 2012, based on agreements between credit institutions, ATMs continued to merge into single networks. This increased the availability of banking services for customers through the expansion of infrastructure, as well as establishing a single rate of an interchange rate. Thus, the consolidated infrastructure of bank retail services grew from 53 participants (as of the end of 2011) to 83 (as of the end of 2012) and included more than 16,000 ATMs (in 2011, 9,900 ATMs) located in most Russian regions.

## Prospects for NFC technology development in Russia<sup>1</sup>

In 2011–2012, Russia launched the first projects using NFC contactless technology<sup>2</sup>. In regions, the transport payment services via contactless payment cards are growing wider, and pilot projects are being implemented for the demonstration of NFC technology potential, refinement of rate fixing and technological aspects.

The NFC market in Russia, as well as throughout the world, has a huge potential as both service providers and users are interested in its development. In particular, due to NFC services, mobile operators can increase customer loyalty, banks – reduce cash payments and costs, while the retail sector – increase the turnover by service acceleration and higher loyalty.

The use of NFC technology is most optimal and promising in public transport, retail trade and services. Since NFC technology advantages include speed of payment, security and convenience, contactless payments have shown good results in those areas where a large number of people are simultaneously served and a purchase price is relatively small. It is important to note, that a non-cash payment by the contactless method does not require a special authorization and there is no need to pass this card to a cashier (this eliminates customer concerns about payment security).

Developed countries have already accumulated great experience in using NFC technology. For example, in Japan, a contactless payment system similar to the NFC has been used since 2004, and in Europe an NFC large-scale testing took place in 2006–2008. Analysts forecast a high potential for the development of the global NFC market. In 2011, as many as 40 different models of NFC mobile phones were produced in the world, and 30 million of such devices were sold. According to Berg Insight forecasts, the average annual sales growth of smart-phones with built-in NFC-chips will reach to about 88% in the next five years. Supply of electronic terminals equipped with an NFC-reader doubled to 2.5 million pieces in 2011.

Despite an active development of this technology, the average global level of availability and use of NFC-protocol applications is yet quite negligent. In particular, this is confirmed by a relatively small number of contactless cards with built-in NFC-chips, 300 million (as against 15 billion of payment cards in circulation today). Electronic terminals equipped with NFC-readers are still scarce too, 600,000 of 35 million being operated. Thus, one can talk about NFC only as a very promising future technology.

A widespread use of contactless payment technology requires a significant change in consumer behavior and interaction of all stakeholders: banks, mobile operators, payment systems and retailers. It takes time, so analysts do not expect NFC payments appear in the mass market at least until 2015.

An introduction of NFC technology in Russia is still at a very early stage. According to a survey of mobile phone owners conducted in million-plus cities by J'son & Partners Consulting together with SMARTTEST company in July 2012, 8.6% of respondents had already made contactless payments by that time, while almost half of the respondents (48.8%) heard nothing about this technology, and 42.6% were aware of it, but did not use it for some reason. Most respondents were aware of such contactless services as payments for goods in shops, payment for parking at gas stations and parking lots, as well as payments for public transport and purchase of tickets for events.

An objective factor influencing the development of the NFC market is the availability of appropriate infrastructure and subscriber devices. According to J'son & Partners Consulting, in mid-June 2012, 28 models of NFC mobile phones/communicators from eight manufacturers were available in Russia. An increase in the share of NFC mobile phone sales was observed in the range from 0.7% in Q4 2011 to 1.2% in Q1 2012. According to Mobile TeleSystems (MTS), in the last quarter of 2012 NFC smartphones accounted for 19% of the total sales of smartphones in MTS offices, a 3-fold increase on the previous year).

The main participants of the emerging NFC market in Russia are the so-called big three mobile operators, major banks and payment systems. Thus, MTS launches an NFC-project Rapid Filling at LUKOIL stations, provides an opportunity to pay for goods in vending machines of UVENCO company, together with MasterCard and MTS-Bank provides contactless payments for goods and services for MasterCard PayPass technology, etc. Megaphone and VympelCom offer contactless payments for travel in the underground in St. Petersburg. Eight Russian banks issue contactless PayPass cards, which considerably reduce customer service time by retailers.

Aside from a relatively recent appearance on the domestic market, there are two more major factors hindering NFC technology development in Russia:

- the underdeveloped infrastructure for contactless payments. On the one hand, equipping trade outlets with electronic terminals with NFC-readers requires significant money and time costs, on the other hand, not all of modern models of smart-phones support NFC. Additional difficulties arise from the heterogeneity of technical solutions: a large variety of chips and controllers for NFC mo-

bile phones hinders the technical implementation of projects. The same applies to issuers: banks need to issue more sophisticated cards and process a new type of operations. It should also be noted that the majority of currently available NFC applications provide insufficient speed of information exchange with a reader;

- low awareness of potential users of technology capabilities, concerns about the safety and security of operations and personal data.

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<sup>1</sup> Based on publication by J'son & Partners Consulting "NFC market in Russia and in the world" (2012).

<sup>2</sup> NFC (Near Field Communication) is a technology of wireless high-frequency small range communications providing the exchange of data between electronic devices (for example, between the carrier (a bank card or mobile phone) and the reader) located at a distance of approximately 10 cm from each other.

## II.5. CASH MEANS OF PAYMENT

In 2012, the value of cash turnover of the Bank of Russia branches and credit institutions (hereinafter referred to as banks) increased by 21.7% as compared with 2011 and reached 83.0 trillion rubles, with 19.6 trillion rubles worth of cash receipts and withdrawals through ATMs and payment terminals. Average daily cash turnover (including ATMs and payment terminals) grew by 49.1 billion rubles year on year to 275.6 billion rubles.

**As of end of 2012 banknotes and coin worth 7,675.6 billion rubles (including cash at the Bank of Russia vaults) were in circulation, including coin made of precious metals. Banknotes accounted for 7,616.2 billion rubles (6.5 billion sheets) and coin – for 59.2 billion rubles (54.1 billion circles)<sup>34</sup>, and coin made of precious metals – for 0.2 billion rubles. Banknotes accounted for 99.2% of the total value of cash in circulation and coin – for 0.8%. Of the total volume of currency, banknotes made up 10.7% and coins – 89.3%. The total value of the Bank of Russia banknotes and coin, including coin made of precious metals, rose by 772.6 billion rubles (or by 11.2%) in 2012. Of these, the value of banknotes grew by 761.9 billion rubles and coin – by 10.7 billion rubles. The volume of banknotes increased by 0.18 billion sheets, and that of coin – by 3.0 billion circles.**

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<sup>34</sup> Excluding coin made of precious metals.

**Table II.5.1.** Major sources of cash receipts in 2012

| Receipts  | Value, trillion rubles | Share of total value, % | Growth rate, % |
|---|------------------------|-------------------------|----------------|
| Proceeds from sale of goods   | 12.3                   | 32.5                    | 13.7           |
| Proceeds from provision of paid services (works performed)  | 3.6                    | 9.6                     | 12.4           |
| Receipts of taxes, duties, insurance payments, penalties, customs payments, individual self-taxation payments, contributions and insurance premiums | 0.6                    | 1.6                     | 9.1            |
| Receipts from individuals for money remittances to other individuals  | 0.5                    | 1.4                     | -5.2           |
| Loan receipts and credit repayments   | 1.6                    | 4.3                     | 26.1           |
| Proceeds from real estate transactions  | 0.5                    | 1.4                     | 23.0           |
| Receipts of funds to household savings accounts   | 8.8                    | 23.2                    | 31.7           |
| Receipts from Federal Communications Agency organizations   | 0.2                    | 0.5                     | -21.9          |
| Receipts of funds to individual unincorporated entrepreneur accounts  | 2.6                    | 6.9                     | 5.4            |
| Proceeds from government and other securities and bills transactions  | 0.4                    | 1.1                     | 4.7-fold       |
| Proceeds from sale of cash foreign currency to individuals  | 1.9                    | 5.0                     | 26.9           |
| Receipt of funds to household bank accounts   | 4.2                    | 11.0                    | 2-fold         |
| Other receipts  | 0.6                    | 1.5                     | 8.7            |

**Table II.5.2.** Major purposes of cash withdrawals in 2012

| Withdrawals  | Value, trillion rubles | Share of total value, % | Growth rate, % |
|--|------------------------|-------------------------|----------------|
| Wages, social benefits and student grants withdrawals                  | 2.1                    | 8.1                     | -9.6           |
| Withdrawals for expenses unrelated to wage fund and social benefits    | 0.2                    | 1.0                     | 0.2            |
| Withdrawals for purchase of agricultural products                      | 0.1                    | 0.4                     | -4.4           |
| Pensions, allowances and insurance indemnities withdrawals             | 0.4                    | 1.7                     | -1.5           |
| Money remittances received (without opening an account by a recipient) | 0.4                    | 1.7                     | -5.8           |
| Loans and credits extended   | 1.2                    | 4.7                     | 3.3-fold       |
| Withdrawals from household accounts                                    | 11.4                   | 44.9                    | 24.2           |
| Payments to Federal Communications Agency organizations                | 2.5                    | 9.8                     | 8.3            |
| Withdrawals from individual unincorporated entrepreneur accounts       | 0.6                    | 2.4                     | 3.4            |
| Withdrawals for government and other securities and bills transactions | 0.2                    | 0.9                     | 91.2           |
| Withdrawals for purchase of cash foreign currency from individuals     | 1.0                    | 3.9                     | 3.6            |
| Withdrawals from household bank accounts                               | 3.7                    | 14.5                    | 87.5           |
| Withdrawals for other purposes   | 1.5                    | 6.1                     | 7.5            |

Total cash receipts by banks increased by 19.9% in 2012 year on year to 37.9 trillion rubles. The bulk of them came from retail payments, with the share of payments for consumer goods decreasing from 34.2 to 32.5% and for services – from 10.2 to 9.6% on the previous year. The share of foreign currency purchases increased from 4.7 to 5%, and that of revenues from real estate transactions remained at the level of the last year (1.4%). Money transfers to individual bank accounts made up a significant share of total cash receipts of banks (23.2% as against 21.1% in 2011), which testified to an increase in households propensity to savings by depositing funds.

Most of cash withdrawals by banks amounting to 25.4 trillion ruble in 2012 (an increase of 16.2% on 2011) made up money from individuals deposit accounts (44.9%), wages, social benefits, student grants (8.1%), money from individuals current accounts (14.5%).

Cash withdrawals by credit institutions to individuals resulted from their foreign currency purchase increased by 3.6% in 2012 as compared with 2011. Simultaneously, there was a significant rise in revenues from the sale of foreign currency to individuals (26.9%). As a result, the ratio of receipts and disbursements in currency exchange operations changed: in 2011, for every ruble of cash receipts from the sale of foreign currency there were 0.63 rubles issued, in 2012 – only 0.52 rubles.

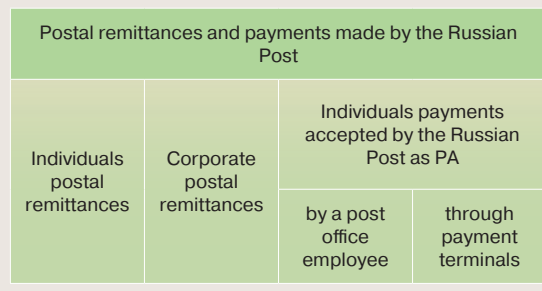
In 2012, the value of withdrawals and receipts from securities transactions significantly increased (2.5-fold and over 6-fold, respectively).

In 2012, individuals began to use ATMs and payment terminals for cash payments more frequently. The average daily flow of cash through the ATMs and payment terminals of credit institutions amounted to 65.1 billion rubles, an increase of 33.4% on 2011. Cash receipts grew by 61.4%, and cash withdrawals rose by 28.6%. This was due to a wider list of services provided by credit institutions through ATMs and payment terminals, including the receipt of payments for housing and communal services. In Russia, the average value of cash passed through ATMs per inhabitant amounted to 136,700 rubles (in 2011, 102,600 rubles).

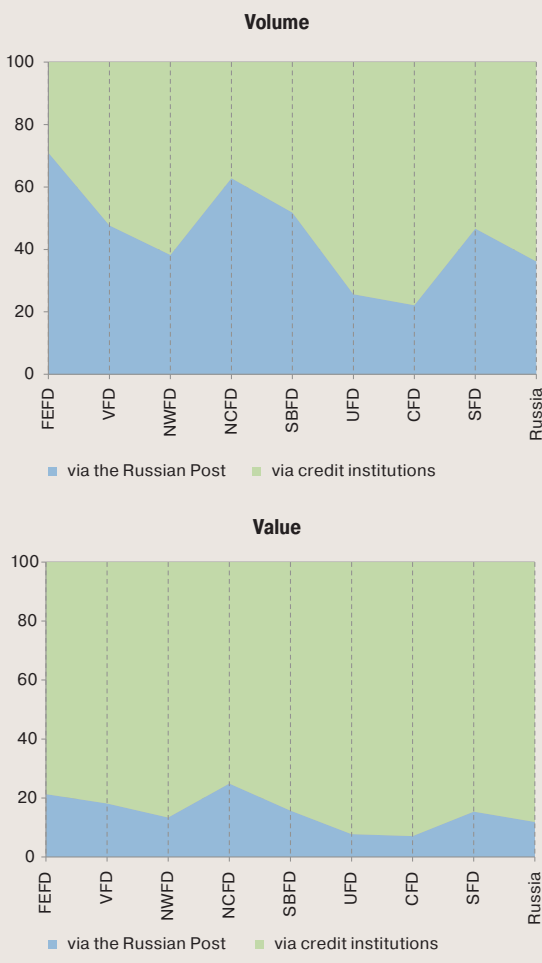
Chapter III.

THE RUSSIAN POST

**Chart III.1. Types and methods of postal remittances and payments made by the Russian Post**



**Chart III.2. Individuals postal remittances and payments through the Russian Post and individuals remittances made without opening a bank account via bank infrastructure in 2012, %**



In Russia, one of the important participants of the national payment system is the federal state unitary enterprise the Russian Post (the Russian Post) having a far-flung and geographically distributed network of post offices (as of end of 2012, 41,600 offices)<sup>35</sup>. In addition to postal services, under the Federal Law No. 176-FZ of July 17, 1999, "On Postal Communications", the Russian Post can provide financial services to customers, as well as make postal remittances. The Russian Post also receives individuals payments in accordance with the requirements of the Federal Law No. 103-FZ of June 3, 2009, "On Receiving Individuals Payments by Payment Agents", acting in this case as a payment agent (PA).

In 2012, the value of postal remittances and payments made through the Russian Post offices and payment terminals<sup>36</sup> grew by 6.0% year on year to 797.3 billion rubles, with their volume reduced by 5.7% to 716.9 million transactions. On average, 2.9 million transactions amounting to 3.2 billion rubles were made daily.

As a year before the overwhelming majority of postal remittances and payments was made by individuals via the Russian Post, (98.6% by volume and 77.5% by value). High demand of the Russian Post infrastructure by households is confirmed by the fact that a major part of money transfers made without using bank accounts is executed through postal offices. The share of transactions made by the Russian Post was 36% of the total volume of domestic remittances and payments by individuals and those carried out by credit institutions branches devices<sup>37</sup> 64%. The lower was the level of availability of banking institutions in a federal district, the more often individuals used the Russian Post services for making remittances. Thus, in the Far Eastern Federal District (316 branches of credit institutions per one million inhabitants), the share of domestic postal remittances and payments by the Russian Post was 70.9%, in the North Caucasus Federal District (140) – 62.8%, in the Siberian Federal District (307) – 51.8%. In other federal districts, this figure ranged from 25.6% in the Urals Federal District to 47.7% in the Volga Federal District. Its smallest value was registered in the Central Federal District (22.1%), which is characterized by the highest level of availability of banking infrastructure per one million inhabitants.

Despite the fact that the share of individuals domestic postal remittances and payments made by the Russian Post in the total volume of individuals domestic transfers<sup>38</sup> was significant, it did not exceed 20% of the total value in all federal districts, due to a small average size of such a transfer amounting to 767.5 rubles in 2012.

In 2012, payments accepted by the Russian Post as a PA dominated the structure of individuals postal remit-

<sup>35</sup> The data used here and below in this chapter was provided by the Russian Post.

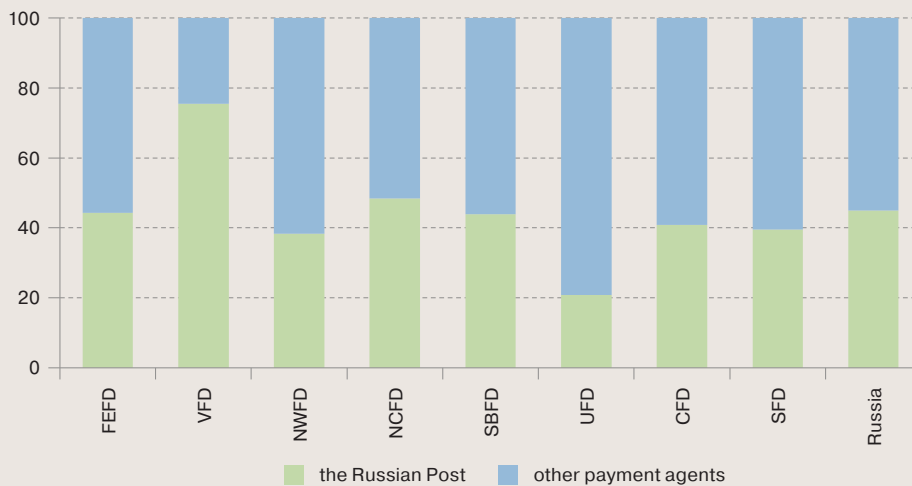
<sup>36</sup> Including postal remittances made by individuals and legal entities both in Russia and abroad, as well as individuals payments accepted by the Russian Post as a PA.

<sup>37</sup> ATMs and payment terminals of credit institutions.

<sup>38</sup> These included postal remittances and payments made by individuals in Russia through the Russian Post and individuals transfers without opening a bank account made through bank infrastructure.



**Chart III.3.** Share of individuals payments accepted by the Russian Post as a PA in the total value of transfers made by PAs in 2012, %



tances and payments made by the Russian Post (88.1% by volume and 49.1% by value of remittances). Their volume and value slightly decreased year on year (by respective 3.8 and 0.3%) and amounted to 631.8 million payments worth 391.8 billion rubles. 2.5 million payments worth 1.6 billion rubles were effected daily. The average amount of such payment grew from 598 rubles in 2011 to 620 rubles in 2012.

