

Sovcomflot IPO Banks Shortlisted

By [The Moscow Times](#)

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Morgan Stanley, JPMorgan Chase and Deutsche Bank are on the shortlist to manage an initial public offering this year of Sovcomflot, the country's biggest shipper, the Economic Development Ministry said.

The ministry approached 23 banks as possible advisers for a three-year asset-sale program and plans to select winners for most of the deals by early June, Alexei Uvarov, head of the ministry's property department, said Wednesday.

The government plans to raise \$30 billion by 2015 from the sales, helping to improve corporate governance and replenish state coffers, Economic Development Minister Elvira Nabiullina said April 25. President Dmitry Medvedev ordered the government in March to set the final schedule of the program for the next three years, saying it would bolster the investment climate.

The Economic Development Ministry has prepared a detailed timeline for the sales and submitted it to the government, proposing to cap banks' fees at 2 percent of a sale's

value, Uvarov said.

Holdings in Sovcomflot, Sberbank, Novorossiisk Commercial Sea Port and Murmansk Commercial Seaport are slated for sale this year, Uvarov said. The government expects to offer stakes in RusHydro, VTB Group and the Federal Grid Company next year, then Rosneft, Russian Railways and Rosselkhozbank holdings in 2013.

Morgan Stanley, JPMorgan and Deutsche Bank are among 23 foreign and domestic banks selected by the government last year to help manage its asset sales.

JPMorgan was the third-biggest organizer of Russian equity and bond sales last year, while Deutsche Bank was ranked 13th and Morgan Stanley was 28th. VTB Capital, the investment-banking unit of VTB, led the rankings, followed by Troika Dialog, which is being acquired by Sberbank.

The government raised \$3.3 billion in February by selling a stake in VTB, the nation's second-largest lender, in the biggest offering of assets in almost four years. Bank of America Merrill Lynch, Deutsche Bank and VTB Capital were joint bookrunners on the transaction.

TransContainer, a unit of Russia's rail monopoly, was the last state-owned company to hold an IPO, raising about \$400 million in November 2010.

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