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Crimean Government Cashes in on Rags-to-Riches Bank Sale

By The Moscow Times

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A poster for the Russian National Commercial Bank (RNCB) hanging over one of the bank's branches in Crimea.

The Crimean government has sold a bank that became the largest in the region by scooping up branches from Ukrainian lenders fleeing the region after Russia annexed it from Ukraine last year.

Crimean authorities took control of the Russian National Commercial Bank (RNCB) from major state lender VTB for an undisclosed sum just weeks after Russia seized the peninsula. They then presided over its growth from one of the country's smallest banks to become Crimea's largest bank, with over 200 branches.

According to RNCB's website, a 99.99 percent stake in the bank now belongs to Complex Energy Solutions (C-ES), a Russian electric power and heating company with revenues in the low hundreds of millions of dollars owned by four individuals: Alexei Baranov, Igor

Lukashenko, Darya Demchenko and Vladimir Kazintsev.

The sides did not disclose the value of the deal, but analysts cited by the Kommersant newspaper valued the sale at around 4 billion rubles ($58 million).

Since coming to power last March, the Crimean government has nationalized large parts of the region's industry — seizing assets worth some $1 billion, according to The New York Times. Crimean authorities have justified many of the steps as necessary measures to keep the region's economy standing amid Western sanctions and the exodus of Ukrainian businesses.

C-ES told Kommersant it intended to use RNCB to help finance infrastructure development.

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