Demand for payment services of this category was high in all federal districts. Individuals payments accepted by the Russian Post as a PA made up 20.8% of the total value of payments<sup>39</sup> made by PAs in the Urals Federal District and 75.5% in the Volga Federal District.

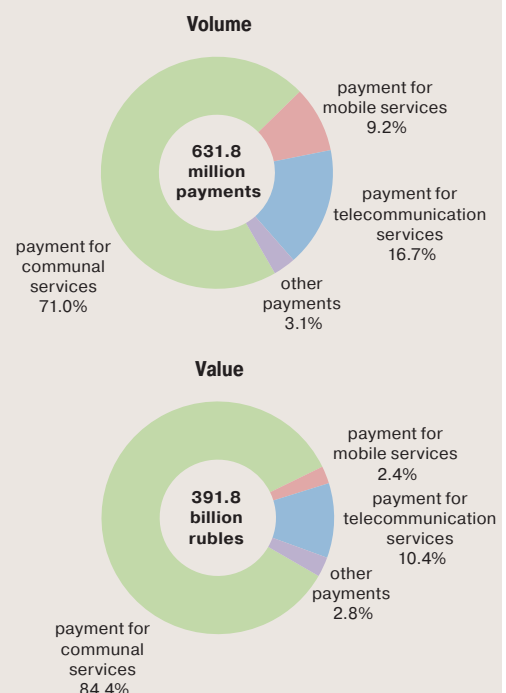
At present, the Russian Post accepts payments in favor of 20,000 service providers. In 2012, almost all payments were made by a post office employee (99.6% by volume and 99.9% by value), less than 1.0% – through payment terminals.

Of 100 individuals payments accepted by the Russian Post as a PA, 71 payments were made to pay for utility services, 17 – as payments for telecommunications services, 9 – for services of mobile operators, 3 payments were effected for other purposes.

Payments for public utilities also dominated the total value of payments accepted by the Russian Post as a PA (84.4%), the shares of payments for telecommunications and mobile services were 10.4 and 2.4%, respectively.

Almost a third of the total volume and value of individuals payments accepted by the Russian Post as a PA comes from the Volga Federal District, about a quarter – from the Central Federal District, and about 45% – from other federal districts. It should be noted that the gap between the leading federal district by value of individuals payments accepted by the Russian Post as a PA per capita, and the lagging behind district was much smaller (2.9-fold) than the gap between them in individuals payments made by other PAs (4.7-fold).

**Chart III.4.** Individuals payments accepted by the Russian Post as a PA, by purpose of transfer in 2012



<sup>39</sup> Both by post offices and other payment agents.

In 2012, 85.1 million postal remittances<sup>40</sup> worth 405.5 billion rubles were made, which amounted to 11.9% of the total volume and 50.9% of the total value of postal remittances and payments made by the Russian Post<sup>41</sup>. Compared to 2011, the volume of postal remittances decreased by 17.2% with their value growing by 12.9%. Domestic individuals transfers prevailed (89.7% by volume and 57.1% by value), most of which were transfers to legal entities (79.3 and 61.3%, respectively).

**Under the Federal Law No. 176-FZ of July 17, 1999, "On Postal Service", a postal money transfer is a service of receiving, processing, transporting (transfer) delivering (handing) funds provided by an office of the federal postal service using postal and telecommunications networks.**

Household demand for international postal remittances was lower. Their volume and value amounted to 1.6 million transactions worth 9.4 billion rubles over the year (less than 1.9% of the total volume and 2.3% of the total value of postal remittances) with an average amount of 5,800 rubles per transfer. To promote international postal remittances, the Russian Post has signed several agreements with foreign postal administrations on the introduction of international electronic collect-on-delivery transfers, as well as transfers with funds entering a settlement account. Since October 2012, an exchange of new categories of transfers has been arranged with Ukraine, during 2013 it is planned to launch these types of transfers with Armenia, Belarus, Kazakhstan, Lithuania, Moldova, and Estonia. In addition, the Russian Post worked on reducing fees for international transfers. The rates were cut most significantly for transfers to Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Azerbaijan.

The Russian Post pays great attention to the development of postal remittances and continuously improves this service, including upgrading its technology. For domestic individuals postal remittances, it implemented SMS notification allowing to promptly inform an originator on a payment and a recipient on the arrival of a postal remittance (valid only in Russia).

The use of modern technologies will allow the Russian Post to significantly speed up data input, reduce errors and enhance the efficiency of postal operators. At present, two regimes of accepting payments are used: accepting payments by receipts using a bar-code scanner and acceptance without a receipt (using a database of service providers with information on amounts credited).

The availability of modern technological solutions and settlement infrastructure, as well as a flexible approach to an interaction with each partner will allow the Russian Post to fulfill individual requirements for cooperation and build long-term mutually beneficial partnership relations with any organizations which are required to raise funds remotely.

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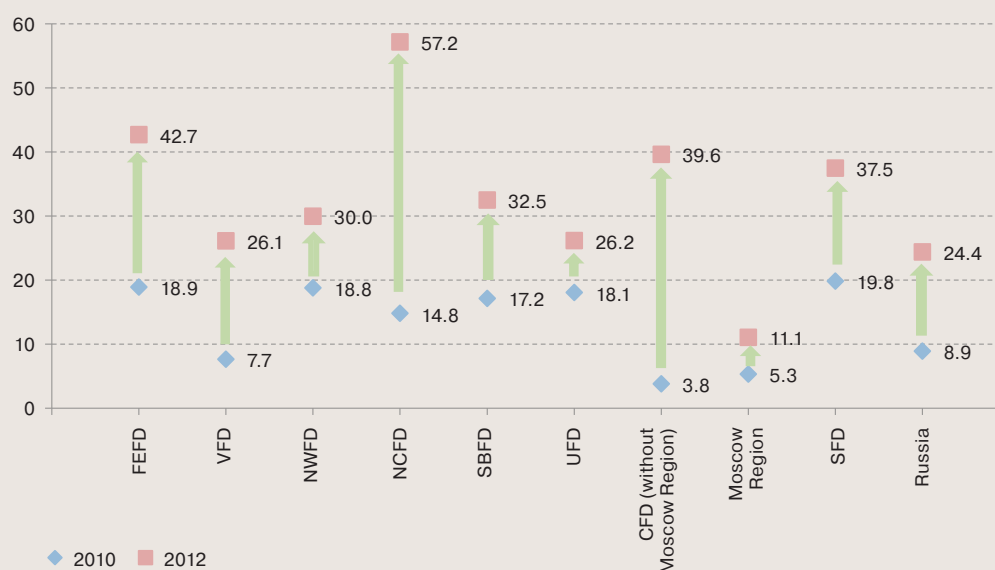
<sup>40</sup> Including postal remittances made by individuals and legal entities both in Russia and abroad.

<sup>41</sup> According to the Russian Post data.

Chapter IV.

**BANK PAYMENT AGENTS AND  
PAYMENT AGENTS**

**Chart IV.1.** Share of payments effected by PAs and BPAs in the total value of individuals payments to legal entities without opening a bank account in 2010–2012, by federal district, %



One of the ways to increase the availability of payment services for households in Russian regions is the development of the activity of payment agents and bank payment agents (BPA). In 2012, the value of individuals payments made by PAs and BPAs in favor of legal entities (hereinafter referred to as payments made by PAs and BPAs) was 974.6 billion rubles, of which payment agents accounted for 89.5%, and bank payment agents – for 10.5%. The evidence of the growing popularity of this payment service among households is that over the years the share of payments made by PAs and BPAs in the total value of individuals payments to legal entities effected without opening a bank account is growing steadily in all federal districts. In 2010, payments made by PAs and BPAs in all federal districts accounted for less than 20%, in 2012, in three of the eight federal districts, it made up already about 40% and in the North Caucasus Federal District it reached 57.2%. The lowest value of this indicator was registered in the Moscow Region (11.1%), which is characterized by the highest level of banking infrastructure availability.

In 2012, the value of payments made by PAs and the BPAs doubled year on year, while the value of individuals payments to legal entities made via cash desks, ATMs, payment terminals of credit institutions without opening a bank account grew only by 14.3%. High growth rates in the value of payments made by PAs and BPAs were observed in all federal districts, including the Moscow Region. The Volga Federal District and North Caucasus Federal District saw the highest growth rates of payments made by PAs and BPAs (2.9-fold and 2.4-fold, respectively). The lowest growth of such payments was registered in the Siberian Federal District (1.5-fold).

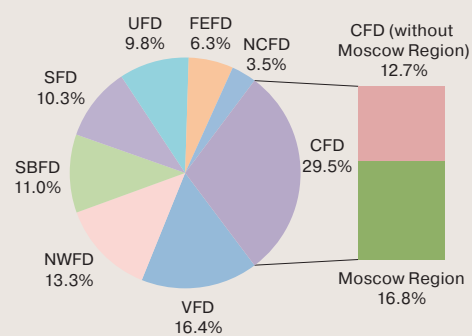
High growth rates of payments to a large extent were due to an increased supply of services by PAs and BPAs, including a wider list of payments. Along with payments for communications services still accounting for the largest share in the total volume of such payments, payments of larger amounts for public utilities, to Rosreestr, the Federal

Bailiffs Service and the Traffic Police, repayment of bank loans, consular visa fees, etc. are becoming increasingly popular.

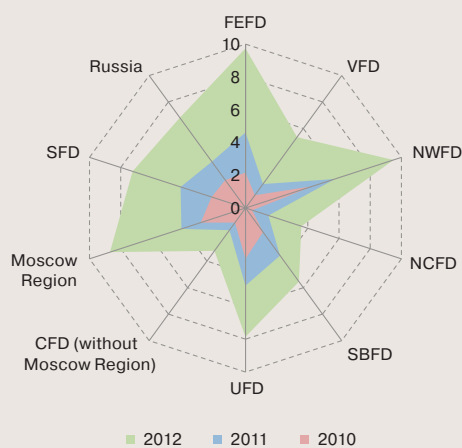
Most payment transactions using PA and BPA infrastructure are effected in the Central European part of Russia. In 2012, the Central Federal District accounted for nearly a third of the total volume of such payments, of which the Moscow Region – for 56.8%. Compared to other federal districts, PAs and BPAs made the lowest volume of payments in the North Caucasus Federal District (3.5%). Other federal districts accounted for 6.3% (the Far Eastern Federal District) to 16.4% (the Volga Federal District) of payment transactions using PA and BPA infrastructure.

Starting with regions which are characterized by the highest level of economic development and population density, PAs and BPAs gradually expand the supply of their services in other regions of the country, including those where the level of banking infrastructure availability is low. This leads to a gradual smoothing of regional differences in the availability of payment services provided by PAs and BPAs. Each year, the gap between the leader federal district in terms of value of payments made by PAs and BPAs per capita and the outsider federal district gets smaller. As compared with 2010, this gap decreased 3.6-fold and stood at 2.7-fold in 2012. In five of the eight regions the indicator characterizing the value of payments per capita was higher than the nationwide value amounting in 2012 to 6,812.8 rubles (in 2011, 3,496.7 rubles), with the maximum value of this indicator registered in the Far Eastern Federal District (9,742.8 rubles as against 4,614.6 rubles in 2011). The minimum value, as in previous years, was observed in the North Caucasus Federal District (3,580.5 rubles as against 1,470.1 rubles in 2011).

**Chart IV.2.** Value of individuals payments made by PAs and BPAs in 2012, by federal district



**Chart IV.3.** Value of individuals payments made by PAs and BPAs per capita in 2010–2012, by federal district, thousand rubles





Chapter V.

POST-TRADE FINANCIAL MARKET  
INFRASTRUCTURE

The largest post-trade Russian financial market providing in 2012 clearing and settlement services on transactions with financial assets on organized market and on OTC transactions were the clearing and settlement organizations of OJSC MICEX-RTS Moscow Exchange<sup>42</sup>.

## V.1. MAJOR CHANGES IN 2012

After formally completing the merger of the MICEX and RTS groups in December 2011, the integration process continued in 2012. By December 2012, the centralization of clearing activity for trades conducted on Moscow Exchange was completed and moved to CJSC JSB National Clearing Centre (hereinafter referred to as the NCC).

On November 6, 2012, the Federal Financial Markets Service (FFMS) assigned the NCO CJSC National Settlement Depository (NSD) with the status of a central depository. In addition, the NSD started functioning as a trade repository in 2012, keeping registers of contracts concluded on the terms of a general agreement in accordance with the FFMS regulations.

**A central depository is a financial market infrastructure which serves as a storage center for securities in dematerialized form. It allows for the processing of securities transactions through records on depo accounts and ensures the integrity and accuracy of information on securities.**

A trade repository is a financial market infrastructure which maintains a register of contracts concluded on on-floor and (or) OTC trades, and enters and receives information from it.

In December 2012, the Bank of Russia registered the NSD as an operator of a systemically important payment system. The NSD became the only organization executing funds transfers in rubles for transactions concluded on Moscow Exchange trades. Thus, by the end of 2012, NSD performed the functions of three different financial market infrastructures:

- a central depository;
- a systemically important payment system;
- a trade repository.

The NSD has also received from the FFMS a clearing license and provides clearing and settlement services for OTC transactions, including those using 'delivery versus payment' and 'payment versus payment' mechanisms.

In 2012, the structure of financial market segments served by the Moscow Exchange changed. The government securities market which, inter alia, had been used for the Bank of Russia operations, was merged with the stock market. Clearing and settlements on these transactions were made by stock market post-trade service<sup>43</sup>.

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<sup>42</sup> See footnote No. 1 in Box 2.

<sup>43</sup> The transition was carried out sequentially in three phases and was completed on July 1, 2013.



**Table V.1.** The Moscow Exchange post-trade infrastructure in 2011–2012

| Market segments              | Clearing                        |      | Settlement  |      | Depository       |      |
|------------------------------|---------------------------------|------|-------------|------|------------------|------|
|                              | 2011                            | 2012 | 2011        | 2012 | 2011             | 2012 |
| Stock market                 | CJSC MICEX; NCC;<br>RTS CC; DCC | NCC  | NSD; RTS CH | NSD  | NSD; DCC;<br>SDC | NSD  |
| Derivatives market           | CJSC MICEX;<br>RTS CC           | NCC  | NSD; RTS CH | NSD  | nap              | nap  |
| Government securities market | CJSC MICEX                      | nap  | NSD         | nap  | NSD              | nap  |
| FX market                    | NCC; RTS CC                     | NCC  | NSD; RTS CH | NSD  | nap              | nap  |
| OTC market                   | NSD; DCC                        | NSD  | NSD; RTS CH | NSD  | NSD; DCC         | NSD  |

*Note.*

MICEX – CJSC Moscow Interbank Currency Exchange (MICEX);  
 RTS CC – CJSC RTS Clearing Centre;  
 DCC – CJSC Depository Clearing Company;  
 RTS CH – NC RTS Clearing House;  
 SDC – CJSC Settlement Depository Company;  
 nap – non-applicable<sup>44</sup>.

## V.2. CLEARING AND SETTLEMENT INDICATORS

### V.2.1. Clearing

The volume of transactions cleared in 2012 by the Moscow Exchange post-trade infrastructure stood at 298.7 million, their value was 357.9 trillion rubles. The total volume of transactions increased 2.3-fold, while their value rose by 50.4% year on year.

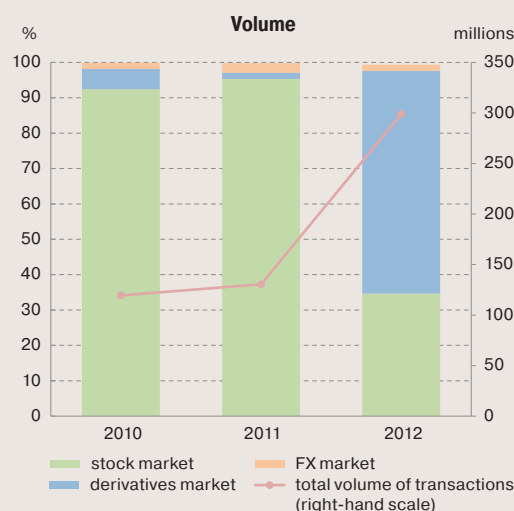
A large volume of transactions made in the derivatives market with a relatively small value suggests an active use of automated trading systems (ATS)<sup>46</sup> in this market. ATS use can lead to an uneven increase in the volume and value of transactions at sharp changes in market conditions. This should be taken into account in the post-trade service of the derivatives market.

A specific feature of the foreign exchange market is that with a relatively small volume of transactions, their value is rather substantial, and an average amount per transaction is high. This can have a significant impact on the clearing and settlements of foreign exchange transactions.

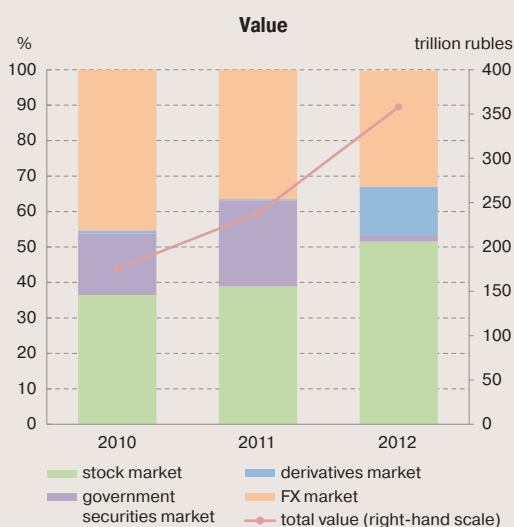
### V.2.2. Settlements<sup>47</sup>

In 2012, the NSD rendered settlement services in rubles to clearing participants on the Moscow Exchange. The total value of funds transfers initiated by NSD customers or made to them in 2012 amounted to 432.7 trillion rubles, of which the share of funds transfers related to cleared transactions made on Moscow Exchange trades amounted to 39.2% (170.0 trillion rubles), the share of funds transfers on OTC transactions – to 0.1% (0.3 tril-

**Chart V.2.1.** Structure of transactions<sup>45</sup>



The share of transactions made in the government securities market in 2010 amounted to 0.1%, in 2011 – to 0.2% and in 2012 – to 0.01%. The share of transactions made in the commodity derivatives market in 2010 and 2011 was 0.01% and in 2012 – 0.6%.



The share of transactions made in the commodity derivatives market in 2010 amounted to 0.03%, in 2011 – to 0.01%.

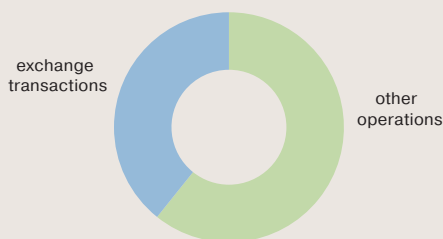
<sup>44</sup> Abbreviations given in the Table will be used below.

