

# Qatar Hires UBS for Possible \$3Bln VTB Deal

By [The Moscow Times](#)

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DUBAI/LONDON — Qatar's sovereign wealth fund has hired UBS to advise on a possible \$3 billion investment in Russian state-controlled bank VTB, three people with direct knowledge of the matter said.

Russia's second-biggest lender, advised by Citigroup, has been working on a capital increase to support day-to-day operations. Analysts say the Moscow stock exchange is too small to supply VTB's needs.

Qatar Holding, widely seen as an opportunistic investor, has a history of investing in large banks in need of capital. At the peak of the global financial crisis, it invested in banks such as Barclays and Credit Suisse on terms regarded as favorable to the fund.

"Talks are very advanced," one of the people told Reuters on Tuesday about Qatar's discussions with VTB.

The sources said the deal may still be called off on price disagreements — Russian news agency Interfax reported that Qatar wanted to invest at a 25 percent discount.

VTB had planned to issue new shares equivalent to at least 10 percent of its equity this spring, raising \$1 billion to \$3 billion. After President Vladimir Putin last month urged state asset sales be held in Russia, VTB chief executive Andrei Kostin said the deal might be delayed.

VTB shares were down 0.2 percent late on, having traded in a 4 percent range.

One source involved with the situation said while Qatar was an attractive investor, VTB was talking to other sovereign funds. "If they make a co-investment [agreement] with VTB there could be plenty that the Qataris can do [in Russia] which is mutually beneficial — good to attract capital and good for them to have opportunity in Russia," the source said.

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