

Bank of Moscow Rebuts VTB

By [The Moscow Times](#)

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The Bank of Moscow on Tuesday described critical statements about the bank by VTB's top executives as a ploy to seek a lower acquisition price.

VTB, the country's second-largest lender, has said it wants to buy control of the Bank of Moscow in what would be the biggest banking deal in the past few years.

The VTB executives, including CFO Gerbert Moos, reportedly told a group of industry analysts that they were concerned the Moscow city government didn't effectively own control of the Bank of Moscow and insisted the Bank of Moscow's cash flow was too dependent on the city budget.

The Bank of Moscow said the statements — carried in a Vedomosti story Monday — were wrongful and represented an attempt to “reduce the value of the Bank of Moscow's stock” ahead of a possible acquisition by VTB.

“Public comments that regard activity of another company, especially if they are based on

inaccurate facts, run counter to the principles of business ethics and mislead customers,” the Bank of Moscow stated. “A potential buyer would act more constructively by holding discussions with all the concerned parties at a negotiating table.”

According to the lender's web site, City Hall directly owns 46.5 percent of the stock. Insurance company Stolichnaya Strakhovaya Gruppa, which says its 25 percent belong to the city government, owns another 17.3 percent of the bank.

The city budget funds account for only 12 percent of the Bank of Moscow's assets, the bank said.

The lender also responded to the doubts that its bad debt ratio was 4 percent to 5 percent, lower than the average of at least 7 percent for the sector. It said the bank was “extremely conservative” about risk management.

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