

# Russia's VTB in Talks with BoE to Resolve Spat over UK Arm

By [The Moscow Times](#)

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Russia's No.2 bank VTB is in talks to resolve a dispute with the Bank of England over demands made on its UK business that the bank's CEO suggested could be politically motivated in the light of the West's standoff with Russia over Ukraine.

VTB said a week ago the Bank of England had made demands on its UK subsidiary related to capital and liquidity which were "unjust" although it saw no immediate threat to its business in Britain.

"In relation to our London subsidiary, we are currently in dialogue with the U.K. regulator and expect ... a return to business as usual with the U.K. regulator," chief financial officer Herbert Moos said on a conference call Tuesday to discuss VTB's three-year strategy.

"We are the only Russian bank in the City of London and we expect to continue to be a successful and profitable bank in the City of London," Moos said.

Moos did not specify which U.K. regulator VTB was in discussions with but VTB later confirmed he was referring to the Bank of England.

The Bank of England declined to comment.

Last week, VTB CEO Andrei Kostin had said in an interview with Russia's Izvestia newspaper that the bank had experienced unusual demands from the Bank of England in relation to its subsidiary which he suspected had political motives.

VTB's UK subsidiary is active in investment banking. Moos said VTB does not provide a breakdown of its financial results. Moos also said on Tuesday that VTB does not have a substantial operation in Crimea and does not have plans to develop one.

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