<sup>45</sup> Data for 2010 and 2011 are given for the MICEX Group, for 2012 – for the Moscow Exchange.

<sup>46</sup> The material on ATSs is presented in the analytical issue “Russian Payment System in 2011” (see: [http://cbr.ru/eng/analytics/prs36\\_e.pdf](http://cbr.ru/eng/analytics/prs36_e.pdf), p.49).

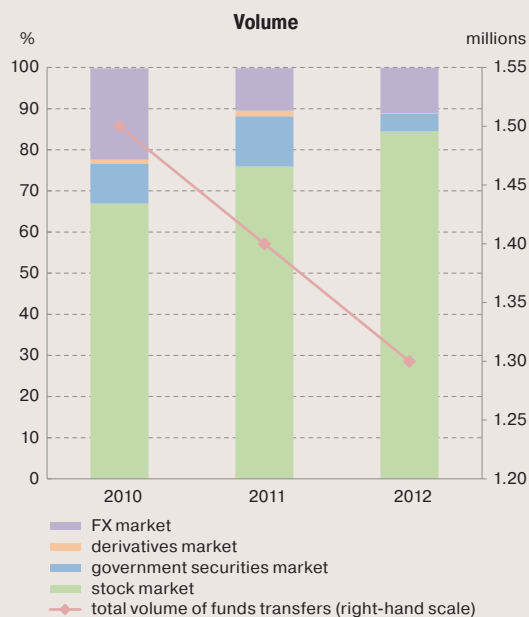
<sup>47</sup> Here and below, settlements mean funds transfers in rubles on transactions made on on-floor trades and OTC transactions with various financial instruments and other assets.

**Chart V.2.2. Value of funds transfers of NSD customers in 2012**

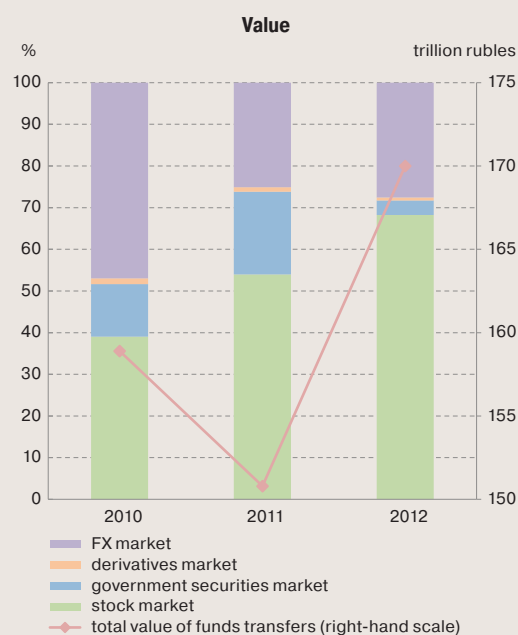


The share of funds transfers on OTC transactions in 2012 amounted to 0.1%.

**Chart V.2.3. Funds transfers as a result of cleared transactions made on MICEX and Moscow Exchange trades<sup>48</sup>**



The share of funds transfers on transactions in the commodity derivatives market made in 2010 amounted to 0.2%, in 2011 and 2012 – 0.1%.



The share of funds transfers on transactions in the commodity derivatives market made in 2010 amounted to 0.006%, in 2011 and 2012 – 0.004%.

lion rubles), on other transactions of NSD customers – to 60.7% (262.5 trillion rubles).

In 2012, the volume of funds transfers regarding cleared exchange transactions totaled 1.3 million, a decrease of 2.7% on the previous year, while their value increased by 12.7% to 170.0 trillion rubles.

A significant value of funds transfers on other transactions of NSD customers was explained by their participation in trades, as well as by their withdrawal of unencumbered funds at the end of trading. It should be noted that these funds transfers are mainly carried out via the BRPS. In this regard, to reduce the transaction costs of clearing participants, which are credit institutions, as a rule, mitigate operational risk associated with the timeliness of funds transfers, as well as credit risk of a settlement bank, it is expedient, as evidenced by international best practices, to clear transactions involving accounts opened to clearing participants with the central bank (settlement in central bank money).

### V.2.3. Quantitative indicators of post-trade infrastructure functioning

A netting ratio in the Moscow Exchange post-trade infrastructure calculated for 2012 using data on the stock market, derivatives market, commodity derivatives market and foreign exchange market stood at 2.14 (in 2011, 1.58). Its increase is largely a result of integration processes taking place on the Moscow Exchange, and testifies to a more efficient contraction of monetary obligations under transactions made in 2012, and, as a consequence, to a lower load on settlement organizations of the post-trade infrastructure.

A netting ratio for a certain period of time is calculated by the formula:

$$K_n = \frac{Q_{clear}}{Q_{trans}}$$

where  $Q_{clear}$  is the value of cleared transactions,  $Q_{trans}$  is the value of funds transfers on cleared transactions.

A concentration ratio of the funds transfer value of NSD eight largest participants in 2012 amounted to 21.5%. A strong dependence from the largest participants is reflected in the concentration level exceeding 50%.

A concentration ratio of the funds transfer value is calculated by the formula:

$$c_{trans} = \frac{Q_{sample}^n}{Q_{trans}}$$

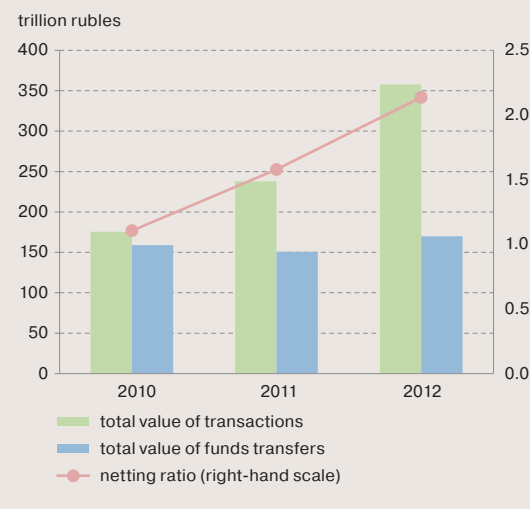
where  $Q_{sample}^n$  is the value of funds transfers made by  $n$  of the settlement largest participants;

$Q_{trans}$  is the total value of funds transfers in the payment system. To assess the level of monopolization, the share of five or eight largest

<sup>48</sup> See footnote No. 45.

participants is most frequently calculated. To avoid a duplication, the calculation excludes the transfers of the central payment clearing counterparty and financial market infrastructures.

**Chart V.2.4.** The netting ratio, the value of cleared transactions, and the value of funds transfers for the MICEX Group and the Moscow Exchange<sup>49</sup>



Box 10

### Settlements in central bank money

“Principles for Financial Market Infrastructures” adopted by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions in April 2012, recommend financial market infrastructures (FMI) “to conduct its settlements in central bank money where practical and available” in order to mitigate settlement risk. However, central banks usually do not require FMIs to make settlements in central bank money.

At the same time, in case of using a commercial bank as a settlement center, FMIs should “minimize and strictly control credit and liquidity risks arising from the use of commercial bank money”. In addition, central banks, as a rule, use FMIs where money settlements are made in central bank money for their own operations in the financial market. For example, the European System of Central Banks (ESCB) has developed and uses a set of standards which an FMI should comply with to be allowed to process ESCB own operations, including refinancing operations. These standards stipulate, in particular, that the FMI shall ensure settlements in central bank money for ESCB operations using the ‘delivery versus payment’ mechanism for the transactions to which it is applicable.

Money settlements on transactions made on the Moscow Exchange are conducted in NSD commercial bank money, which implies for the NSD additional measures aimed at ensuring its financial and operational soundness.

<sup>49</sup> See footnote No. 45.



ANNEX



## **Payment services provided by credit institutions by region**

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**Table 1.** The volume of credit transfers (in rubles and foreign currency), thousands<sup>1</sup>

| Russian federal district/<br>territory | Credit transfers |                |                     |                |                   |           |                |                |
|--|------------------|----------------|---------------------|----------------|-------------------|-----------|----------------|----------------|
|  | total            |                | of which made using |                |                   |           |                |                |
|  |                  |                | payment orders      |                | letters of credit |           | individuals    |                |
|  | 2011             | 2012           | 2011                | 2012           | 2011              | 2012      | 2011           | 2012           |
| <b>Far Eastern Federal District</b>    | <b>61,279</b>    | <b>65,852</b>  | <b>47,437</b>       | <b>51,988</b>  | <b>2</b>          | <b>3</b>  | <b>13,840</b>  | <b>13,861</b>  |
| Amur Region                            | 7,293            | 8,766          | 5,571               | 7,016          | 0                 | 0         | 1,722          | 1,750          |
| Jewish Autonomous Region               | 652              | 585            | 440                 | 401            | 0                 | 0         | 212            | 184            |
| Kamchatka Territory                    | 3,071            | 2,771          | 2,459               | 2,288          | 0                 | 0         | 612            | 483            |
| Magadan Region                         | 1,665            | 1,618          | 1,087               | 1,079          | 0                 | 0         | 578            | 539            |
| Primorye Territory                     | 18,862           | 22,365         | 13,121              | 16,037         | 1                 | 2         | 5,740          | 6,326          |
| Republic of Sakha (Yakutia)            | 6,708            | 5,526          | 4,475               | 3,763          | 0                 | 0         | 2,233          | 1,763          |
| Sakhalin Region                        | 4,890            | 4,507          | 4,239               | 3,910          | 0                 | 0         | 651            | 597            |
| Khabarovsk Territory                   | 17,798           | 19,370         | 15,857              | 17,259         | 1                 | 1         | 1,939          | 2,110          |
| Chukotka Autonomous Area               | 341              | 344            | 188                 | 235            | 0                 | 0         | 153            | 110            |
| <b>Volga Federal District</b>          | <b>507,351</b>   | <b>442,104</b> | <b>218,230</b>      | <b>212,713</b> | <b>6</b>          | <b>8</b>  | <b>289,115</b> | <b>229,384</b> |
| Kirov Region                           | 12,481           | 16,942         | 9,004               | 8,382          | 0                 | 1         | 3,477          | 8,559          |
| Nizhny Novgorod Region                 | 57,685           | 59,982         | 35,582              | 35,328         | 1                 | 1         | 22,102         | 24,653         |
| Orenburg Region                        | 23,229           | 14,853         | 9,123               | 7,364          | 1                 | 0         | 14,105         | 7,488          |
| Penza Region                           | 19,016           | 16,663         | 6,534               | 5,444          | 1                 | 1         | 12,481         | 11,218         |
| Perm Territory                         | 35,658           | 36,430         | 22,417              | 23,752         | 0                 | 0         | 13,241         | 12,678         |
| Republic of Bashkortostan              | 60,280           | 60,129         | 31,159              | 32,609         | 0                 | 1         | 29,120         | 27,519         |
| Republic of Mari El                    | 7,383            | 7,938          | 3,003               | 2,934          | 0                 | 0         | 4,380          | 5,004          |
| Republic of Mordovia                   | 9,840            | 11,881         | 3,665               | 3,242          | 0                 | 0         | 6,175          | 8,639          |
| Republic of Tatarstan (Tatarstan)      | 62,572           | 58,382         | 34,007              | 31,857         | 0                 | 1         | 28,564         | 26,525         |
| Samara Region                          | 159,559          | 93,581         | 27,537              | 27,468         | 1                 | 1         | 132,022        | 66,112         |
| Saratov Region                         | 16,909           | 23,655         | 12,680              | 12,496         | 0                 | 0         | 4,228          | 11,159         |
| Udmurtian Republic                     | 15,992           | 15,407         | 10,498              | 10,378         | 0                 | 1         | 5,493          | 5,028          |
| Ulyanovsk Region                       | 12,200           | 11,862         | 7,309               | 5,238          | 0                 | 0         | 4,890          | 6,625          |
| Chuvash Republic – Chuvashia           | 14,547           | 14,398         | 5,712               | 6,221          | 0                 | 0         | 8,835          | 8,177          |
| <b>Northwestern Federal District</b>   | <b>264,332</b>   | <b>264,244</b> | <b>143,701</b>      | <b>152,255</b> | <b>8</b>          | <b>16</b> | <b>120,623</b> | <b>111,974</b> |
| Arkhangelsk Region                     | 12,353           | 10,285         | 8,623               | 7,276          | 0                 | 0         | 3,730          | 3,009          |
| Vologda Region                         | 17,332           | 16,326         | 9,358               | 10,281         | 0                 | 0         | 7,973          | 6,044          |
| Kaliningrad Region                     | 21,877           | 18,699         | 6,832               | 7,537          | 0                 | 0         | 15,045         | 11,163         |
| Leningrad Region                       | 5,660            | 6,086          | 3,300               | 3,633          | 0                 | 0         | 2,360          | 2,453          |
| Murmansk Region                        | 16,271           | 16,530         | 4,757               | 4,575          | 0                 | 0         | 11,514         | 11,955         |
| Novgorod Region                        | 9,975            | 9,614          | 3,873               | 3,769          | 0                 | 0         | 6,102          | 5,845          |
| Pskov Region                           | 8,796            | 8,156          | 3,250               | 3,103          | 0                 | 0         | 5,547          | 5,053          |
| Republic of Karelia                    | 11,272           | 10,395         | 3,956               | 3,881          | 0                 | 0         | 7,316          | 6,513          |
| Komi Republic                          | 11,274           | 9,939          | 6,568               | 5,936          | 0                 | 0         | 4,706          | 4,003          |
| St. Petersburg                         | 149,523          | 158,214        | 93,185              | 102,264        | 7                 | 15        | 56,330         | 55,935         |
| <b>North Caucasus Federal District</b> | <b>32,887</b>    | <b>30,176</b>  | <b>20,388</b>       | <b>18,327</b>  | <b>1</b>          | <b>1</b>  | <b>12,499</b>  | <b>11,848</b>  |
| Kabardino-Balkarian Republic           | 2,526            | 3,311          | 1,140               | 1,843          | 0                 | 0         | 1,385          | 1,468          |
| Karachayevo-Circassian Republic        | 1,422            | 1,443          | 783                 | 996            | 0                 | 0         | 639            | 447            |
| Republic of Daghestan                  | 3,657            | 3,553          | 2,488               | 2,168          | 0                 | 0         | 1,169          | 1,385          |
| Republic of Ingushetia                 | 475              | 397            | 265                 | 268            | 0                 | 0         | 210            | 129            |
| Republic of North Ossetia – Alania     | 1,495            | 2,134          | 1,042               | 1,631          | 0                 | 0         | 453            | 503            |
| Stavropol Territory                    | 22,279           | 18,347         | 14,464              | 11,167         | 0                 | 0         | 7,815          | 7,180          |

<sup>1</sup> Including payments by the customers of credit institutions (individuals and legal entities other than credit institutions) and credit institutions' own payments.



| Russian federal district/<br>territory | Credit transfers |                  |                     |                  |                   |           |                  |                  |
|--|------------------|------------------|---------------------|------------------|-------------------|-----------|------------------|------------------|
|  | total            |                  | of which made using |                  |                   |           |                  |                  |
|  |                  |                  | payment orders      |                  | letters of credit |           | individuals      |                  |
|  | 2011             | 2012             | 2011                | 2012             | 2011              | 2012      | 2011             | 2012             |
| Chechen Republic                       | 1,034            | 991              | 206                 | 254              | 0                 | 0         | 828              | 737              |
| <b>Siberian Federal District</b>       | <b>240,524</b>   | <b>243,973</b>   | <b>152,480</b>      | <b>157,693</b>   | <b>7</b>          | <b>11</b> | <b>88,037</b>    | <b>86,269</b>    |
| Republic of Altai                      | 23,659           | 22,917           | 13,584              | 13,189           | 0                 | 1         | 10,075           | 9,728            |
| Trans-Baikal Territory                 | 5,553            | 3,981            | 3,843               | 2,705            | 0                 | 0         | 1,710            | 1,276            |
| Irkutsk Region                         | 17,157           | 14,734           | 13,374              | 11,210           | 1                 | 1         | 3,782            | 3,522            |
| Kemerovo Region                        | 44,146           | 45,725           | 18,745              | 19,068           | 0                 | 0         | 25,400           | 26,657           |
| Krasnoyarsk Territory                  | 24,251           | 24,217           | 16,537              | 16,806           | 1                 | 1         | 7,712            | 7,410            |
| Novosibirsk Region                     | 63,533           | 72,802           | 44,429              | 54,429           | 2                 | 7         | 19,101           | 18,366           |
| Omsk Region                            | 34,580           | 31,958           | 26,050              | 25,107           | 1                 | 1         | 8,529            | 6,850            |
| Republic of Altai                      | 1,273            | 1,058            | 640                 | 512              | 0                 | 0         | 633              | 546              |
| Republic of Buryatiya                  | 8,583            | 8,360            | 5,318               | 4,630            | 0                 | 0         | 3,265            | 3,730            |
| Republic of Tyva                       | 1,191            | 960              | 376                 | 338              | 0                 | 0         | 815              | 622              |
| Republic of Khakassia                  | 3,438            | 3,733            | 2,100               | 2,095            | 0                 | 0         | 1,337            | 1,637            |
| Tomsk Region                           | 13,160           | 13,528           | 7,482               | 7,605            | 0                 | 0         | 5,677            | 5,923            |
| <b>Urals Federal District</b>          | <b>208,719</b>   | <b>223,915</b>   | <b>110,457</b>      | <b>116,610</b>   | <b>5</b>          | <b>10</b> | <b>98,257</b>    | <b>107,295</b>   |
| Kurgan Region                          | 5,958            | 6,124            | 2,925               | 3,347            | 0                 | 0         | 3,034            | 2,776            |
| Sverdlovsk Region                      | 78,032           | 85,924           | 52,901              | 63,072           | 1                 | 1         | 25,130           | 22,851           |
| Tyumen Region                          | 40,535           | 45,082           | 29,343              | 25,684           | 2                 | 3         | 11,190           | 19,396           |
| Chelyabinsk Region                     | 84,193           | 86,785           | 25,287              | 24,507           | 2                 | 6         | 58,903           | 62,272           |
| <b>Central Federal District</b>        | <b>1,059,037</b> | <b>1,090,894</b> | <b>464,009</b>      | <b>486,815</b>   | <b>26</b>         | <b>31</b> | <b>595,002</b>   | <b>604,049</b>   |
| Belgorod Region                        | 13,140           | 13,761           | 7,133               | 7,123            | 0                 | 0         | 6,006            | 6,637            |
| Bryansk Region                         | 7,321            | 7,018            | 3,926               | 3,676            | 0                 | 0         | 3,395            | 3,342            |
| Vladimir Region                        | 17,111           | 20,780           | 9,376               | 8,567            | 0                 | 0         | 7,735            | 12,213           |
| Voronezh Region                        | 34,534           | 34,220           | 13,202              | 14,902           | 0                 | 0         | 21,332           | 19,318           |
| Ivanovo Region                         | 10,302           | 8,819            | 5,181               | 4,754            | 0                 | 0         | 5,121            | 4,065            |
| Kaluga Region                          | 15,836           | 17,855           | 5,485               | 5,375            | 0                 | 0         | 10,351           | 12,479           |
| Kostroma Region                        | 10,400           | 8,624            | 4,390               | 4,236            | 0                 | 0         | 6,011            | 4,388            |
| Kursk Region                           | 7,919            | 8,953            | 5,031               | 4,467            | 0                 | 0         | 2,888            | 4,486            |
| Lipetsk Region                         | 10,236           | 13,189           | 5,910               | 4,770            | 0                 | 0         | 4,326            | 8,419            |
| Moscow and Moscow Region               | 844,669          | 873,413          | 362,144             | 387,618          | 23                | 27        | 482,502          | 485,769          |
| Orel Region                            | 5,912            | 8,819            | 3,665               | 3,188            | 0                 | 0         | 2,248            | 5,631            |
| Ryazan Region                          | 9,903            | 9,308            | 5,865               | 5,554            | 0                 | 0         | 4,037            | 3,754            |
| Smolensk Region                        | 14,694           | 14,342           | 4,426               | 4,373            | 0                 | 0         | 10,268           | 9,968            |
| Tambov Region                          | 6,079            | 6,218            | 3,210               | 2,995            | 0                 | 0         | 2,868            | 3,222            |
| Tver Region                            | 14,612           | 12,911           | 6,297               | 6,042            | 0                 | 0         | 8,314            | 6,869            |
| Tula Region                            | 13,020           | 11,599           | 6,385               | 6,049            | 0                 | 0         | 6,634            | 5,549            |
| Yaroslavl Region                       | 23,349           | 21,063           | 12,384              | 13,123           | 0                 | 1         | 10,965           | 7,939            |
| <b>Southern Federal District</b>       | <b>153,434</b>   | <b>163,851</b>   | <b>77,403</b>       | <b>79,702</b>    | <b>2</b>          | <b>2</b>  | <b>76,029</b>    | <b>84,146</b>    |
| Astrakhan Region                       | 11,050           | 10,854           | 3,138               | 3,236            | 0                 | 0         | 7,912            | 7,618            |
| Volgograd Region                       | 20,657           | 21,752           | 12,953              | 12,756           | 0                 | 0         | 7,704            | 8,995            |
| Krasnodar Territory                    | 63,345           | 65,503           | 32,804              | 33,002           | 1                 | 1         | 30,541           | 32,500           |
| Republic of Adygeya (Adygeya)          | 2,983            | 3,303            | 1,152               | 1,165            | 0                 | 0         | 1,830            | 2,138            |
| Republic of Kalmykia                   | 958              | 1,441            | 538                 | 883              | 0                 | 0         | 420              | 558              |
| Rostov Region                          | 54,442           | 60,997           | 26,819              | 28,659           | 1                 | 1         | 27,622           | 32,338           |
| <b>Total for Russia</b>                | <b>2,527,564</b> | <b>2,525,009</b> | <b>1,234,106</b>    | <b>1,276,103</b> | <b>57</b>         | <b>82</b> | <b>1,293,402</b> | <b>1,248,825</b> |

