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Bank of Moscow Still Gets City's Cash

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Even though it no longer owns Bank of Moscow, the city is continuing to deposit money in it — placing 46 billion rubles in accounts at the bank in July.

The bank was one of the winners of a tender to hold deposits of temporarily unallocated budget funds, a city official confirmed to Vedomosti.

Mayor Sergei Sobyanin earlier announced that the city would continue collaboration with Bank of Moscow even after its sale.

The city has about 500 billion rubles in budget funds deposited in four banks — Bank of Moscow, VTB, Sberbank and Rosselkhozbank, one official said.

An official told Vedomosti that the deposits contained the money that the city got from selling its stakes in Bank of Moscow (46.48 percent of shares) and Stolichnaya Strakhovaya Gruppa (25 percent plus one share), a total of 103 billion rubles.

The bank's financial reporting shows that the new management team is continuing to work with the corporate credit portfolio, but its quality is waning: The volume of overdue loans has grown from 56 billion rubles to 75 billion — 10.8 percent to 14.7 percent of the portfolio. Loan loss reserves have remained unchanged, though, at 132.6 billion rubles.

Read the original Vedomosti article here.

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