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INDEPENDENT NEWS FROM RUSSIA

Russian Digital Major Yandex to Launch Investment Portal With VTB Bank

A previous project between Yandex and state-owned Sberbank fell apart.

By bne IntelliNews

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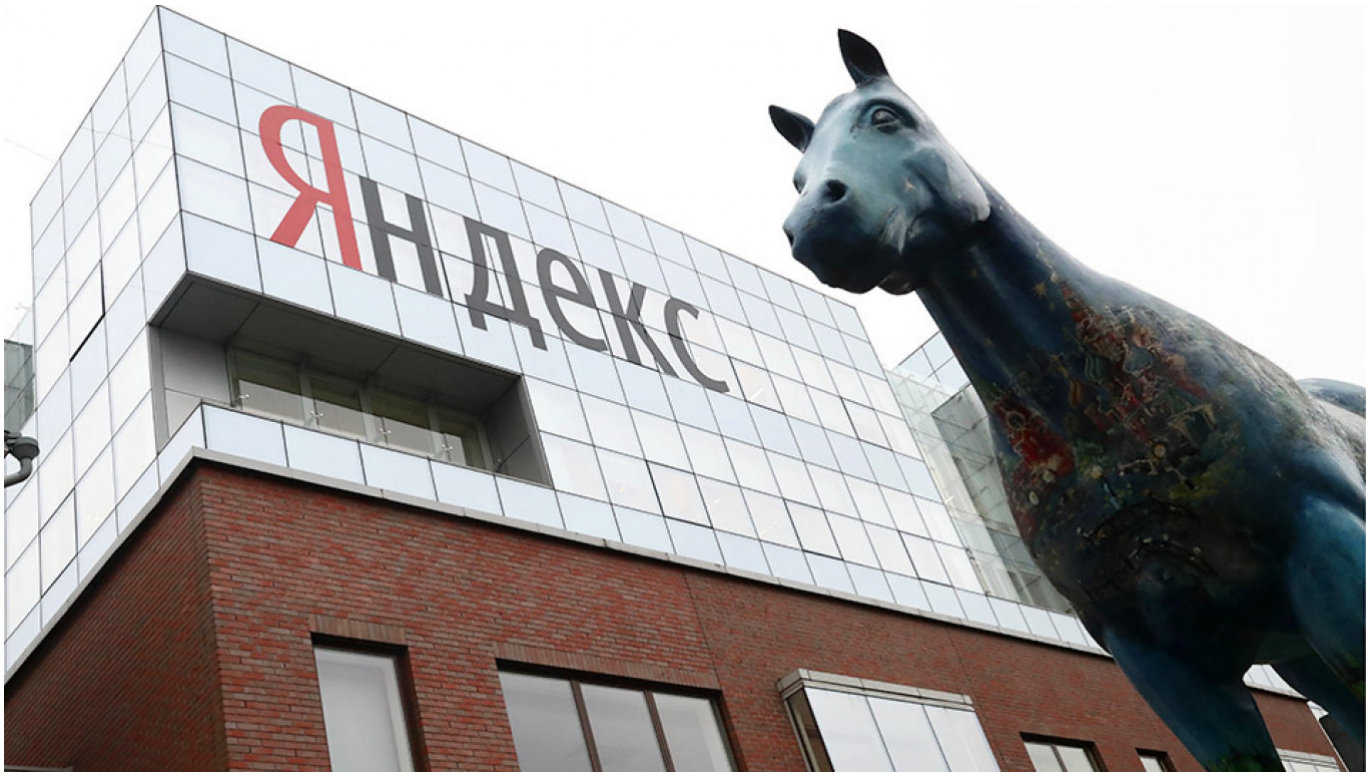

Yandex is Russia's most valuable digital company. **Anton Novoderzhkin / TASS**

Is this a case of sour grapes? After a major tie up between Russia's most valuable digital company Yandex and the state-owned retail banking giant Sberbank to create an online marketplace fell to pieces, Yandex is considering getting into bed with the state's second biggest bank VTB to create a fintech service to sell equities and funds to retail investors.

The new portal will provide financial services and is called Yandex.Investment, news outlet The Bell reported, citing unnamed banking sources.

Related article: Sberbank and Yandex E-Commerce Joint Venture May End in Divorce

A joint venture between Sberbank and Yandex to create an e-commerce powerhouse Yandex.Market fell apart in July. E-commerce already accounted for 4.8% of Russia's retail trade in 2018, but is now growing exponentially and is forecast to top 8.5% by 2024. Yandex.Market should have been a big part of that.

Sberbank, a digital innovation front runner, recently delivered a blow to Yandex by teaming up with its largest rival Mail.ru on transportation and delivery solutions instead.

Partnership with Yandex could also help VTB with its recent pledge to catch up with Sberbank in terms of digital development.

Yandex.Investment with VTB will reportedly be the company's largest fintech project since Yandex sold 75% in Yandex.Money to Sberbank. The new service will target non-professional retail investors, providing access to equity, securities and other financial instruments, which could meet regulatory resistance.

Together with Sberbank, Yandex still operates Yandex.Market marketplace, one of the largest investments in the Russian e-commerce space. Sberbank also preferred Rambler Group to Yandex as the main media platform for its growing digital ecosystem.

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