**Table 2.** The value of credit transfers (in rubles and foreign currency), billion rubles<sup>2</sup>

| Russian federal district/territory     | Credit transfers |               |                     |               |                   |           |                      |            |
|--|------------------|---------------|---------------------|---------------|-------------------|-----------|----------------------|------------|
|  | total            |               | of which made using |               |                   |           |                      |            |
|  |                  |               | payment orders      |               | letters of credit |           | individual documents |            |
|  | 2011             | 2012          | 2011                | 2012          | 2011              | 2012      | 2011                 | 2012       |
| <b>Far Eastern Federal District</b>    | <b>8,598</b>     | <b>9,175</b>  | <b>8,428</b>        | <b>8,989</b>  | <b>6</b>          | <b>9</b>  | <b>164</b>           | <b>177</b> |
| Amur Region                            | 1,124            | 1,489         | 1,105               | 1,459         | 0                 | 1         | 18                   | 29         |
| Jewish Autonomous Region               | 28               | 31            | 27                  | 30            | 0                 | 0         | 1                    | 1          |
| Kamchatka Territory                    | 324              | 314           | 314                 | 305           | 0                 | 0         | 10                   | 8          |
| Magadan Region                         | 230              | 233           | 224                 | 226           | 0                 | 0         | 7                    | 7          |
| Primorye Territory                     | 2,741            | 2,989         | 2,686               | 2,932         | 2                 | 3         | 53                   | 53         |
| Republic of Sakha (Yakutia)            | 798              | 779           | 773                 | 757           | 0                 | 0         | 25                   | 22         |
| Sakhalin Region                        | 578              | 631           | 565                 | 618           | 0                 | 0         | 13                   | 14         |
| Khabarovsk Territory                   | 2,717            | 2,661         | 2,679               | 2,617         | 2                 | 4         | 36                   | 40         |
| Chukotka Autonomous Area               | 57               | 48            | 55                  | 46            | 0                 | 0         | 2                    | 2          |
| <b>Volga Federal District</b>          | <b>39,371</b>    | <b>44,568</b> | <b>38,769</b>       | <b>43,913</b> | <b>23</b>         | <b>20</b> | <b>580</b>           | <b>635</b> |
| Kirov Region                           | 904              | 898           | 886                 | 881           | 0                 | 1         | 18                   | 17         |
| Nizhny Novgorod Region                 | 8,274            | 9,184         | 8,200               | 9,108         | 7                 | 4         | 67                   | 72         |
| Orenburg Region                        | 1,246            | 1,323         | 1,211               | 1,290         | 3                 | 2         | 32                   | 30         |
| Penza Region                           | 626              | 682           | 602                 | 659           | 1                 | 1         | 23                   | 22         |
| Perm Territory                         | 4,307            | 5,514         | 4,251               | 5,441         | 1                 | 1         | 55                   | 72         |
| Republic of Bashkortostan              | 4,591            | 5,173         | 4,496               | 5,053         | 2                 | 3         | 93                   | 117        |
| Republic of Mari El                    | 298              | 329           | 291                 | 321           | 0                 | 1         | 7                    | 7          |
| Republic of Mordovia                   | 523              | 467           | 512                 | 456           | 0                 | 0         | 10                   | 11         |
| Republic of Tatarstan (Tatarstan)      | 8,436            | 9,586         | 8,338               | 9,476         | 3                 | 2         | 96                   | 107        |
| Samara Region                          | 5,574            | 6,579         | 5,482               | 6,492         | 3                 | 3         | 89                   | 84         |
| Saratov Region                         | 1,736            | 1,865         | 1,695               | 1,825         | 0                 | 0         | 40                   | 40         |
| Udmurtian Republic                     | 1,256            | 1,378         | 1,231               | 1,351         | 1                 | 1         | 24                   | 26         |
| Ulyanovsk Region                       | 899              | 978           | 883                 | 961           | 0                 | 0         | 16                   | 17         |
| Chuvash Republic – Chuvashia           | 701              | 611           | 690                 | 598           | 1                 | 0         | 10                   | 12         |
| <b>Northwestern Federal District</b>   | <b>31,549</b>    | <b>37,070</b> | <b>31,127</b>       | <b>36,583</b> | <b>33</b>         | <b>57</b> | <b>389</b>           | <b>430</b> |
| Arkhangelsk Region                     | 950              | 927           | 931                 | 908           | 0                 | 0         | 18                   | 19         |
| Vologda Region                         | 1,291            | 1,494         | 1,269               | 1,476         | 1                 | 1         | 21                   | 18         |
| Kaliningrad Region                     | 1,361            | 1,466         | 1,343               | 1,449         | 0                 | 1         | 18                   | 16         |
| Leningrad Region                       | 458              | 564           | 436                 | 536           | 0                 | 0         | 23                   | 28         |
| Murmansk Region                        | 616              | 595           | 596                 | 575           | 0                 | 0         | 20                   | 20         |
| Novgorod Region                        | 374              | 379           | 366                 | 371           | 0                 | 0         | 9                    | 9          |
| Pskov Region                           | 336              | 366           | 329                 | 359           | 0                 | 0         | 7                    | 7          |
| Republic of Karelia                    | 365              | 357           | 353                 | 345           | 0                 | 0         | 12                   | 12         |
| Komi Republic                          | 911              | 810           | 885                 | 786           | 0                 | 0         | 26                   | 25         |
| St. Petersburg                         | 24,885           | 30,111        | 24,619              | 29,780        | 31                | 54        | 236                  | 277        |
| <b>North Caucasus Federal District</b> | <b>2,916</b>     | <b>2,802</b>  | <b>2,836</b>        | <b>2,725</b>  | <b>2</b>          | <b>2</b>  | <b>78</b>            | <b>75</b>  |
| Kabardino-Balkarian Republic           | 299              | 253           | 292                 | 245           | 0                 | 1         | 7                    | 7          |
| Karachayevo-Circassian Republic        | 131              | 156           | 128                 | 154           | 0                 | 0         | 3                    | 3          |
| Republic of Daghestan                  | 363              | 401           | 340                 | 380           | 0                 | 0         | 22                   | 21         |
| Republic of Ingushetia                 | 73               | 69            | 71                  | 67            | 0                 | 0         | 2                    | 2          |
| Republic of North Ossetia – Alania     | 156              | 171           | 152                 | 165           | 0                 | 0         | 4                    | 5          |
| Stavropol Territory                    | 1,765            | 1,614         | 1,730               | 1,581         | 1                 | 1         | 34                   | 32         |
| Chechen Republic                       | 128              | 138           | 123                 | 134           | 0                 | 0         | 5                    | 5          |
| <b>Siberian Federal District</b>       | <b>22,826</b>    | <b>23,672</b> | <b>22,475</b>       | <b>23,276</b> | <b>12</b>         | <b>19</b> | <b>339</b>           | <b>377</b> |
| Republic of Altai                      | 2,044            | 1,915         | 2,013               | 1,886         | 0                 | 1         | 31                   | 28         |
| Trans-Baikal Territory                 | 397              | 401           | 384                 | 384           | 0                 | 0         | 13                   | 16         |
| Irkutsk Region                         | 2,549            | 2,348         | 2,498               | 2,299         | 3                 | 2         | 48                   | 47         |

<sup>2</sup> Including payments by the customers of credit institutions (individuals and legal entities other than credit institutions) and credit institutions' own payments.

| Russian federal district/territory | Credit transfers |                |                     |                |                   |            |                      |              |
|------------------------------------|------------------|----------------|---------------------|----------------|-------------------|------------|----------------------|--------------|
|                                    | total            |                | of which made using |                |                   |            |                      |              |
|                                    |                  |                | payment orders      |                | letters of credit |            | individual documents |              |
|                                    | 2011             | 2012           | 2011                | 2012           | 2011              | 2012       | 2011                 | 2012         |
| Kemerovo Region                    | 3,287            | 3,311          | 3,239               | 3,258          | 1                 | 1          | 47                   | 52           |
| Krasnoyarsk Territory              | 2,760            | 3,161          | 2,709               | 3,098          | 2                 | 3          | 49                   | 61           |
| Novosibirsk Region                 | 7,351            | 8,068          | 7,264               | 7,953          | 4                 | 10         | 82                   | 105          |
| Omsk Region                        | 2,648            | 2,687          | 2,620               | 2,663          | 1                 | 1          | 27                   | 23           |
| Republic of Altai                  | 40               | 39             | 37                  | 37             | 0                 | 0          | 2                    | 2            |
| Republic of Buryatia               | 433              | 414            | 420                 | 396            | 0                 | 0          | 13                   | 17           |
| Republic of Tyva                   | 45               | 43             | 43                  | 41             | 0                 | 0          | 2                    | 2            |
| Republic of Khakassia              | 225              | 236            | 215                 | 226            | 0                 | 0          | 9                    | 9            |
| Tomsk Region                       | 1,048            | 1,050          | 1,033               | 1,035          | 0                 | 1          | 15                   | 14           |
| <b>Urals Federal District</b>      | <b>25,718</b>    | <b>28,496</b>  | <b>24,681</b>       | <b>28,046</b>  | <b>675</b>        | <b>31</b>  | <b>362</b>           | <b>418</b>   |
| Kurgan Region                      | 366              | 375            | 356                 | 364            | 0                 | 0          | 10                   | 10           |
| Sverdlovsk Region                  | 9,935            | 11,561         | 9,790               | 11,374         | 3                 | 4          | 142                  | 183          |
| Tyumen Region                      | 10,348           | 11,118         | 9,561               | 10,969         | 667               | 22         | 120                  | 127          |
| Chelyabinsk Region                 | 5,068            | 5,442          | 4,973               | 5,339          | 4                 | 5          | 90                   | 97           |
| <b>Central Federal District</b>    | <b>257,437</b>   | <b>278,648</b> | <b>255,387</b>      | <b>276,329</b> | <b>251</b>        | <b>322</b> | <b>1,799</b>         | <b>1,997</b> |
| Belgorod Region                    | 1,644            | 1,785          | 1,624               | 1,767          | 1                 | 1          | 19                   | 17           |
| Bryansk Region                     | 572              | 549            | 562                 | 537            | 0                 | 0          | 10                   | 12           |
| Vladimir Region                    | 948              | 935            | 933                 | 915            | 0                 | 0          | 15                   | 20           |
| Voronezh Region                    | 2,318            | 2,605          | 2,282               | 2,567          | 2                 | 2          | 34                   | 36           |
| Ivanovo Region                     | 498              | 509            | 488                 | 499            | 0                 | 0          | 10                   | 10           |
| Kaluga Region                      | 712              | 795            | 692                 | 769            | 0                 | 1          | 20                   | 26           |
| Kostroma Region                    | 490              | 561            | 482                 | 551            | 0                 | 0          | 8                    | 10           |
| Kursk Region                       | 968              | 881            | 954                 | 867            | 3                 | 2          | 12                   | 12           |
| Lipetsk Region                     | 1,114            | 935            | 1,098               | 922            | 0                 | 1          | 16                   | 13           |
| Moscow and Moscow Region           | 242,565          | 263,243        | 240,770             | 261,194        | 242               | 313        | 1,554                | 1,736        |
| Orel Region                        | 476              | 434            | 467                 | 424            | 0                 | 0          | 8                    | 9            |
| Ryazan Region                      | 649              | 689            | 635                 | 677            | 1                 | 1          | 13                   | 12           |
| Smolensk Region                    | 625              | 626            | 609                 | 608            | 0                 | 0          | 16                   | 17           |
| Tambov Region                      | 381              | 414            | 371                 | 406            | 0                 | 0          | 10                   | 8            |
| Tver Region                        | 750              | 756            | 734                 | 740            | 1                 | 0          | 16                   | 16           |
| Tula Region                        | 1,088            | 1,150          | 1,073               | 1,132          | 0                 | 1          | 15                   | 18           |
| Yaroslavl Region                   | 1,639            | 1,782          | 1,614               | 1,756          | 1                 | 1          | 24                   | 26           |
| <b>Southern Federal District</b>   | <b>12,519</b>    | <b>13,905</b>  | <b>12,237</b>       | <b>13,575</b>  | <b>8</b>          | <b>7</b>   | <b>275</b>           | <b>323</b>   |
| Astrakhan Region                   | 447              | 486            | 430                 | 471            | 0                 | 0          | 16                   | 15           |
| Volgograd Region                   | 2,080            | 2,310          | 2,036               | 2,267          | 2                 | 2          | 41                   | 41           |
| Krasnodar Territory                | 5,572            | 6,119          | 5,444               | 5,965          | 3                 | 3          | 126                  | 151          |
| Republic of Adygea (Adygea)        | 104              | 112            | 101                 | 109            | 0                 | 0          | 3                    | 4            |
| Republic of Kalmykia               | 42               | 48             | 40                  | 46             | 0                 | 0          | 2                    | 2            |
| Rostov Region                      | 4,275            | 4,829          | 4,187               | 4,717          | 2                 | 2          | 86                   | 110          |
| <b>Total for Russia</b>            | <b>400,934</b>   | <b>438,337</b> | <b>395,941</b>      | <b>433,437</b> | <b>1,008</b>      | <b>467</b> | <b>3,985</b>         | <b>4,432</b> |

