

Former Bank of Moscow Chief Borodin Fumes

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Andrei Borodin, former head of Bank of Moscow who is blamed for a portfolio of bad loans that required a \$14 billion state bailout, said in a rare interview that he will persist in his criticisms of the Kremlin.

Borodin has not shied away from mudslinging since he left Russia in April. His vociferousness has aligned him with other wealthy Russian businesspeople whose political opinions have only become apparent once in self-imposed exile.

"I have been less quiet about things going on in Russia and will continue to be so," he told The Moscow Times.

He agreed to speak with a reporter on condition that his whereabouts were not disclosed and quotes used in the article were cleared by his public relations agency.

Borodin, who was ranked the 95th-richest Russian with a personal fortune of \$1 billion by Forbes this year, is wanted on an international arrest warrant.

Finance Minister Alexei Kudrin has accused Borodin and other former managers at Bank of Moscow of abusing their positions for massive personal gain.

But Borodin has said repeatedly that his ouster from Bank of Moscow, Russia's fifth-largest bank, its takeover by state-run VTB and the largest state bailout in Russian history were politically motivated.

"It was not rational, not logical, and there is only one explanation — at the beginning there was a political order to take over Bank of Moscow and force the previous top management to leave the bank," said a source close to the banker, who asked not to be identified for legal reasons.

Other high-profile Russian businessmen who have fled abroad in the face of criminal proceedings against themselves and their business empires include former Kremlin kingmaker Boris Berezovsky and cell phone tycoon Yevgeny Chichvarkin.

Berezovsky and Chichvarkin have both publicly placed themselves in opposition to Russia's political leadership. Last year, the two men attended a Strategy 31 rally in London, where they now live.

Similar to Chichvarkin, who left Russia for a "New Year's vacation" in 2008, Borodin said he flew out of Moscow to attend his daughter's birthday celebrations in April — a trip from which he has never returned.

Shortly after leaving Russia, Borodin sold his 20.3 percent stake in Bank of Moscow, which he held with an adviser, Lev Alaluyev. Borodin said at the time that he was not satisfied with the price they had received.

A former vice president of Bank of Moscow, Dmitry Akulinin, left Russia at the same time as Borodin. Both men initially announced that poor health was preventing them from returning to Moscow. Akulinin declined an interview request from The Moscow Times.

Along with other senior managers, Borodin vigorously opposed the takeover of Bank of Moscow by financial giant VTB. When he exited the country in April, it was in the face of charges that Bank of Moscow had extended \$455 million in loans to companies linked to Yelena Baturina, wife of sacked Mayor Yury Luzhkov, that ended up in her personal bank account.

A spokeswoman for Borodin dismissed this criminal charge against her client as well as several others that have emerged in 2011.

"Borodin has been absent from his office in Moscow for many months — time that would have provided ample opportunity for the police and the new management of Bank of Moscow to falsify criminal cases against the previous management," she said.

Bank of Moscow was established by the Moscow city government in 1995 as the city's municipal bank and maintained close links with the Luzhkov administration throughout

Borodin's 16-year stewardship.

When Luzhkov was fired by President Dmitry Medvedev in September 2010, there was a widespread assumption that the political change in the capital would prompt a reshuffle in the business sphere.

"When the vizier dies, all his wealth and properties go to the new vizier," the source close to Borodin said.

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