

Kuzovlyov New Bank of Moscow Chief Executive

By [The Moscow Times](#)

April 21, 2011

The  **Moscow Times**

Bank of Moscow shareholders have elected a former VTB executive as their new chief executive, effectively handing Russia's second-biggest lender victory in the battle for control of its smaller peer.

Now VTB, which paid \$3.5 billion for a near 50 percent stake in Bank of Moscow, will revert to its initial plans to gain full control over Russia's fifth-biggest lender, VTB's chief executive Andrei Kostin said.

"We are planning to consolidate 100 percent in the future," he told journalists after Bank of Moscow's extraordinary shareholders meeting, which appointed VTB candidate Mikhail Kuzovlyov as chief executive.

Earlier in April, Kostin said he saw no need to buy out all minority shareholders, after facing strong resistance to takeover attempts from Bank of Moscow's former chief executive Andrei

Borodin.

On Thursday, shareholders elected Kuzovlyov to replace Borodin, whose deputy Dmitry Akulinin was also in the running for the post.

The appointment of Kuzovlyov, who became acting chief executive last week after a court barred Borodin and Akulinin from taking management decisions, marks the end of the corporate battle for Moscow's main investment vehicle.

State-owned VTB has been circling Bank of Moscow since last fall, after President Dmitry Medvedev sacked Mayor Yury Luzhkov.

In March, Luzhkov's ally Borodin, who had headed Bank of Moscow since 1995, left Russia for London after selling an around 20 percent stake in the lender, which he owned together with Lev Alaluyev.

That stake, worth \$1.3 billion based on current market values, was bought by businessman Vitaly Yusufov, who may be acting on behalf of VTB, Vedomosti said.

Yusufov, also an owner of Germany's Nordic Yards, said Thursday that he might increase his stake, saying he is not in talks with VTB on a possible sale.

"I think that the stake increase might be strategically interesting. We did not have and are not currently in talks with VTB about selling the stake," he told journalists after Kuzovlyov's appointment.

Yusufov, the son of a former special envoy of the president, later added that he did not rule out selling his stake in Bank of Moscow in the future.

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