**Table 3.** The volume of direct debits (in rubles and foreign currency), thousands<sup>3</sup>

| Russian federal district/territory     | Direct debits |               |                     |               |                   |              |
|--|---------------|---------------|---------------------|---------------|-------------------|--------------|
|  | total         |               | of which made using |               |                   |              |
|  |               |               | payment claims      |               | collection orders |              |
|  | 2011          | 2012          | 2011                | 2012          | 2011              | 2012         |
| <b>Far Eastern Federal District</b>    | <b>2,829</b>  | <b>2,053</b>  | <b>1,739</b>        | <b>782</b>    | <b>1,090</b>      | <b>1,270</b> |
| Amur Region                            | 204           | 350           | 126                 | 260           | 78                | 89           |
| Jewish Autonomous Region               | 11            | 15            | 6                   | 6             | 6                 | 9            |
| Kamchatka Territory                    | 121           | 68            | 76                  | 23            | 45                | 45           |
| Magadan Region                         | 72            | 67            | 48                  | 37            | 24                | 30           |
| Primorye Territory                     | 788           | 387           | 527                 | 152           | 262               | 235          |
| Republic of Sakha (Yakutia)            | 346           | 197           | 223                 | 44            | 123               | 153          |
| Sakhalin Region                        | 99            | 110           | 38                  | 29            | 61                | 81           |
| Khabarovsk Territory                   | 1,185         | 858           | 693                 | 230           | 492               | 628          |
| Chukotka Autonomous Area               | 1             | 1             | 1                   | 0             | 0                 | 0            |
| <b>Volga Federal District</b>          | <b>18,781</b> | <b>16,893</b> | <b>13,663</b>       | <b>10,812</b> | <b>5,118</b>      | <b>6,080</b> |
| Kirov Region                           | 725           | 446           | 456                 | 159           | 269               | 287          |
| Nizhny Novgorod Region                 | 1,556         | 1,086         | 1,115               | 543           | 442               | 543          |
| Orenburg Region                        | 381           | 284           | 164                 | 71            | 217               | 213          |
| Penza Region                           | 418           | 210           | 295                 | 88            | 123               | 122          |
| Perm Territory                         | 5,114         | 5,510         | 4,767               | 5,021         | 347               | 489          |
| Republic of Bashkortostan              | 1,775         | 1,481         | 1,353               | 1,000         | 423               | 481          |
| Republic of Mari El                    | 373           | 225           | 319                 | 161           | 54                | 64           |
| Republic of Mordovia                   | 295           | 103           | 245                 | 39            | 50                | 65           |
| Republic of Tatarstan (Tatarstan)      | 1,016         | 812           | 565                 | 296           | 450               | 517          |
| Samara Region                          | 3,186         | 3,135         | 1,278               | 734           | 1,908             | 2,401        |
| Saratov Region                         | 490           | 593           | 240                 | 235           | 250               | 358          |
| Udmurtian Republic                     | 2,832         | 2,548         | 2,501               | 2,272         | 330               | 276          |
| Ulyanovsk Region                       | 268           | 263           | 147                 | 107           | 122               | 156          |
| Chuvash Republic – Chuvashia           | 352           | 196           | 218                 | 86            | 134               | 110          |
| <b>Northwestern Federal District</b>   | <b>9,107</b>  | <b>8,210</b>  | <b>6,455</b>        | <b>4,552</b>  | <b>2,653</b>      | <b>3,659</b> |
| Arkhangelsk Region                     | 969           | 561           | 797                 | 384           | 172               | 177          |
| Vologda Region                         | 1,197         | 585           | 915                 | 262           | 282               | 323          |
| Kaliningrad Region                     | 661           | 787           | 508                 | 398           | 153               | 389          |
| Leningrad Region                       | 144           | 157           | 110                 | 111           | 34                | 46           |
| Murmansk Region                        | 236           | 171           | 147                 | 86            | 89                | 86           |
| Novgorod Region                        | 135           | 123           | 77                  | 63            | 57                | 60           |
| Pskov Region                           | 149           | 134           | 90                  | 72            | 58                | 63           |
| Republic of Karelia                    | 257           | 214           | 149                 | 109           | 108               | 105          |
| Komi Republic                          | 1,263         | 1,356         | 1,153               | 1,224         | 110               | 132          |
| St. Petersburg                         | 4,096         | 4,122         | 2,507               | 1,843         | 1,589             | 2,278        |
| <b>North Caucasus Federal District</b> | <b>1,284</b>  | <b>1,304</b>  | <b>784</b>          | <b>679</b>    | <b>500</b>        | <b>625</b>   |
| Kabardino-Balkarian Republic           | 69            | 99            | 27                  | 39            | 42                | 61           |
| Karachayevo-Circassian Republic        | 46            | 65            | 12                  | 9             | 34                | 56           |
| Republic of Daghestan                  | 141           | 436           | 113                 | 387           | 28                | 48           |
| Republic of Ingushetia                 | 3             | 4             | 1                   | 1             | 3                 | 3            |
| Republic of North Ossetia – Alania     | 49            | 74            | 10                  | 22            | 38                | 52           |
| Stavropol Territory                    | 970           | 614           | 622                 | 221           | 348               | 393          |
| Chechen Republic                       | 6             | 12            | 0                   | 0             | 6                 | 12           |
| <b>Siberian Federal District</b>       | <b>14,892</b> | <b>15,552</b> | <b>10,911</b>       | <b>10,813</b> | <b>3,981</b>      | <b>4,740</b> |
| Republic of Altai                      | 579           | 577           | 405                 | 368           | 174               | 209          |
| Trans-Baikal Territory                 | 318           | 224           | 255                 | 100           | 62                | 124          |
| Irkutsk Region                         | 888           | 627           | 487                 | 162           | 400               | 465          |
| Kemerovo Region                        | 3,155         | 3,078         | 2,879               | 2,550         | 276               | 528          |
| Krasnoyarsk Territory                  | 1,876         | 1,859         | 1,553               | 1,481         | 323               | 378          |
| Novosibirsk Region                     | 3,065         | 4,364         | 1,138               | 2,102         | 1,927             | 2,263        |

<sup>3</sup> Including payments by the customers of credit institutions (individuals and legal entities other than credit institutions) and credit institutions' own payments.

| Russian federal district/territory | Direct debits  |               |                     |               |                   |               |
|------------------------------------|----------------|---------------|---------------------|---------------|-------------------|---------------|
|                                    | total          |               | of which made using |               |                   |               |
|                                    |                |               | payment claims      |               | collection orders |               |
|                                    | 2011           | 2012          | 2011                | 2012          | 2011              | 2012          |
| Omsk Region                        | 2,689          | 2,791         | 2,481               | 2,578         | 207               | 213           |
| Republic of Altai                  | 37             | 22            | 24                  | 1             | 14                | 21            |
| Republic of Buryatia               | 344            | 330           | 254                 | 157           | 90                | 173           |
| Republic of Tyva                   | 274            | 146           | 7                   | 15            | 267               | 131           |
| Republic of Khakassia              | 420            | 267           | 363                 | 197           | 57                | 70            |
| Tomsk Region                       | 1,247          | 1,268         | 1,065               | 1,102         | 182               | 166           |
| <b>Urals Federal District</b>      | <b>12,931</b>  | <b>11,084</b> | <b>9,125</b>        | <b>7,182</b>  | <b>3,807</b>      | <b>3,903</b>  |
| Kurgan Region                      | 127            | 141           | 75                  | 84            | 52                | 57            |
| Sverdlovsk Region                  | 6,598          | 7,079         | 4,271               | 4,477         | 2,327             | 2,602         |
| Tyumen Region                      | 3,897          | 1,634         | 3,001               | 890           | 896               | 744           |
| Chelyabinsk Region                 | 2,309          | 2,230         | 1,778               | 1,731         | 531               | 499           |
| <b>Central Federal District</b>    | <b>43,764</b>  | <b>15,789</b> | <b>24,147</b>       | <b>8,807</b>  | <b>19,617</b>     | <b>6,981</b>  |
| Belgorod Region                    | 490            | 254           | 375                 | 102           | 115               | 151           |
| Bryansk Region                     | 244            | 178           | 171                 | 80            | 73                | 98            |
| Vladimir Region                    | 586            | 305           | 450                 | 147           | 135               | 157           |
| Voronezh Region                    | 1,312          | 1,392         | 557                 | 267           | 756               | 1,124         |
| Ivanovo Region                     | 149            | 123           | 51                  | 25            | 98                | 99            |
| Kaluga Region                      | 326            | 254           | 198                 | 94            | 128               | 161           |
| Kostroma Region                    | 404            | 158           | 297                 | 46            | 107               | 112           |
| Kursk Region                       | 442            | 301           | 335                 | 185           | 107               | 116           |
| Lipetsk Region                     | 369            | 305           | 290                 | 176           | 80                | 130           |
| Moscow and Moscow Region           | 37,116         | 10,705        | 19,773              | 7,054         | 17,343            | 3,651         |
| Orel Region                        | 192            | 480           | 141                 | 50            | 51                | 430           |
| Ryazan Region                      | 313            | 250           | 194                 | 126           | 119               | 125           |
| Smolensk Region                    | 412            | 217           | 317                 | 94            | 94                | 123           |
| Tambov Region                      | 111            | 88            | 52                  | 26            | 59                | 62            |
| Tver Region                        | 411            | 188           | 322                 | 87            | 89                | 100           |
| Tula Region                        | 443            | 277           | 330                 | 129           | 113               | 149           |
| Yaroslavl Region                   | 444            | 313           | 294                 | 118           | 150               | 195           |
| <b>Southern Federal District</b>   | <b>14,709</b>  | <b>11,441</b> | <b>12,295</b>       | <b>8,445</b>  | <b>2,413</b>      | <b>2,996</b>  |
| Astrakhan Region                   | 490            | 388           | 217                 | 78            | 273               | 309           |
| Volgograd Region                   | 746            | 668           | 504                 | 261           | 242               | 408           |
| Krasnodar Territory                | 7,702          | 6,990         | 6,380               | 5,305         | 1,322             | 1,685         |
| Republic of Adygea (Adygea)        | 224            | 213           | 189                 | 173           | 35                | 40            |
| Republic of Kalmykia               | 14             | 34            | 8                   | 19            | 5                 | 15            |
| Rostov Region                      | 5,534          | 3,148         | 4,998               | 2,609         | 536               | 539           |
| <b>Total for Russia</b>            | <b>118,296</b> | <b>82,326</b> | <b>79,118</b>       | <b>52,071</b> | <b>39,178</b>     | <b>30,254</b> |

**Table 4.** The value of direct debits (in rubles and foreign currency), billion rubles<sup>4</sup>

| Russian federal district/territory     | Direct debits |            |                     |            |                   |           |
|--|---------------|------------|---------------------|------------|-------------------|-----------|
|  | total         |            | of which made using |            |                   |           |
|  |               |            | payment claims      |            | collection orders |           |
|  | 2011          | 2012       | 2011                | 2012       | 2011              | 2012      |
| <b>Far Eastern Federal District</b>    | <b>37</b>     | <b>54</b>  | <b>26</b>           | <b>41</b>  | <b>11</b>         | <b>13</b> |
| Amur Region                            | 5             | 8          | 4                   | 7          | 1                 | 1         |
| Jewish Autonomous Region               | 0             | 1          | 0                   | 1          | 0                 | 0         |
| Kamchatka Territory                    | 2             | 1          | 1                   | 0          | 1                 | 1         |
| Magadan Region                         | 1             | 1          | 1                   | 0          | 0                 | 0         |
| Primorye Territory                     | 10            | 19         | 8                   | 16         | 2                 | 2         |
| Republic of Sakha (Yakutia)            | 4             | 3          | 3                   | 1          | 1                 | 2         |
| Sakhalin Region                        | 4             | 7          | 3                   | 5          | 1                 | 1         |
| Khabarovsk Territory                   | 9             | 14         | 6                   | 9          | 4                 | 5         |
| Chukotka Autonomous Area               | 0             | 1          | 0                   | 1          | 0                 | 0         |
| <b>Volga Federal District</b>          | <b>245</b>    | <b>228</b> | <b>207</b>          | <b>181</b> | <b>38</b>         | <b>46</b> |
| Kirov Region                           | 12            | 9          | 10                  | 7          | 1                 | 1         |
| Nizhny Novgorod Region                 | 43            | 38         | 39                  | 34         | 4                 | 4         |
| Orenburg Region                        | 7             | 10         | 6                   | 8          | 1                 | 2         |
| Penza Region                           | 1             | 5          | 1                   | 5          | 1                 | 1         |
| Perm Territory                         | 34            | 38         | 31                  | 35         | 3                 | 3         |
| Republic of Bashkortostan              | 53            | 23         | 48                  | 18         | 5                 | 6         |
| Republic of Mari El                    | 4             | 3          | 4                   | 2          | 0                 | 1         |
| Republic of Mordovia                   | 4             | 3          | 3                   | 2          | 1                 | 1         |
| Republic of Tatarstan (Tatarstan)      | 15            | 21         | 11                  | 14         | 4                 | 7         |
| Samara Region                          | 30            | 36         | 18                  | 22         | 12                | 14        |
| Saratov Region                         | 4             | 9          | 3                   | 7          | 2                 | 2         |
| Udmurtian Republic                     | 23            | 18         | 20                  | 15         | 3                 | 2         |
| Ulyanovsk Region                       | 3             | 5          | 2                   | 4          | 1                 | 1         |
| Chuvash Republic – Chuvashia           | 11            | 9          | 10                  | 8          | 1                 | 1         |
| <b>Northwestern Federal District</b>   | <b>111</b>    | <b>103</b> | <b>89</b>           | <b>73</b>  | <b>22</b>         | <b>30</b> |
| Arkhangelsk Region                     | 16            | 15         | 13                  | 11         | 3                 | 3         |
| Vologda Region                         | 17            | 11         | 15                  | 9          | 2                 | 2         |
| Kaliningrad Region                     | 5             | 5          | 4                   | 4          | 1                 | 1         |
| Leningrad Region                       | 2             | 1          | 1                   | 0          | 0                 | 0         |
| Murmansk Region                        | 2             | 2          | 1                   | 1          | 1                 | 2         |
| Novgorod Region                        | 4             | 2          | 3                   | 2          | 1                 | 1         |
| Pskov Region                           | 2             | 2          | 2                   | 1          | 0                 | 1         |
| Republic of Karelia                    | 5             | 3          | 4                   | 2          | 1                 | 1         |
| Komi Republic                          | 9             | 11         | 7                   | 9          | 2                 | 2         |
| St. Petersburg                         | 50            | 51         | 39                  | 34         | 11                | 17        |
| <b>North Caucasus Federal District</b> | <b>30</b>     | <b>33</b>  | <b>26</b>           | <b>28</b>  | <b>4</b>          | <b>5</b>  |
| Kabardino-Balkarian Republic           | 4             | 6          | 4                   | 5          | 0                 | 1         |
| Karachayevo-Circassian Republic        | 1             | 1          | 1                   | 1          | 0                 | 0         |
| Republic of Daghestan                  | 4             | 5          | 3                   | 4          | 1                 | 1         |
| Republic of Ingushetia                 | 1             | 0          | 0                   | 0          | 1                 | 0         |
| Republic of North Ossetia – Alania     | 5             | 2          | 5                   | 1          | 0                 | 0         |
| Stavropol Territory                    | 15            | 19         | 14                  | 17         | 1                 | 2         |
| Chechen Republic                       | 0             | 0          | 0                   | 0          | 0                 | 0         |
| <b>Siberian Federal District</b>       | <b>312</b>    | <b>291</b> | <b>286</b>          | <b>255</b> | <b>26</b>         | <b>36</b> |
| Republic of Altai                      | 30            | 38         | 28                  | 36         | 2                 | 2         |
| Trans-Baikal Territory                 | 1             | 2          | 1                   | 1          | 1                 | 1         |
| Irkutsk Region                         | 14            | 5          | 11                  | 2          | 3                 | 3         |
| Kemerovo Region                        | 46            | 45         | 42                  | 41         | 4                 | 4         |
| Krasnoyarsk Territory                  | 64            | 18         | 60                  | 13         | 4                 | 5         |
| Novosibirsk Region                     | 45            | 53         | 37                  | 43         | 8                 | 10        |
| Omsk Region                            | 87            | 98         | 86                  | 90         | 1                 | 8         |
| Republic of Altai                      | 1             | 0          | 1                   | 0          | 0                 | 0         |

<sup>4</sup> Including payments by customers of credit institutions (individuals and legal entities other than credit institutions) and credit institutions' own payments.

| Russian federal district/territory | Direct debits |              |                     |              |                   |            |
|------------------------------------|---------------|--------------|---------------------|--------------|-------------------|------------|
|                                    | total         |              | of which made using |              |                   |            |
|                                    |               |              | payment claims      |              | collection orders |            |
|                                    | 2011          | 2012         | 2011                | 2012         | 2011              | 2012       |
| Republic of Buryatia               | 3             | 4            | 2                   | 3            | 0                 | 1          |
| Republic of Tyva                   | 1             | 1            | 0                   | 0            | 1                 | 0          |
| Republic of Khakassia              | 3             | 2            | 2                   | 1            | 1                 | 1          |
| Tomsk Region                       | 17            | 26           | 15                  | 24           | 1                 | 1          |
| <b>Urals Federal District</b>      | <b>295</b>    | <b>266</b>   | <b>266</b>          | <b>220</b>   | <b>29</b>         | <b>47</b>  |
| Kurgan Region                      | 6             | 10           | 6                   | 9            | 0                 | 0          |
| Sverdlovsk Region                  | 144           | 171          | 131                 | 144          | 13                | 26         |
| Tyumen Region                      | 123           | 71           | 113                 | 58           | 11                | 13         |
| Chelyabinsk Region                 | 21            | 15           | 16                  | 8            | 5                 | 7          |
| <b>Central Federal District</b>    | <b>753</b>    | <b>495</b>   | <b>679</b>          | <b>390</b>   | <b>74</b>         | <b>105</b> |
| Belgorod Region                    | 3             | 3            | 3                   | 1            | 1                 | 1          |
| Bryansk Region                     | 1             | 2            | 1                   | 1            | 1                 | 1          |
| Vladimir Region                    | 13            | 10           | 12                  | 8            | 1                 | 1          |
| Voronezh Region                    | 8             | 8            | 5                   | 3            | 3                 | 5          |
| Ivanovo Region                     | 2             | 4            | 1                   | 3            | 1                 | 1          |
| Kaluga Region                      | 2             | 4            | 1                   | 1            | 1                 | 3          |
| Kostroma Region                    | 2             | 1            | 1                   | 0            | 1                 | 1          |
| Kursk Region                       | 2             | 2            | 1                   | 1            | 1                 | 1          |
| Lipetsk Region                     | 5             | 2            | 5                   | 1            | 1                 | 1          |
| Moscow and Moscow Region           | 693           | 442          | 637                 | 360          | 56                | 81         |
| Orel Region                        | 1             | 1            | 1                   | 0            | 0                 | 1          |
| Ryazan Region                      | 3             | 2            | 2                   | 1            | 1                 | 1          |
| Smolensk Region                    | 2             | 3            | 1                   | 2            | 1                 | 1          |
| Tambov Region                      | 3             | 1            | 1                   | 1            | 1                 | 1          |
| Tver Region                        | 3             | 3            | 1                   | 1            | 2                 | 2          |
| Tula Region                        | 4             | 3            | 3                   | 2            | 1                 | 1          |
| Yaroslavl Region                   | 4             | 3            | 3                   | 1            | 1                 | 2          |
| <b>Southern Federal District</b>   | <b>61</b>     | <b>70</b>    | <b>43</b>           | <b>42</b>    | <b>18</b>         | <b>28</b>  |
| Astrakhan Region                   | 1             | 3            | 0                   | 2            | 1                 | 1          |
| Volgograd Region                   | 8             | 7            | 5                   | 4            | 2                 | 4          |
| Krasnodar Territory                | 30            | 38           | 19                  | 22           | 11                | 16         |
| Republic of Adygea (Adygea)        | 1             | 1            | 1                   | 1            | 0                 | 0          |
| Republic of Kalmykia               | 0             | 1            | 0                   | 1            | 0                 | 0          |
| Rostov Region                      | 21            | 20           | 17                  | 13           | 4                 | 8          |
| <b>Total for Russia</b>            | <b>1,843</b>  | <b>1,540</b> | <b>1,621</b>        | <b>1,230</b> | <b>222</b>        | <b>311</b> |

