

Bank Reserves under Conditions of High Inflation

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Keywords: bank reserves; reserve requirements; credit organization; key rate; banking sector; money supply; reserve; sanctions; monetary policy; inflation; Central Bank of Russia.

Abstract: This article reviews the formation of bank reserves and their impact on the activities of credit institutions and the money supply in conditions of high inflation. Regulation of the size of bank reserves acts as one of the tools of the state's monetary policy for ensuring stability, reducing risks in the banking sector during the periods of crisis. The article outlines the consequences of changing requirements for bank reserves as an instrument of monetary policy of central banks; the correlation between the change in reserves for possible losses and the net profit of credit organizations as a whole across Russia was analyzed, as well as the correspondence between the change in reserves and the profit of PJSC "Promsvyazbank", which is currently being reorganized by the Central Bank of the Russian Federation.