

Generali Interested in Acquiring VTB Stake

By [The Moscow Times](#)

February 07, 2011



The government is planning to sell a 10 percent stake in VTB initially. **Vladimir Filonov**

An overseas roadshow by VTB to raise some \$3.6 billion got off to a solid start on Monday, lining up Italy's Assicurazioni Generali as a key shareholder in Russia's second-largest lender.

Investors are closely watching the first step in Russia's \$33 billion three-year privatization drive, deciding whether to invest in the country's biggest state asset sale since the collapse of the Soviet Union.

"VTB has been informed that Generali Group has expressed an interest in acquiring ... \$300 million of offer shares and/or [Global Depositary Receipts]," said the bank's prospectus, obtained by Reuters.

Affiliated funds of U.S. private equity firm TPG Capital will follow Europe's third-biggest insurer and buy shares worth \$100 million, the document showed.

TPG had originally been expected to buy the bulk of the 10 percent being touted by VTB in a closed sale.

Based on VTB's current market capitalization of about \$36 billion, Generali could get just short of 1 percent of Russia's second biggest bank, with TPG acquiring almost 0.3 percent.

Generali is interested in buying a "maximum" 1 percent stake in VTB worth about \$300 million as a financial investment as it seeks to diversify into a high-growth area, a source close to the issue told Reuters.

In luring investors, VTB faces competition from bigger rival Sberbank, which is due to offer some 7.6 percent of its shares for sale this year or next.

The pricing of the placement — organized by Deutsche Bank, Merrill Lynch and VTB Capital — is expected on Feb. 14, a source familiar with VTB's plans told Reuters on Friday.

VTB's shares have fallen more than 5 percent since the end of January, after the market was disappointed by its decision to sell the 10 percent via a secondary share placement rather than directly to a TPG-led consortium.

The Kremlin's top economic adviser, Arkady Dvorkovich, told Reuters Insider last week that public offerings would likely be more successful than private sales.

VTB's shares closed at 0.1013 rubles on Monday, or a quarter cheaper than its spring 2007 initial public offering — levels to which chief executive Andrei Kostin expects to return by 2012.

Moscow is looking to reduce its stake in VTB to 50 percent plus one share over the next three years, from the current 85.5 percent and up to 20 percent could be sold this year, Finance Minister Alexei Kudrin has said.

Original url:

<https://www.themoscowtimes.com/2011/02/07/generali-interested-in-acquiring-vtb-stake-a4802>