**Table 5.** The number of payment cards issued in a region, thousands

| Russian federal district/territory     | Payment cards |               |               |               |              |              |              |              |
|--|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
|  | total         |               | of which      |               |              |              |              |              |
|  |               |               | debit         |               | credit       |              | prepaid      |              |
|  | 01.01.2012    | 01.01.2013    | 01.01.2012    | 01.01.2013    | 01.01.2012   | 01.01.2013   | 01.01.2012   | 01.01.2013   |
| <b>Far Eastern Federal District</b>    | <b>6,861</b>  | <b>8,423</b>  | <b>6,205</b>  | <b>7,201</b>  | <b>652</b>   | <b>1,126</b> | <b>4</b>     | <b>96</b>    |
| Amur Region                            | 1,011         | 1,220         | 893           | 987           | 114          | 233          | 4            | 0            |
| Jewish Autonomous Region               | 146           | 153           | 133           | 134           | 13           | 19           | 0            | 0            |
| Kamchatka Territory                    | 348           | 410           | 318           | 374           | 30           | 36           | 0            | 1            |
| Magadan Region                         | 143           | 187           | 130           | 167           | 12           | 19           | 0            | 0            |
| Primorye Territory                     | 1,962         | 2,408         | 1,842         | 2,119         | 120          | 236          | 0            | 53           |
| Republic of Sakha (Yakutia)            | 832           | 1,038         | 780           | 922           | 51           | 76           | 0            | 41           |
| Sakhalin Region                        | 524           | 615           | 480           | 549           | 44           | 66           | 0            | 0            |
| Khabarovsk Territory                   | 1,865         | 2,353         | 1,599         | 1,914         | 266          | 438          | 0            | 1            |
| Chukotka Autonomous Area               | 31            | 38            | 29            | 36            | 1            | 3            | 0            | 0            |
| <b>Volga Federal District</b>          | <b>30,047</b> | <b>35,456</b> | <b>27,978</b> | <b>32,204</b> | <b>1,985</b> | <b>3,213</b> | <b>85</b>    | <b>39</b>    |
| Kirov Region                           | 1,087         | 1,361         | 1,029         | 1,241         | 58           | 119          | 0            | 1            |
| Nizhny Novgorod Region                 | 3,313         | 3,696         | 3,062         | 3,279         | 252          | 417          | 0            | 1            |
| Orenburg Region                        | 1,957         | 2,428         | 1,848         | 2,241         | 108          | 178          | 0            | 9            |
| Penza Region                           | 978           | 1,297         | 921           | 1,206         | 57           | 90           | 0            | 0            |
| Perm Territory                         | 2,713         | 3,069         | 2,488         | 2,683         | 225          | 385          | 0            | 0            |
| Republic of Bashkortostan              | 4,727         | 5,411         | 4,326         | 4,840         | 401          | 570          | 0            | 1            |
| Republic of Mari El                    | 438           | 549           | 418           | 506           | 20           | 42           | 0            | 0            |
| Republic of Mordovia                   | 587           | 687           | 555           | 635           | 23           | 52           | 9            | 0            |
| Republic of Tatarstan (Tatarstan)      | 4,382         | 5,036         | 4,062         | 4,574         | 245          | 440          | 76           | 21           |
| Samara Region                          | 3,486         | 4,170         | 3,265         | 3,868         | 221          | 300          | 0            | 1            |
| Saratov Region                         | 2,229         | 2,801         | 2,091         | 2,585         | 138          | 215          | 0            | 2            |
| Udmurtian Republic                     | 1,736         | 2,003         | 1,617         | 1,807         | 119          | 195          | 0            | 1            |
| Ulyanovsk Region                       | 1,263         | 1,545         | 1,189         | 1,424         | 73           | 121          | 0            | 1            |
| Chuvash Republic – Chuvashia           | 1,150         | 1,402         | 1,106         | 1,313         | 44           | 89           | 0            | 0            |
| <b>Northwestern Federal District</b>   | <b>17,294</b> | <b>21,277</b> | <b>14,952</b> | <b>16,421</b> | <b>1,193</b> | <b>1,911</b> | <b>1,149</b> | <b>2,945</b> |
| Arkhangelsk Region                     | 1,191         | 1,393         | 1,097         | 1,233         | 92           | 159          | 2            | 1            |
| Vologda Region                         | 1,131         | 1,407         | 1,058         | 1,267         | 72           | 139          | 0            | 0            |
| Kaliningrad Region                     | 1,059         | 1,192         | 992           | 1,081         | 67           | 110          | 0            | 1            |
| Leningrad Region                       | 975           | 1,148         | 918           | 1,029         | 57           | 117          | 0            | 2            |
| Murmansk Region                        | 1,184         | 1,202         | 1,090         | 1,058         | 94           | 144          | 0            | 0            |
| Novgorod Region                        | 697           | 711           | 641           | 626           | 56           | 84           | 0            | 0            |
| Pskov Region                           | 556           | 630           | 519           | 563           | 37           | 67           | 0            | 0            |
| Republic of Karelia                    | 753           | 840           | 694           | 742           | 60           | 97           | 0            | 0            |
| Komi Republic                          | 1,020         | 1,182         | 948           | 1,052         | 72           | 130          | 0            | 1            |
| St. Petersburg                         | 8,727         | 11,572        | 6,996         | 7,769         | 585          | 864          | 1,146        | 2,940        |
| <b>North Caucasus Federal District</b> | <b>3,737</b>  | <b>4,341</b>  | <b>3,542</b>  | <b>3,939</b>  | <b>196</b>   | <b>394</b>   | <b>0</b>     | <b>8</b>     |
| Kabardino-Balkarian Republic           | 410           | 480           | 387           | 440           | 23           | 38           | 0            | 1            |
| Karachayevo-Circassian Republic        | 172           | 255           | 166           | 231           | 7            | 24           | 0            | 1            |
| Republic of Dagestan                   | 521           | 509           | 514           | 497           | 7            | 12           | 0            | 0            |
| Republic of Ingushetia                 | 88            | 118           | 87            | 115           | 1            | 3            | 0            | 0            |
| Republic of North Ossetia – Alania     | 324           | 421           | 313           | 390           | 11           | 30           | 0            | 0            |



| Russian federal district/territory | Payment cards  |                |                |                |               |               |               |               |
|------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
|                                    | total          |                | of which       |                |               |               |               |               |
|                                    |                |                | debit          |                | credit        |               | prepaid       |               |
|                                    | 01.01.2012     | 01.01.2013     | 01.01.2012     | 01.01.2013     | 01.01.2012    | 01.01.2013    | 01.01.2012    | 01.01.2013    |
| Stavropol Territory                | 2,035          | 2,309          | 1,889          | 2,019          | 146           | 285           | 0             | 6             |
| Chechen Republic                   | 186            | 249            | 186            | 247            | 0             | 2             | 0             | 0             |
| <b>Siberian Federal District</b>   | <b>21,536</b>  | <b>26,422</b>  | <b>19,250</b>  | <b>22,586</b>  | <b>1,665</b>  | <b>2,740</b>  | <b>621</b>    | <b>1,096</b>  |
| Republic of Altai                  | 2,041          | 2,786          | 1,890          | 2,526          | 151           | 260           | 0             | 0             |
| Trans-Baikal Territory             | 774            | 1,015          | 705            | 882            | 68            | 132           | 0             | 1             |
| Irkutsk Region                     | 2,561          | 3,056          | 2,353          | 2,691          | 208           | 360           | 0             | 4             |
| Kemerovo Region                    | 3,336          | 3,832          | 3,124          | 3,484          | 212           | 349           | 0             | 0             |
| Krasnoyarsk Territory              | 3,579          | 4,353          | 3,159          | 3,685          | 420           | 668           | 0             | 0             |
| Novosibirsk Region                 | 3,807          | 4,982          | 2,991          | 3,544          | 268           | 423           | 548           | 1,015         |
| Omsk Region                        | 2,283          | 2,659          | 2,169          | 2,465          | 114           | 194           | 0             | 0             |
| Republic of Altai                  | 143            | 173            | 132            | 154            | 11            | 18            | 0             | 0             |
| Republic of Buryatia               | 1,146          | 1,335          | 992            | 1,131          | 81            | 129           | 73            | 75            |
| Republic of Tyva                   | 217            | 288            | 194            | 258            | 22            | 31            | 0             | 0             |
| Republic of Khakassia              | 490            | 585            | 457            | 531            | 33            | 54            | 0             | 0             |
| Tomsk Region                       | 1,161          | 1,358          | 1,084          | 1,237          | 77            | 121           | 0             | 0             |
| <b>Urals Federal District</b>      | <b>15,895</b>  | <b>18,268</b>  | <b>15,044</b>  | <b>16,811</b>  | <b>851</b>    | <b>1,448</b>  | <b>0</b>      | <b>9</b>      |
| Kurgan Region                      | 637            | 764            | 583            | 675            | 53            | 89            | 0             | 0             |
| Sverdlovsk Region                  | 5,593          | 6,399          | 5,283          | 5,862          | 311           | 535           | 0             | 3             |
| Tyumen Region                      | 5,194          | 5,956          | 4,949          | 5,524          | 245           | 427           | 0             | 5             |
| Chelyabinsk Region                 | 4,471          | 5,149          | 4,228          | 4,750          | 242           | 397           | 0             | 1             |
| <b>Central Federal District</b>    | <b>92,509</b>  | <b>110,212</b> | <b>50,352</b>  | <b>57,354</b>  | <b>7,754</b>  | <b>10,309</b> | <b>34,402</b> | <b>42,549</b> |
| Belgorod Region                    | 1,512          | 1,671          | 1,409          | 1,501          | 100           | 170           | 3             | 0             |
| Bryansk Region                     | 1,082          | 1,198          | 1,013          | 1,091          | 66            | 107           | 3             | 0             |
| Vladimir Region                    | 1,206          | 1,370          | 1,116          | 1,245          | 83            | 124           | 8             | 0             |
| Voronezh Region                    | 1,902          | 2,189          | 1,782          | 1,996          | 121           | 188           | 0             | 4             |
| Ivanovo Region                     | 814            | 913            | 770            | 831            | 45            | 81            | 0             | 0             |
| Kaluga Region                      | 819            | 1,014          | 769            | 921            | 50            | 92            | 0             | 0             |
| Kostroma Region                    | 476            | 619            | 442            | 557            | 34            | 62            | 0             | 0             |
| Kursk Region                       | 1,131          | 1,220          | 1,058          | 1,111          | 73            | 109           | 0             | 0             |
| Lipetsk Region                     | 980            | 1,091          | 908            | 980            | 72            | 110           | 0             | 0             |
| Moscow and Moscow Region           | 75,607         | 90,599         | 34,567         | 39,574         | 6,651         | 8,485         | 34,389        | 42,540        |
| Orel Region                        | 678            | 806            | 628            | 732            | 50            | 73            | 0             | 0             |
| Ryazan Region                      | 909            | 1,082          | 840            | 972            | 68            | 110           | 0             | 0             |
| Smolensk Region                    | 778            | 927            | 703            | 814            | 74            | 113           | 0             | 1             |
| Tambov Region                      | 661            | 852            | 606            | 769            | 55            | 83            | 0             | 0             |
| Tver Region                        | 1,042          | 1,246          | 981            | 1,129          | 61            | 117           | 0             | 0             |
| Tula Region                        | 1,562          | 1,797          | 1,492          | 1,663          | 71            | 133           | 0             | 0             |
| Yaroslavl Region                   | 1,351          | 1,619          | 1,270          | 1,468          | 81            | 151           | 0             | 0             |
| <b>Southern Federal District</b>   | <b>12,290</b>  | <b>15,147</b>  | <b>10,549</b>  | <b>12,495</b>  | <b>730</b>    | <b>1,341</b>  | <b>1,011</b>  | <b>1,311</b>  |
| Astrakhan Region                   | 1,239          | 1,316          | 1,161          | 1,212          | 63            | 101           | 16            | 3             |
| Volgograd Region                   | 2,312          | 2,755          | 2,185          | 2,547          | 126           | 207           | 1             | 1             |
| Krasnodar Territory                | 5,173          | 6,583          | 3,921          | 4,794          | 264           | 508           | 988           | 1,280         |
| Republic of Adygea (Adygea)        | 223            | 267            | 204            | 235            | 13            | 28            | 5             | 4             |
| Republic of Kalmykia               | 199            | 235            | 173            | 201            | 26            | 34            | 0             | 0             |
| Rostov Region                      | 3,144          | 3,991          | 2,905          | 3,505          | 240           | 463           | 0             | 23            |
| <b>Total for Russia</b>            | <b>200,170</b> | <b>239,545</b> | <b>147,872</b> | <b>169,010</b> | <b>15,026</b> | <b>22,483</b> | <b>37,272</b> | <b>48,052</b> |

**Table 6.** The volume of payments using payment cards issued in a region, thousands

| Russian federal district/<br>territory | Payments for goods (works, services) |                |               |               | Customs payments and<br>other transactions |               |
|--|--------------------------------------|----------------|---------------|---------------|--|---------------|
|  | in Russia                            |                | abroad        |               | 2011                                       | 2012          |
|  | 2011                                 | 2012           | 2011          | 2012          |  |               |
| <b>Far Eastern Federal District</b>    | <b>60,788</b>                        | <b>114,541</b> | <b>2,842</b>  | <b>4,696</b>  | <b>4,376</b>                               | <b>9,168</b>  |
| Amur Region                            | 8,327                                | 16,013         | 137           | 219           | 448  | 994           |
| Jewish Autonomous Region               | 1,060                                | 1,715          | 21            | 31            | 61   | 130           |
| Kamchatka Territory                    | 3,460                                | 5,241          | 144           | 257           | 202  | 348           |
| Magadan Region                         | 1,665                                | 3,826          | 85            | 151           | 129  | 247           |
| Primorye Territory                     | 11,255                               | 23,308         | 1,151         | 1,794         | 1,769                                      | 3,633         |
| Republic of Sakha (Yakutia)            | 11,077                               | 21,048         | 177           | 341           | 360  | 914           |
| Sakhalin Region                        | 4,739                                | 10,690         | 361           | 588           | 449  | 846           |
| Khabarovsk Territory                   | 18,832                               | 31,868         | 750           | 1,270         | 909  | 1,948         |
| Chukotka Autonomous Area               | 374                                  | 831            | 15            | 45            | 48   | 107           |
| <b>Volga Federal District</b>          | <b>278,498</b>                       | <b>462,082</b> | <b>7,028</b>  | <b>11,955</b> | <b>11,303</b>                              | <b>23,195</b> |
| Kirov Region                           | 11,430                               | 21,210         | 178           | 318           | 616  | 1,219         |
| Nizhny Novgorod Region                 | 28,650                               | 50,973         | 1,055         | 1,742         | 1,245                                      | 2,844         |
| Orenburg Region                        | 11,274                               | 18,802         | 224           | 506           | 299  | 992           |
| Penza Region                           | 4,825                                | 10,149         | 133           | 260           | 376  | 760           |
| Perm Territory                         | 62,573                               | 90,262         | 1,128         | 1,763         | 2,043                                      | 3,288         |
| Republic of Bashkortostan              | 36,926                               | 63,086         | 796           | 1,406         | 1,135                                      | 3,186         |
| Republic of Mari El                    | 3,264                                | 6,664          | 71            | 129           | 520  | 560           |
| Republic of Mordovia                   | 2,978                                | 4,981          | 57            | 102           | 134  | 260           |
| Republic of Tatarstan<br>(Tatarstan)   | 32,455                               | 56,365         | 1,032         | 1,755         | 1,152                                      | 2,130         |
| Samara Region                          | 26,333                               | 40,045         | 1,043         | 1,753         | 1,270                                      | 2,983         |
| Saratov Region                         | 14,104                               | 23,188         | 425           | 748           | 724  | 1,392         |
| Udmurtian Republic                     | 27,920                               | 46,395         | 523           | 818           | 802  | 1,547         |
| Ulyanovsk Region                       | 9,287                                | 13,925         | 195           | 342           | 441  | 853           |
| Chuvash Republic –<br>Chuvashia        | 6,478                                | 16,035         | 169           | 313           | 546  | 1,179         |
| <b>Northwestern Federal District</b>   | <b>224,648</b>                       | <b>380,055</b> | <b>15,778</b> | <b>25,664</b> | <b>6,295</b>                               | <b>14,264</b> |
| Arkhangelsk Region                     | 16,562                               | 31,249         | 450           | 746           | 1,100                                      | 1,835         |
| Vologda Region                         | 13,590                               | 22,663         | 249           | 450           | 562  | 1,046         |
| Kaliningrad Region                     | 9,232                                | 18,612         | 1,151         | 2,129         | 203  | 925           |
| Leningrad Region                       | 6,071                                | 13,125         | 388           | 707           | 322  | 726           |
| Murmansk Region                        | 27,312                               | 43,779         | 1,071         | 1,880         | 812  | 2,340         |
| Novgorod Region                        | 4,710                                | 8,466          | 139           | 242           | 228  | 553           |
| Pskov Region                           | 4,391                                | 8,381          | 250           | 499           | 189  | 311           |
| Republic of Karelia                    | 9,127                                | 16,641         | 533           | 834           | 318  | 588           |
| Komi Republic                          | 12,713                               | 26,760         | 275           | 493           | 677  | 1,693         |
| St. Petersburg                         | 120,939                              | 190,380        | 11,271        | 17,684        | 1,884                                      | 4,246         |
| <b>North Caucasus Federal District</b> | <b>20,704</b>                        | <b>41,673</b>  | <b>606</b>    | <b>1,158</b>  | <b>2,093</b>                               | <b>4,681</b>  |
| Kabardino-Balkarian<br>Republic        | 1,577                                | 2,974          | 50            | 86            | 163  | 315           |
| Karachayevo-<br>Circassian Republic    | 938                                  | 2,159          | 21            | 40            | 110  | 264           |
| Republic of Daghestan                  | 1,484                                | 3,116          | 91            | 156           | 127  | 340           |
| Republic of Ingushetia                 | 291                                  | 897            | 7             | 16            | 45   | 122           |
| Republic of North Ossetia –<br>Alania  | 1,158                                | 2,751          | 60            | 115           | 113  | 293           |
| Stavropol Territory                    | 14,306                               | 27,987         | 359           | 693           | 1,410                                      | 3,088         |
| Chechen Republic                       | 951                                  | 1,788          | 19            | 52            | 125  | 258           |
| <b>Siberian Federal District</b>       | <b>196,182</b>                       | <b>356,789</b> | <b>6,533</b>  | <b>11,025</b> | <b>12,851</b>                              | <b>31,056</b> |
| Republic of Altai                      | 26,047                               | 47,196         | 387           | 730           | 1,366                                      | 2,945         |
| Trans-Baikal Territory                 | 8,942                                | 17,610         | 79            | 148           | 406  | 1,056         |

