

VTB Chief Says State Will Sell 10% of Bank by March

By [The Moscow Times](#)

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The government will sell 10 percent of VTB Group, the country's second-largest lender, by the end of March, chief executive Andrei Kostin said.

The stake will be sold to institutional investors at a price that is "approximately 10 percent" of the bank's market value, Kostin said Friday in an interview in Davos, Switzerland, where he was attending the World Economic Forum. "Certain conditions" will be imposed on the buyers, he said, without elaborating.

VTB was valued at 1.2 trillion rubles (\$38.8 billion) on the MICEX Index on Friday. The government boosted its stake in the bank to 85.5 percent from 77.5 percent in September 2009 by acquiring shares for 180 billion rubles as part of a program to stabilize the financial industry.

The government targets a premium of as much as 67 percent on the purchase price, according

to Finance Minister Alexei Kudrin. TPG Capital, a global private-equity investor, is in talks to buy a 10 percent stake in VTB for \$3 billion, the Kommersant newspaper said Nov. 9, citing government sources it didn't identify.

Kostin said Oct. 1 that the lender "definitely" planned to conclude the sale of a 10 percent government stake by mid-2011. Bank of America's Merrill Lynch unit on Nov. 11 signed an agreement with Russia's Federal Property Management Agency on managing the sale.

VTB is willing to offer a "good market price" to acquire Bank of Moscow, Kostin said in a separate interview in Davos. "We think it's going to be a good deal both for the government of Moscow and for VTB," Kostin said.

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