

# Sberbank Studying Turkish Bank Details

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Sberbank head German Gref said Tuesday that the country's biggest lender was not in talks to buy Denizbank, the Turkish arm of troubled European bank Dexia.

But he admitted that Sberbank had received information about Denizbank and was studying the possibility of making an offer. "Today's market is very good for buying," he said.

Sberbank has not hidden its appetite for acquisitions in Europe's troubled financial sector, despite the concerns of some analysts about the dangers of international expansion.

Franco-Belgian bank Dexia received a multibillion-dollar state bailout on Monday, following growing fears that its bankruptcy was imminent.

Equity in Denizbank, a growing operation that Dexia acquired in 2006, has climbed 33 percent in two days on speculation that its sale would be a part of Dexia's restructuring.

French media reports last week suggested that Sberbank was interested in buying Denizbank,

and Kommersant reported Saturday that Deutsche Bank and Troika Dialog were acting as consultants on the possible transaction.

A move for Denizbank would not be Sberbank's first foray into Europe. In July, Gref announced the finalization of a deal for Austria's Volksbank International, with an estimated price tag of \$1 billion. Like Dexia at the moment, Volksbank was in financial trouble at the time of the deal.

Gref said Tuesday that Sberbank was looking specifically at Turkey and Poland as markets for expansion, not at Europe in general.

The purchase of Denizbank would be a more significant step than anything Sberbank has so far undertaken, including Volksbank International. Denizbank's market capitalization is \$4.4 billion, and chief executive Hakan Ates described it Tuesday as the "crown jewel" of the company, Bloomberg reported.

Analysts have warned that rapid international expansion might distract Sberbank management from domestic priorities. The privatization of a 7.6 percent stake in the bank expected in the fall has been delayed because of recent market turmoil.

"Sberbank is used to working in an environment where it has all the advantages, and the market wants to see it simply continuing to exploit those advantages, rather than going abroad and taking on risks that it may not understand very well," said Jason Hurwitz, an financial analyst at Alfa Bank.

"The investment community is likely to look on this deal negatively, even if Sberbank gets a reasonably good price."

Sberbank plans to sell the Dulisma oil field and stakes in another venture in Russia's east for a total of \$690 million by the year's end, Bloomberg reported Tuesday.

Russian investors, including TNK-BP and LUKoil, as well as foreigners have expressed interest in Dulisma, Ashot Khachataryants, head of Sberbank Capital, told reporters in Moscow. Sberbank is seeking \$250 million for Dulisma and \$440 million for a 35 percent stake in the Taas-Yuriakh project, he said. Both assets were acquired from Urals Energy for debt.

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