

# Borodin Sells Stake in Bank of Moscow

By [The Moscow Times](#)

April 10, 2011

**The**  **Moscow Times**

Andrei Borodin, the embattled president of the Bank of Moscow, has sold his stake in the lender, leaving a question mark over majority owner VTB's prospects for taking control.

Borodin, who along with ally Lev Alaluyev owned 20.3 percent of Russia's fifth-biggest lender, confirmed in an interview Friday that the stake was sold. The stake is worth about \$1.2 billion, based on current market capitalization.

But he did not comment on the buyer or the price. "It is a commercial secret," Borodin said.

A source familiar with the transaction said the share in Bank of Moscow held by Borodin and Alaluyev had been acquired by organizations associated with Vitaly Yusufov, son of former Energy Minister Igor Yusufov and co-owner of the Nordic Yards and Osnova Telecom companies.

At Osnova Telecom, Vitaly Yusufov is widely believed to act on behalf of billionaire Senator Suleiman Kerimov, who also owns minority stakes in VTB and Bank of Moscow.

But a representative of Kerimov said Friday that Kerimov had nothing to do with Borodin's stake sale.

Borodin also said he had received a copy of charges brought against him in a criminal case related to fraud in a loan issued by the Bank of Moscow.

"I have received a copy of the investigator's resolution and, as far as I understand, now my status has been changed from witness to defendant," Borodin told Ren-TV television.

Borodin said he was charged with abuse of office.

VTB initially planned to increase its stake to 100 percent in Bank of Moscow but faced strong opposition from Borodin, who was reported to have blocked several of its attempts to get control.

On Friday, VTB said it was confident of cementing control over the bank and replacing Borodin at the helm, even without buying out all minority shareholders.

"My position is simple: Minority shareholders may remain minority shareholders. I see no need to talk to all shareholders about buying out all the stakes," VTB chief executive Andrei Kostin told reporters.

VTB is keen to replace Borodin with one of its own former executives, Mikhail Kuzovlev.

Kostin, speaking at a specially organized news briefing at Bank of Moscow's headquarters, said he expected more than 70 percent of the bank's shareholders to back Kuzovlev.

"We have every reason to think that a shareholders meeting will approve him as CEO on April 21," he said.

Kuzovlev, who has served as a first deputy CEO at the Bank of Moscow since February, is one of three candidates to head the bank. The list to be presented to shareholders also includes Borodin and his first deputy, Dmitry Akulinin.

*(Reuters, Interfax)*

Original url:

<https://www.themoscowtimes.com/2011/04/10/borodin-sells-stake-in-bank-of-moscow-a6197>