| Russian federal district/<br>territory | Payments for goods (works, services) |                  |               |                | Customs payments and<br>other transactions |                |
|--|--------------------------------------|------------------|---------------|----------------|--|----------------|
|  | in Russia                            |                  | abroad        |                |  |                |
|  | 2011                                 | 2012             | 2011          | 2012           | 2011                                       | 2012           |
| Irkutsk Region                         | 30,448                               | 55,494           | 745           | 1,246          | 2,142                                      | 5,071          |
| Kemerovo Region                        | 27,807                               | 48,521           | 996           | 1,278          | 987  | 2,610          |
| Krasnoyarsk Territory                  | 24,436                               | 49,274           | 1,307         | 1,766          | 1,563                                      | 3,433          |
| Novosibirsk Region                     | 27,731                               | 47,203           | 1,914         | 3,835          | 2,239                                      | 8,215          |
| Omsk Region                            | 15,224                               | 29,129           | 557           | 1,023          | 467  | 1,274          |
| Republic of Altai                      | 1,386                                | 2,910            | 8             | 20             | 176  | 407            |
| Republic of Buryatia                   | 16,036                               | 25,548           | 84            | 151            | 410  | 889            |
| Republic of Tyva                       | 1,279                                | 2,283            | 9             | 18             | 266  | 484            |
| Republic of Khakassia                  | 2,671                                | 4,285            | 46            | 75             | 233  | 538            |
| Tomsk Region                           | 14,175                               | 27,336           | 402           | 733            | 2,596                                      | 4,133          |
| <b>Urals Federal District</b>          | <b>178,973</b>                       | <b>302,938</b>   | <b>5,562</b>  | <b>9,609</b>   | <b>7,309</b>                               | <b>15,903</b>  |
| Kurgan Region                          | 6,210                                | 10,305           | 116           | 185            | 285  | 645            |
| Sverdlovsk Region                      | 63,068                               | 106,996          | 2,199         | 3,584          | 2,454                                      | 5,134          |
| Tyumen Region                          | 80,814                               | 133,531          | 2,166         | 4,008          | 3,109                                      | 6,737          |
| Chelyabinsk Region                     | 28,881                               | 52,106           | 1,082         | 1,832          | 1,461                                      | 3,387          |
| <b>Central Federal District</b>        | <b>542,371</b>                       | <b>899,602</b>   | <b>49,067</b> | <b>78,550</b>  | <b>49,208</b>                              | <b>119,999</b> |
| Belgorod Region                        | 13,188                               | 21,917           | 275           | 525            | 483  | 1,039          |
| Bryansk Region                         | 8,334                                | 14,198           | 150           | 307            | 549  | 1,056          |
| Vladimir Region                        | 9,259                                | 14,925           | 203           | 376            | 389  | 752            |
| Voronezh Region                        | 17,599                               | 30,010           | 568           | 1,047          | 743  | 1,687          |
| Ivanovo Region                         | 3,640                                | 6,819            | 128           | 253            | 171  | 340            |
| Kaluga Region                          | 5,207                                | 10,251           | 239           | 435            | 332  | 818            |
| Kostroma Region                        | 3,353                                | 6,344            | 71            | 132            | 257  | 558            |
| Kursk Region                           | 12,418                               | 18,141           | 120           | 224            | 350  | 768            |
| Lipetsk Region                         | 10,326                               | 15,732           | 236           | 396            | 287  | 668            |
| Moscow and Moscow Region               | 405,019                              | 667,140          | 45,534        | 71,989         | 43,205                                     | 106,911        |
| Orel Region                            | 6,009                                | 10,004           | 119           | 202            | 209  | 490            |
| Ryazan Region                          | 5,394                                | 10,147           | 167           | 284            | 357  | 829            |
| Smolensk Region                        | 5,526                                | 10,204           | 272           | 550            | 407  | 820            |
| Tambov Region                          | 3,950                                | 8,475            | 90            | 200            | 256  | 562            |
| Tver Region                            | 8,401                                | 15,138           | 240           | 432            | 461  | 1,018          |
| Tula Region                            | 11,257                               | 19,371           | 275           | 501            | 326  | 812            |
| Yaroslavl Region                       | 13,493                               | 20,786           | 380           | 696            | 422  | 871            |
| <b>Southern Federal District</b>       | <b>77,794</b>                        | <b>144,144</b>   | <b>3,398</b>  | <b>6,174</b>   | <b>4,096</b>                               | <b>10,630</b>  |
| Astrakhan Region                       | 6,920                                | 13,235           | 127           | 226            | 367  | 746            |
| Volgograd Region                       | 17,563                               | 29,397           | 578           | 1,031          | 671  | 1,739          |
| Krasnodar Territory                    | 28,559                               | 53,836           | 1,475         | 2,771          | 1,501                                      | 4,063          |
| Republic of Adygea (Adygea)            | 722                                  | 1,919            | 21            | 50             | 82   | 211            |
| Republic of Kalmykia                   | 865                                  | 2,237            | 24            | 41             | 195  | 527            |
| Rostov Region                          | 23,164                               | 43,522           | 1,173         | 2,056          | 1,279                                      | 3,343          |
| <b>Total for Russia</b>                | <b>1,579,959</b>                     | <b>2,701,824</b> | <b>90,816</b> | <b>148,829</b> | <b>97,532</b>                              | <b>228,895</b> |

**Table 7.** The value of payments using payment cards issued in a region, million rubles

| Russian federal district/territory     | Payments for goods (works, services) |                |               |               | Customs payments and other transactions |                |
|--|--------------------------------------|----------------|---------------|---------------|---|----------------|
|  | in Russia                            |                | abroad        |               |   |                |
|  | 2011                                 | 2012           | 2011          | 2012          | 2011                                    | 2012           |
| <b>Far Eastern Federal District</b>    | <b>72,960</b>                        | <b>132,696</b> | <b>13,044</b> | <b>19,520</b> | <b>53,377</b>                           | <b>92,623</b>  |
| Amur Region                            | 7,655                                | 14,949         | 616           | 909           | 4,227                                   | 9,135          |
| Jewish Autonomous Region               | 812                                  | 1,388          | 75            | 112           | 468                                     | 1,068          |
| Kamchatka Territory                    | 4,715                                | 8,602          | 782           | 1,184         | 3,056                                   | 5,812          |
| Magadan Region                         | 3,126                                | 6,873          | 312           | 529           | 2,224                                   | 3,906          |
| Primorye Territory                     | 16,458                               | 28,768         | 5,768         | 8,284         | 22,036                                  | 28,623         |
| Republic of Sakha (Yakutia)            | 8,137                                | 15,549         | 685           | 1,235         | 4,468                                   | 11,836         |
| Sakhalin Region                        | 8,549                                | 15,338         | 1,703         | 2,395         | 5,121                                   | 10,023         |
| Khabarovsk Territory                   | 22,833                               | 39,665         | 3,055         | 4,776         | 10,855                                  | 19,932         |
| Chukotka Autonomous Area               | 675                                  | 1,565          | 49            | 95            | 922                                     | 2,288          |
| <b>Volga Federal District</b>          | <b>232,553</b>                       | <b>386,458</b> | <b>26,306</b> | <b>39,986</b> | <b>76,327</b>                           | <b>163,805</b> |
| Kirov Region                           | 7,232                                | 14,371         | 603           | 973           | 3,740                                   | 7,906          |
| Nizhny Novgorod Region                 | 25,029                               | 45,239         | 3,803         | 5,758         | 9,592                                   | 21,509         |
| Orenburg Region                        | 8,237                                | 16,003         | 1,008         | 1,754         | 2,016                                   | 7,496          |
| Penza Region                           | 3,674                                | 8,584          | 536           | 965           | 1,891                                   | 4,662          |
| Perm Territory                         | 56,763                               | 84,232         | 3,857         | 5,311         | 16,651                                  | 27,871         |
| Republic of Bashkortostan              | 26,508                               | 49,602         | 2,820         | 4,537         | 5,819                                   | 18,575         |
| Republic of Mari El                    | 1,762                                | 3,998          | 240           | 410           | 1,607                                   | 3,264          |
| Republic of Mordovia                   | 1,128                                | 2,429          | 191           | 320           | 839                                     | 2,045          |
| Republic of Tatarstan (Tatarstan)      | 26,733                               | 48,887         | 4,170         | 6,218         | 13,113                                  | 22,319         |
| Samara Region                          | 33,737                               | 39,401         | 4,969         | 7,354         | 7,357                                   | 17,873         |
| Saratov Region                         | 13,615                               | 20,164         | 1,688         | 2,612         | 3,870                                   | 8,088          |
| Udmurtian Republic                     | 18,593                               | 35,174         | 1,267         | 1,960         | 4,757                                   | 10,434         |
| Ulyanovsk Region                       | 5,078                                | 8,916          | 638           | 959           | 2,475                                   | 4,840          |
| Chuvash Republic – Chuvashia           | 4,463                                | 9,458          | 515           | 855           | 2,601                                   | 6,922          |
| <b>Northwestern Federal District</b>   | <b>297,692</b>                       | <b>482,523</b> | <b>55,260</b> | <b>82,596</b> | <b>93,888</b>                           | <b>161,866</b> |
| Arkhangelsk Region                     | 16,282                               | 32,453         | 1,284         | 1,951         | 8,280                                   | 14,274         |
| Vologda Region                         | 11,345                               | 22,483         | 898           | 1,427         | 3,980                                   | 7,386          |
| Kaliningrad Region                     | 9,573                                | 19,919         | 3,230         | 5,464         | 1,469                                   | 5,059          |
| Leningrad Region                       | 7,971                                | 17,672         | 1,177         | 1,966         | 2,148                                   | 4,499          |
| Murmansk Region                        | 34,750                               | 56,335         | 2,659         | 4,415         | 6,762                                   | 19,217         |
| Novgorod Region                        | 5,121                                | 10,018         | 461           | 694           | 1,128                                   | 2,159          |
| Pskov Region                           | 3,785                                | 8,390          | 587           | 1,033         | 1,074                                   | 1,906          |
| Republic of Karelia                    | 10,824                               | 20,953         | 1,391         | 2,167         | 2,377                                   | 4,287          |
| Komi Republic                          | 14,096                               | 28,067         | 828           | 1,425         | 4,869                                   | 12,477         |
| St. Petersburg                         | 183,946                              | 266,234        | 42,745        | 62,053        | 61,800                                  | 90,602         |
| <b>North Caucasus Federal District</b> | <b>15,803</b>                        | <b>31,827</b>  | <b>4,268</b>  | <b>6,614</b>  | <b>17,759</b>                           | <b>43,546</b>  |
| Kabardino-Balkarian Republic           | 1,002                                | 1,789          | 344           | 533           | 1,420                                   | 3,160          |
| Karachayevo-Circassian Republic        | 499                                  | 1,312          | 159           | 279           | 897                                     | 2,629          |
| Republic of Daghestan                  | 1,548                                | 2,627          | 957           | 1,291         | 2,619                                   | 5,786          |
| Republic of Ingushetia                 | 129                                  | 358            | 152           | 243           | 618                                     | 1,996          |
| Republic of North Ossetia – Alania     | 946                                  | 2,102          | 322           | 524           | 964                                     | 3,019          |
| Stavropol Territory                    | 11,292                               | 22,753         | 1,908         | 3,075         | 9,703                                   | 22,691         |
| Chechen Republic                       | 387                                  | 886            | 426           | 669           | 1,538                                   | 4,265          |

| Russian federal district/territory | Payments for goods (works, services) |                  |                |                | Customs payments and other transactions |                  |
|------------------------------------|--------------------------------------|------------------|----------------|----------------|---|------------------|
|                                    | in Russia                            |                  | abroad         |                |   |                  |
|                                    | 2011                                 | 2012             | 2011           | 2012           | 2011                                    | 2012             |
| <b>Siberian Federal District</b>   | <b>184,924</b>                       | <b>326,418</b>   | <b>21,168</b>  | <b>32,633</b>  | <b>79,867</b>                           | <b>190,710</b>   |
| Republic of Altai                  | 17,633                               | 30,151           | 1,142          | 1,760          | 8,139                                   | 17,648           |
| Trans-Baikal Territory             | 6,709                                | 13,244           | 366            | 610            | 3,557                                   | 9,611            |
| Irkutsk Region                     | 32,799                               | 50,447           | 2,900          | 4,368          | 16,736                                  | 31,573           |
| Kemerovo Region                    | 23,063                               | 39,717           | 2,627          | 3,596          | 5,860                                   | 15,195           |
| Krasnoyarsk Territory              | 27,379                               | 57,239           | 4,579          | 6,071          | 14,463                                  | 30,497           |
| Novosibirsk Region                 | 33,670                               | 55,382           | 5,737          | 10,054         | 11,904                                  | 44,533           |
| Omsk Region                        | 13,436                               | 26,721           | 1,966          | 3,139          | 3,809                                   | 10,054           |
| Republic of Altai                  | 1,119                                | 2,065            | 28             | 59             | 1,076                                   | 2,811            |
| Republic of Buryatia               | 11,617                               | 18,146           | 368            | 544            | 3,238                                   | 6,696            |
| Republic of Tyva                   | 577                                  | 1,274            | 32             | 60             | 1,600                                   | 3,128            |
| Republic of Khakassia              | 1,695                                | 4,142            | 205            | 301            | 1,372                                   | 3,305            |
| Tomsk Region                       | 15,229                               | 27,888           | 1,217          | 2,071          | 8,113                                   | 15,658           |
| <b>Urals Federal District</b>      | <b>203,631</b>                       | <b>333,781</b>   | <b>21,281</b>  | <b>32,350</b>  | <b>99,914</b>                           | <b>186,833</b>   |
| Kurgan Region                      | 5,141                                | 8,605            | 343            | 494            | 1,501                                   | 3,744            |
| Sverdlovsk Region                  | 68,868                               | 110,706          | 9,020          | 13,067         | 52,836                                  | 84,021           |
| Tyumen Region                      | 94,984                               | 159,376          | 7,677          | 12,517         | 36,091                                  | 76,787           |
| Chelyabinsk Region                 | 34,637                               | 55,094           | 4,241          | 6,272          | 9,486                                   | 22,281           |
| <b>Central Federal District</b>    | <b>895,533</b>                       | <b>1,278,925</b> | <b>241,262</b> | <b>333,089</b> | <b>743,745</b>                          | <b>1,009,947</b> |
| Belgorod Region                    | 11,744                               | 19,968           | 1,236          | 1,938          | 2,968                                   | 7,174            |
| Bryansk Region                     | 6,691                                | 10,668           | 547            | 978            | 4,487                                   | 7,246            |
| Vladimir Region                    | 6,617                                | 10,705           | 724            | 1,217          | 2,932                                   | 6,483            |
| Voronezh Region                    | 19,511                               | 33,164           | 1,903          | 3,086          | 6,514                                   | 12,755           |
| Ivanovo Region                     | 3,940                                | 6,417            | 475            | 774            | 1,201                                   | 2,895            |
| Kaluga Region                      | 6,092                                | 10,830           | 889            | 1,406          | 2,665                                   | 6,538            |
| Kostroma Region                    | 2,540                                | 5,603            | 261            | 436            | 1,192                                   | 2,744            |
| Kursk Region                       | 7,502                                | 12,694           | 455            | 748            | 2,528                                   | 5,798            |
| Lipetsk Region                     | 8,407                                | 12,665           | 763            | 1,142          | 1,708                                   | 4,210            |
| Moscow and Moscow Region           | 771,982                              | 1,070,849        | 228,807        | 312,857        | 697,927                                 | 911,438          |
| Orel Region                        | 4,075                                | 7,447            | 331            | 546            | 1,410                                   | 3,693            |
| Ryazan Region                      | 6,504                                | 9,510            | 708            | 1,068          | 2,476                                   | 5,833            |
| Smolensk Region                    | 6,352                                | 10,890           | 746            | 1,339          | 3,083                                   | 6,484            |
| Tambov Region                      | 3,646                                | 6,803            | 333            | 647            | 1,606                                   | 3,950            |
| Tver Region                        | 8,534                                | 14,343           | 859            | 1,335          | 3,997                                   | 8,530            |
| Tula Region                        | 8,951                                | 15,322           | 969            | 1,524          | 2,734                                   | 6,569            |
| Yaroslavl Region                   | 12,446                               | 21,046           | 1,254          | 2,046          | 4,315                                   | 7,607            |
| <b>Southern Federal District</b>   | <b>75,886</b>                        | <b>139,885</b>   | <b>15,223</b>  | <b>24,057</b>  | <b>33,758</b>                           | <b>86,335</b>    |
| Astrakhan Region                   | 6,016                                | 11,808           | 478            | 791            | 2,182                                   | 6,640            |
| Volgograd Region                   | 12,177                               | 22,375           | 2,002          | 3,122          | 5,855                                   | 12,466           |
| Krasnodar Territory                | 31,766                               | 59,035           | 7,552          | 12,130         | 14,307                                  | 36,150           |
| Republic of Adygea (Adygea)        | 692                                  | 1,643            | 69             | 147            | 532                                     | 1,566            |
| Republic of Kalmykia               | 798                                  | 1,797            | 65             | 119            | 1,325                                   | 3,757            |
| Rostov Region                      | 24,437                               | 43,228           | 5,057          | 7,748          | 9,557                                   | 25,755           |
| <b>Total for Russia</b>            | <b>1,978,983</b>                     | <b>3,112,512</b> | <b>397,813</b> | <b>570,847</b> | <b>1,198,635</b>                        | <b>1,935,664</b> |

