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Bank of Moscow Name to Disappear in VTB Overhaul

By The Moscow Times

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The Bank of Moscow brand will be ditched during the course of the next year in favor of the name M Bank.

The Bank of Moscow name will gradually disappear from Russia's streets amid a brand redesign of the troubled lender by state-controlled owner VTB, Russia's Kommersant newspaper reported Monday, citing unidentified sources at the bank.

The Bank of Moscow brand — which has existed since 1994 — will be ditched during the course of the next year in favor of the name M Bank, according to Kommersant.

Once Russia's fifth-largest financial institution, Bank of Moscow received a $14 billion bailout in 2011 after some of its senior managers fled Russia to avoid criminal charges in the wake of a hostile takeover by VTB.

Bank of Moscow's healthy assets will be fully transferred to VTB by May 2016, while toxic

assets will remain within a structure named M Bank, Kommersant reported.

The renaming process will begin in October and last up to a year, according to Kommersant.

VTB reportedly intended to absorb Bank of Moscow shortly after the takeover, but faced Central Bank opposition because the move would have meant it was in violation of standards demanded by Basel banking accords.

Set up in the early 1990s, Bank of Moscow was closely linked to former Moscow Mayor Yury Luzhkov and the business empire of his wife, Yelena Baturina. Bank of Moscow currently has 9 million private customers and 120,000 corporate clients, with branches all over Russia, according to its website.

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