

Nomos and Otkritie Banks Drop Merger Plan

By [The Moscow Times](#)

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Russia's Otkritie Financial Corp, which is in the process of buying banking group Nomos, has dropped plans to merge Nomos with its Otkritie Bank and a third party in favor of a looser tie up.

Alexei Karakhan, Otkritie Financial Corp's deputy chief executive, said on Monday that the plan was now for Nomos to have controlling stakes in both Otkritie Bank and Bank Khanty-Mansiysk (BKM).

Nomos will focus on corporate customers and Otkritie on retail business, while BKM will concentrate on its core Tyumen region, which is rich in oil and gas, he said.

Otkritie currently owns almost 20 percent in Nomos, Russia's No. 11 bank by assets, and a near 62 percent stake in smaller Otkritie Bank, while Nomos already controls BKM.

Otkritie's previous plan had been to merge all three banks in a deal that would create the country's second-largest private lender.

Karakhan said on Monday that scenario was now considered ineffective, without elaborating.

Otkritie Financial Corp is owned by its directors, state bank VTB and Anatoly Chubais, an architect of Russia's post-Soviet privatizations.

Russia's banking sector is dominated by state-owned banks, prompting some smaller and privately-owned banks to merge in a bid to boost their efficiency, though not always successfully.

Privately-owned MDM and Ursa joined forces in 2008, for example, but disagreements over strategy meant they have since failed to expand their market share.

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