

VTB Banker to Steer Bank of Moscow

By [The Moscow Times](#)

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VTB deputy head Mikhail Kuzovlev is to replace Andrei Borodin, who has headed Bank of Moscow since 1995. **Igor Tabakov**

Bank of Moscow's board has approved a VTB executive as candidate for chief executive in what is seen as a sign that Russia's second biggest lender could soon take control of the asset.

Moscow's new mayor, Sergei Sobyenin, is looking at options for selling the city's 46.5 percent stake in the bank, with VTB seeking to get at least control in the first half of 2011.

"The board of directors decided to include the subject of the current chief executive officer's power termination in the agenda of an extraordinary general meeting," a source close to the board told Reuters.

"[First deputy chief executive of VTB] Mikhail Kuzovlev was offered as the only candidate for the post," he added.

A source close to the bank confirmed the information. Both said the shareholders meeting is

scheduled for March 4.

Bank of Moscow declined to comment. VTB declined to comment but said several of its top managers had agreed to be candidates for the new board of directors at Bank of Moscow.

If approved by the shareholders meeting, Kuzovlev will replace Andrei Borodin, a major shareholder of the bank, who has headed Bank of Moscow from its beginning in 1995.

Analysts say Bank of Moscow, which has a network of about 140 offices in and around the capital, is an attractive asset and the proposed management changes signal its likely sale to VTB.

"Such a possibility is very high. We do not know all the details, but VTB as the new owner is very likely," said Rustam Botashev, an analyst with UniCredit Securities.

Alfa Bank has also expressed its interest in Bank of Moscow, calling for disposal via an open tender rather than a closed sale to VTB.

"I think that all the bustle around Bank of Moscow is just a part of a process that always accompanies M&A deals," Botashev said.

The City of Moscow also indirectly owns 17.3 percent in the bank through Stolichnaya Strakhovaya Grupa, or Capital Insurance Group.

Bank of Moscow stock rose 12 percent to 1,278.72 rubles at the close of trading in Moscow, gaining 22 percent over the week.

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