

VTB Mulls Privatization in 2013

By [The Moscow Times](#)

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State owned No. 2 lender VTB is considering an additional share issue next year if market conditions are favorable, chief financial officer Herbert Moos said Thursday.

He added that the government, which controls a 75.5 percent stake in VTB, would not take part in the share offering, whose proceeds would go toward bolstering the bank's capital and enable it to expand lending.

The state sold a 10 percent stake in VTB last year for \$3.3 billion and plans to cut its stake by another 10 percent. VTB CEO Andrei Kostin has said the offering could raise at least \$2 billion.

Meanwhile, VTB beat forecasts with a 40 percent rise in quarterly net profit, boosted by rising net interest income, as retail lending grew.

The bank reported 26.6 billion rubles (\$864.5 million) in third-quarter net profit, up from 19 billion in the same period a year ago. A Reuters poll of analysts forecast that it would post 20.4

billion rubles.

VTB's profits were lifted by net interest income, the difference between interest earned and interest paid, which rose almost 15 percent year on year to 61.9 billion rubles.

The bank said the increase resulted from rising lending. Since the start of the year, VTB's loan growth before provisions stood at 4.1 percent, with retail lending up 24.6 percent and the corporate book down 0.4 percent.

"We expect the retail portfolio to grow faster than the market, while the corporate portfolio is at the market rate," Moos said, adding that expansion of retail lending in 2013 is forecast to grow 25 to 27 percent, while corporate lending should expand by 10 to 15 percent, Interfax reported.

Provisions for possible nonperforming loans rose to 12.7 billion rubles for the third quarter, from 8 billion a year ago. VTB's net interest margin stood at 4.1 percent in the third quarter.

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