**Table 8.** The number of payment card accepting devices, by region, units

| Russian federal district/<br>territory | ATMs                            |               |                         |               | Electronic terminals |                |               |               | Imprinters        |              |               |            |
|--|---------------------------------|---------------|-------------------------|---------------|----------------------|----------------|---------------|---------------|-------------------|--------------|---------------|------------|
|  | with a cash withdrawal function |               | with a payment function |               | at points of sale    |                | at cash desks |               | at points of sale |              | at cash desks |            |
|  | 01.01.2012                      | 01.01.2013    | 01.01.2012              | 01.01.2013    | 01.01.2012           | 01.01.2013     | 01.01.2012    | 01.01.2013    | 01.01.2012        | 01.01.2013   | 01.01.2012    | 01.01.2013 |
| <b>Far Eastern Federal District</b>    | <b>4,454</b>                    | <b>5,522</b>  | <b>4,239</b>            | <b>5,272</b>  | <b>21,197</b>        | <b>32,024</b>  | <b>5,710</b>  | <b>6,696</b>  | <b>94</b>         | <b>65</b>    | <b>308</b>    | <b>301</b> |
| Amur Region                            | 522                             | 671           | 500                     | 640           | 2,435                | 3,408          | 725           | 869           | 3                 | 0            | 48            | 44         |
| Jewish Autonomous Region               | 103                             | 135           | 103                     | 134           | 319                  | 459            | 151           | 268           | 1                 | 1            | 8             | 8          |
| Kamchatka Territory                    | 276                             | 326           | 254                     | 303           | 1,204                | 1,851          | 368           | 384           | 15                | 10           | 30            | 33         |
| Magadan Region                         | 117                             | 150           | 117                     | 148           | 796                  | 1,204          | 202           | 212           | 3                 | 0            | 3             | 2          |
| Primorye Territory                     | 1,336                           | 1,615         | 1,262                   | 1,532         | 4,956                | 8,581          | 1,847         | 2,114         | 13                | 6            | 107           | 107        |
| Republic of Sakha (Yakutia)            | 595                             | 727           | 562                     | 692           | 3,532                | 4,845          | 747           | 960           | 8                 | 13           | 1             | 1          |
| Sakhalin Region                        | 367                             | 471           | 351                     | 452           | 2,191                | 3,590          | 405           | 439           | 24                | 20           | 41            | 42         |
| Khabarovsk Territory                   | 1,116                           | 1,393         | 1,068                   | 1,337         | 5,658                | 7,889          | 1,210         | 1,385         | 26                | 15           | 70            | 64         |
| Chukotka Autonomous Area               | 22                              | 34            | 22                      | 34            | 106                  | 197            | 55            | 65            | 1                 | 0            | 0             | 0          |
| <b>Volga Federal District</b>          | <b>21,659</b>                   | <b>25,296</b> | <b>20,916</b>           | <b>24,387</b> | <b>83,435</b>        | <b>116,794</b> | <b>23,014</b> | <b>23,920</b> | <b>4,721</b>      | <b>5,309</b> | <b>806</b>    | <b>845</b> |
| Kirov Region                           | 771                             | 907           | 768                     | 904           | 3,438                | 5,706          | 1,111         | 1,151         | 4                 | 1            | 3             | 5          |
| Nizhny Novgorod Region                 | 2,604                           | 3,056         | 2,455                   | 2,940         | 9,633                | 14,732         | 2,433         | 2,559         | 134               | 1,802        | 173           | 157        |
| Orenburg Region                        | 1,301                           | 1,566         | 1,230                   | 1,482         | 4,189                | 6,037          | 1,390         | 1,439         | 286               | 265          | 21            | 21         |
| Penza Region                           | 791                             | 1,034         | 789                     | 1,030         | 1,842                | 2,290          | 990           | 1,138         | 126               | 283          | 4             | 6          |
| Perm Territory                         | 2,120                           | 2,341         | 2,073                   | 2,295         | 11,615               | 17,162         | 2,010         | 2,269         | 71                | 178          | 101           | 99         |
| Republic of Bashkortostan              | 2,959                           | 3,545         | 2,873                   | 3,449         | 11,880               | 16,096         | 4,159         | 4,272         | 22                | 31           | 7             | 90         |
| Republic of Mari El                    | 305                             | 378           | 305                     | 378           | 976                  | 1,450          | 453           | 477           | 9                 | 131          | 8             | 8          |
| Republic of Mordovia                   | 465                             | 537           | 463                     | 536           | 633                  | 993            | 547           | 640           | 0                 | 5            | 0             | 1          |
| Republic of Tatarstan (Tatarstan)      | 3,354                           | 3,838         | 3,114                   | 3,611         | 13,671               | 18,287         | 2,892         | 3,296         | 88                | 67           | 224           | 221        |
| Samara Region                          | 2,843                           | 3,149         | 2,743                   | 3,058         | 7,922                | 10,335         | 2,418         | 2,458         | 3,215             | 1,769        | 64            | 70         |
| Saratov Region                         | 1,377                           | 1,583         | 1,337                   | 1,535         | 4,327                | 6,065          | 1,550         | 1,664         | 425               | 303          | 112           | 77         |
| Udmurtian Republic                     | 1,197                           | 1,381         | 1,196                   | 1,379         | 8,083                | 11,075         | 1,483         | 908           | 6                 | 56           | 57            | 59         |
| Ulyanovsk Region                       | 753                             | 898           | 752                     | 896           | 2,603                | 3,072          | 907           | 985           | 323               | 264          | 4             | 4          |
| Chuvash Republic – Chuvashia           | 819                             | 1,083         | 818                     | 894           | 2,623                | 3,494          | 671           | 664           | 12                | 154          | 28            | 27         |
| <b>Northwestern Federal District</b>   | <b>12,812</b>                   | <b>14,493</b> | <b>12,407</b>           | <b>14,031</b> | <b>69,901</b>        | <b>97,269</b>  | <b>11,463</b> | <b>11,479</b> | <b>1,841</b>      | <b>897</b>   | <b>485</b>    | <b>403</b> |
| Arkhangelsk Region                     | 1,011                           | 1,230         | 997                     | 1,203         | 4,847                | 7,213          | 851           | 926           | 14                | 6            | 76            | 69         |

| Russian federal district/<br>territory | ATMs                            |               |                         |               | Electronic terminals |               |               |               | Imprinters        |              |               |             |
|--|---------------------------------|---------------|-------------------------|---------------|----------------------|---------------|---------------|---------------|-------------------|--------------|---------------|-------------|
|  | with a cash withdrawal function |               | with a payment function |               | at points of sale    |               | at cash desks |               | at points of sale |              | at cash desks |             |
|  | 01.01. 2012                     | 01.01. 2013   | 01.01. 2012             | 01.01. 2013   | 01.01. 2012          | 01.01. 2013   | 01.01. 2012   | 01.01. 2013   | 01.01. 2012       | 01.01. 2013  | 01.01. 2012   | 01.01. 2013 |
| Vologda Region                         | 939                             | 1,128         | 912                     | 1,110         | 3,887                | 6,005         | 919           | 1,199         | 6                 | 3            | 59            | 5           |
| Kaliningrad Region                     | 845                             | 959           | 828                     | 932           | 4,482                | 6,556         | 739           | 794           | 20                | 8            | 15            | 12          |
| Leningrad Region                       | 855                             | 1,041         | 842                     | 1,019         | 3,728                | 3,005         | 2,571         | 756           | 67                | 27           | 18            | 6           |
| Murmansk Region                        | 934                             | 987           | 926                     | 975           | 5,274                | 7,099         | 676           | 699           | 14                | 8            | 6             | 5           |
| Novgorod Region                        | 544                             | 616           | 541                     | 593           | 1,993                | 2,449         | 504           | 594           | 0                 | 2            | 1             | 0           |
| Pskov Region                           | 406                             | 472           | 402                     | 464           | 1,227                | 1,571         | 531           | 477           | 11                | 3            | 98            | 100         |
| Republic of Karelia                    | 493                             | 566           | 488                     | 555           | 2,161                | 3,178         | 647           | 645           | 100               | 0            | 69            | 69          |
| Komi Republic                          | 715                             | 860           | 687                     | 827           | 4,144                | 6,113         | 1,105         | 578           | 15                | 3            | 11            | 10          |
| St. Petersburg                         | 6,070                           | 6,634         | 5,784                   | 6,353         | 38,158               | 54,080        | 2,920         | 4,811         | 1,594             | 837          | 132           | 127         |
| <b>North Caucasus Federal District</b> | <b>2,902</b>                    | <b>3,098</b>  | <b>2,847</b>            | <b>3,001</b>  | <b>5,153</b>         | <b>6,197</b>  | <b>2,561</b>  | <b>2,674</b>  | <b>93</b>         | <b>72</b>    | <b>51</b>     | <b>50</b>   |
| Kabardino-Balkarian Republic           | 247                             | 269           | 240                     | 263           | 243                  | 357           | 351           | 410           | 4                 | 0            | 36            | 36          |
| Karachayevo-Circassian Republic        | 139                             | 174           | 138                     | 172           | 160                  | 262           | 85            | 99            | 0                 | 0            | 0             | 0           |
| Republic of Dagestan                   | 324                             | 273           | 320                     | 233           | 248                  | 242           | 304           | 303           | 4                 | 0            | 2             | 3           |
| Republic of Ingushetia                 | 56                              | 162           | 68                      | 161           | 12                   | 41            | 41            | 60            | 1                 | 0            | 0             | 0           |
| Republic of North Ossetia – Alania     | 195                             | 236           | 193                     | 231           | 281                  | 502           | 187           | 190           | 1                 | 7            | 2             | 1           |
| Stavropol Territory                    | 1,799                           | 1,822         | 1,778                   | 1,779         | 4,193                | 4,771         | 1,553         | 1,585         | 83                | 65           | 10            | 9           |
| Chechen Republic                       | 142                             | 162           | 110                     | 162           | 16                   | 22            | 40            | 27            | 0                 | 0            | 1             | 1           |
| <b>Siberian Federal District</b>       | <b>15,323</b>                   | <b>18,444</b> | <b>13,988</b>           | <b>16,838</b> | <b>66,600</b>        | <b>92,099</b> | <b>17,213</b> | <b>20,226</b> | <b>833</b>        | <b>1,404</b> | <b>461</b>    | <b>439</b>  |
| Republic of Altai                      | 1,588                           | 1,977         | 1,480                   | 1,844         | 6,950                | 9,900         | 2,878         | 2,957         | 4                 | 11           | 86            | 86          |
| Trans-Baikal Territory                 | 446                             | 559           | 435                     | 533           | 2,610                | 3,378         | 1,184         | 1,225         | 3                 | 1            | 0             | 1           |
| Irkutsk Region                         | 1,922                           | 2,366         | 1,809                   | 2,220         | 10,400               | 14,350        | 2,989         | 3,554         | 84                | 31           | 153           | 146         |
| Kemerovo Region                        | 2,337                           | 2,734         | 2,209                   | 2,563         | 7,768                | 10,654        | 1,929         | 2,951         | 27                | 174          | 30            | 25          |
| Krasnoyarsk Territory                  | 2,208                           | 2,874         | 2,057                   | 2,681         | 9,633                | 12,370        | 1,966         | 2,051         | 52                | 10           | 23            | 14          |
| Novosibirsk Region                     | 2,590                           | 3,040         | 2,337                   | 2,719         | 10,197               | 13,811        | 2,195         | 2,836         | 426               | 816          | 58            | 54          |
| Omsk Region                            | 1,803                           | 2,257         | 1,491                   | 1,761         | 8,157                | 12,686        | 1,532         | 1,773         | 182               | 245          | 92            | 100         |
| Republic of Altai                      | 99                              | 139           | 96                      | 133           | 282                  | 481           | 132           | 209           | 0                 | 1            | 0             | 2           |
| Republic of Buryatia                   | 683                             | 796           | 662                     | 774           | 4,358                | 5,959         | 633           | 754           | 8                 | 1            | 1             | 1           |
| Republic of Tyva                       | 97                              | 136           | 96                      | 135           | 175                  | 273           | 112           | 123           | 1                 | 0            | 2             | 2           |
| Republic of Khakassia                  | 369                             | 408           | 349                     | 382           | 810                  | 1,069         | 446           | 470           | 3                 | 2            | 1             | 0           |
| Tomsk Region                           | 1,181                           | 1,158         | 967                     | 1,093         | 5,260                | 7,168         | 1,217         | 1,323         | 43                | 112          | 15            | 8           |

| Russian federal district/<br>territory | ATMs                            |                |                         |                | Electronic terminals |                |                |                | Imprinters        |               |               |              |
|--|---------------------------------|----------------|-------------------------|----------------|----------------------|----------------|----------------|----------------|-------------------|---------------|---------------|--------------|
|  | with a cash withdrawal function |                | with a payment function |                | at points of sale    |                | at cash desks  |                | at points of sale |               | at cash desks |              |
|  | 01.01.2012                      | 01.01.2013     | 01.01.2012              | 01.01.2013     | 01.01.2012           | 01.01.2013     | 01.01.2012     | 01.01.2013     | 01.01.2012        | 01.01.2013    | 01.01.2012    | 01.01.2013   |
| <b>Urals Federal District</b>          | <b>12,092</b>                   | <b>13,867</b>  | <b>11,615</b>           | <b>13,324</b>  | <b>65,605</b>        | <b>88,351</b>  | <b>13,974</b>  | <b>15,285</b>  | <b>2,167</b>      | <b>925</b>    | <b>348</b>    | <b>353</b>   |
| Kurgan Region                          | 429                             | 489            | 426                     | 477            | 2,165                | 2,925          | 973            | 1,037          | 24                | 20            | 24            | 23           |
| Sverdlovsk Region                      | 4,264                           | 4,980          | 4,055                   | 4,845          | 25,168               | 32,387         | 5,014          | 4,916          | 1,448             | 550           | 87            | 79           |
| Tyumen Region                          | 4,608                           | 4,925          | 4,442                   | 4,720          | 26,455               | 34,043         | 4,149          | 5,261          | 386               | 213           | 175           | 187          |
| Chelyabinsk Region                     | 2,791                           | 3,473          | 2,692                   | 3,282          | 11,817               | 18,996         | 3,838          | 4,071          | 309               | 142           | 62            | 64           |
| <b>Central Federal District</b>        | <b>33,524</b>                   | <b>39,932</b>  | <b>31,416</b>           | <b>37,379</b>  | <b>183,819</b>       | <b>217,069</b> | <b>35,970</b>  | <b>42,821</b>  | <b>17,891</b>     | <b>14,149</b> | <b>1,329</b>  | <b>1,036</b> |
| Belgorod Region                        | 1,033                           | 1,197          | 1,005                   | 1,160          | 6,220                | 7,253          | 1,869          | 2,484          | 3                 | 0             | 7             | 7            |
| Bryansk Region                         | 786                             | 883            | 779                     | 868            | 2,891                | 3,597          | 416            | 426            | 5                 | 1             | 1             | 1            |
| Vladimir Region                        | 997                             | 1,085          | 983                     | 1,056          | 3,909                | 4,604          | 1,124          | 1,156          | 15                | 11            | 30            | 11           |
| Voronezh Region                        | 1,458                           | 1,793          | 1,422                   | 1,747          | 8,490                | 10,404         | 2,030          | 1,801          | 26                | 13            | 8             | 9            |
| Ivanovo Region                         | 642                             | 752            | 618                     | 723            | 1,917                | 2,686          | 555            | 822            | 12                | 9             | 11            | 4            |
| Kaluga Region                          | 678                             | 813            | 645                     | 763            | 1,672                | 2,539          | 748            | 795            | 12                | 12            | 20            | 18           |
| Kostroma Region                        | 334                             | 426            | 330                     | 419            | 1,189                | 1,285          | 514            | 655            | 24                | 26            | 28            | 26           |
| Kursk Region                           | 766                             | 876            | 759                     | 860            | 4,839                | 5,416          | 1,105          | 1,136          | 2                 | 0             | 1             | 1            |
| Lipetsk Region                         | 667                             | 856            | 651                     | 824            | 4,552                | 4,886          | 1,346          | 1,763          | 10                | 6             | 2             | 3            |
| Moscow and Moscow Region               | 20,776                          | 24,882         | 19,013                  | 22,776         | 128,049              | 147,726        | 20,129         | 23,865         | 17,701            | 14,014        | 1,063         | 865          |
| Orel Region                            | 497                             | 607            | 418                     | 590            | 2,813                | 3,175          | 827            | 831            | 3                 | 1             | 2             | 4            |
| Ryazan Region                          | 658                             | 791            | 617                     | 733            | 1,911                | 2,883          | 652            | 1,853          | 10                | 8             | 0             | 0            |
| Smolensk Region                        | 617                             | 745            | 614                     | 732            | 2,245                | 3,108          | 611            | 987            | 14                | 9             | 78            | 7            |
| Tambov Region                          | 349                             | 461            | 343                     | 449            | 1,921                | 2,380          | 1,143          | 1,159          | 3                 | 2             | 1             | 1            |
| Tver Region                            | 806                             | 915            | 801                     | 902            | 2,358                | 4,160          | 1,007          | 996            | 7                 | 7             | 22            | 22           |
| Tula Region                            | 1,229                           | 1,458          | 1,206                   | 1,416          | 4,312                | 5,728          | 790            | 992            | 3                 | 3             | 19            | 15           |
| Yaroslavl Region                       | 1,231                           | 1,392          | 1,212                   | 1,361          | 4,531                | 5,239          | 1,104          | 1,100          | 41                | 27            | 36            | 42           |
| <b>Southern Federal District</b>       | <b>9,349</b>                    | <b>10,988</b>  | <b>8,967</b>            | <b>10,462</b>  | <b>32,801</b>        | <b>45,220</b>  | <b>8,081</b>   | <b>9,059</b>   | <b>1,215</b>      | <b>167</b>    | <b>271</b>    | <b>496</b>   |
| Astrakhan Region                       | 727                             | 890            | 655                     | 819            | 3,342                | 3,660          | 759            | 856            | 6                 | 2             | 6             | 4            |
| Volgograd Region                       | 1,730                           | 1,982          | 1,678                   | 1,913          | 5,607                | 7,513          | 1,517          | 1,543          | 70                | 20            | 219           | 214          |
| Krasnodar Territory                    | 4,050                           | 4,751          | 3,921                   | 4,510          | 13,432               | 19,878         | 2,974          | 3,466          | 435               | 66            | 33            | 32           |
| Republic of Adygea (Adygea)            | 142                             | 193            | 139                     | 176            | 506                  | 689            | 220            | 289            | 15                | 10            | 0             | 0            |
| Republic of Kalmykia                   | 126                             | 130            | 100                     | 116            | 274                  | 240            | 108            | 92             | 1                 | 0             | 0             | 0            |
| Rostov Region                          | 2,574                           | 3,042          | 2,474                   | 2,928          | 9,640                | 13,240         | 2,503          | 2,813          | 688               | 69            | 13            | 246          |
| <b>Total for Russia</b>                | <b>112,115</b>                  | <b>131,640</b> | <b>106,395</b>          | <b>124,694</b> | <b>528,511</b>       | <b>695,023</b> | <b>117,986</b> | <b>132,160</b> | <b>28,855</b>     | <b>22,988</b> | <b>4,059</b>  | <b>3,923</b> |