

Promsvyazbank Looks for Eurobond Money in 2011

By [The Moscow Times](#)

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Promsvyazbank could borrow \$500 million on the eurobond market and at least \$200 million via a syndicated loan in 2011, the bank's head said Wednesday.

"There is a high possibility we will borrow this year. I do not exclude a eurobond issue worth \$500 million and syndicated loan of at least \$200 million," Artyom Konstandyan said.

Last year, Promsvyazbank raised \$200 million via a eurobond placement and borrowed an additional \$250 million in a syndicated loan.

The bank's chief added that the lender, which is the fourth largest privately owned bank in Russia, could issue additional shares worth 4 billion rubles (\$136.5 million) in the second quarter of 2011.

"The most likely scenario is that [existing] shareholders will keep their stakes. I do not rule

out a change [in shareholder structure], but it seems unlikely," Konstandyan said.

Promsvyazbank is almost 73 percent owned by brothers Alexei and Dmitry Ananyev whose combined wealth is valued at \$3.2 billion, according to Forbes magazine estimates.

The European Bank for Reconstruction and Development holds 11.7 percent, and Germany's Commerzbank has a share of a 15.3 percent in the bank.

Konstandyan said the bank, which ended 2009 in the red following the global financial downturn, expects to gain 2.5 billion rubles in 2010 net profit and triple it to more than 8 billion rubles this year.

Konstandyan, who has been at the bank's helm since last fall, did not explain the reasons behind the rapid increase in profits, but said the lender expects its retail business to show faster growth than that of its corporate arm.

The Central Bank expected the domestic banking sector would increase lending by 20 to 25 percent in 2011 as the domestic economy shows strong signs of recovery.

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