

China Sovereign Wealth Fund Likes Sberbank

By [The Moscow Times](#)

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BEIJING — China Investment Corp., the country's \$300 billion sovereign wealth fund, is tipped to buy a 5 percent stake in Sberbank, a Chinese newspaper reported, citing sources.

The 21st Century Business Herald reported that an unidentified investment bank that is arranging the partial privatization of Sberbank has contacted CIC for a possible deal.

"The investment bank and CIC have made initial contact and if everything is smooth, they will start to talk about the [Sberbank] equity deal soon," one source was quoted by the Chinese newspaper as saying.

The newspaper did not name the investment bank.

Sberbank, a crown asset in Russia's three-year 1 trillion ruble (\$35.5 billion) privatization drive, is selling a stake of up to 7.6 percent by mid-September.

The Central Bank has chosen Credit Suisse, Goldman Sachs, Morgan Stanley, JPMorgan and Troika Dialog to arrange the sale.

CIC has received two "due diligence" — one from Sberbank to clarify its asset quality and operations, and the other from the investment bank to compare Sberbank with Industrial and Commercial Bank of China, China's largest lender, according to the Chinese paper.

The newspaper added that the investment bank is trying to persuade CIC that Sberbank, which has a current market value of \$75.4 billion, is an attractive deal.

A spokesperson at CIC declined to comment.

Sberbank's stake sale would be the second after Russian state-owned lender VTB, which kicked off the biggest partial privatization drive since the collapse of the Soviet Union in February, cashing out a 10 percent stake and raising \$3.3 billion.

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