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VTB Gains Controlling Share of Bank of Moscow

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Goldman Sachs sold its stake in Bank of Moscow to Suleiman Kerimov. **Vladimir Filonov**

VTB has raised its share in Bank of Moscow to a controlling stake, and Suleiman Kerimov has joined VTB as a shareholder by buying 3.88 percent of its stock from Goldman Sachs.

VTB intends to take over management of Bank of Moscow soon, sources close to bank shareholders told Vedomosti. Mikhail Kuzovlev, VTB first deputy chairman and Bank of Moscow first vice president, should become president of Bank of Moscow. VTB on Monday denied acquiring a controlling stake, Dow Jones reported.

Until recently, VTB held 49.25 percent of Bank of Moscow shares, having bought 46.48 percent of the bank's shares from the Moscow city administration (including 25 percent plus one share of Stolichnaya Strakhovaya Gruppa, which owns 17.3 percent of the shares in the bank) for 103 billion rubles ($3.6 billion), and 2.77 percent from Credit Suisse.

A VTB affiliate also bought 1.7 percent of the bank's shares from a minority shareholder. The seller was a Swiss fund.

That is not how VTB had once intended to attain control over Bank of Moscow. Its plans were to obtain 3.88 percent of Bank of Moscow stock from Goldman Sachs. It had reached an agreement with Goldman Sachs on the purchase last month.

Those shares were frozen after Bank of Moscow challenged the agreement in a London arbitration court. The shares were unfrozen Friday by an appeals court, but VTB did not buy them. Goldman Sachs chairman Lloyd Blankfein reached an agreement with Kerimov on the sale of that share when he was in Moscow last week.

A source close to Kerimov said he bought the share for 7.1 billion rubles, the same sum that VTB had offered, and that Kerimov made the purchase with the agreement of VTB.

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