

Sberbank Cancels Road Show, But Eyes Poland

By [The Moscow Times](#)

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Sberbank has postponed investor meetings in the Middle East and Asia as jittery markets cast the privatization of a 7.6 percent stake in doubt, three banking sources said Tuesday.

Bank chairman German Gref had planned to meet Asian and Arab wealth funds this week to line them up as core investors in the sale tentatively scheduled for mid-September.

But turmoil on global markets — which has pushed Sberbank's shares down more than 20 percent this month, wiping \$1.5 billion off the value of the stake — has prompted the lender to put the meetings on hold pending a decision on the stake sale.

"It seems that [Sberbank's] sale will be postponed as the current stock price is cheaper than the latest share placement in 2007 of 89 rubles per share. That is one of the indicators for the market," another banking source said.

"If there is a decision to wait, the sale is likely to take place by the end of 2011," another source said.

Meanwhile, Sberbank said Tuesday that it was looking at potential takeover targets in Central and Eastern Europe, including in Poland, after a newspaper said it was eyeing two Polish banks.

"Sberbank is exploring opportunities on the Central and Eastern European market [including Poland]," the lender said in a statement, adding that the region offered attractive growth and margin prospects.

Kommersant daily had earlier quoted sources as saying the bank was considering buying Polish top-10 lenders Kredyt Bank and Millennium, both of which are up for sale.

Kredyt Bank is a subsidiary of Belgium's KBC Group and Millennium is mainly owned by Portugal's largest private lender, Banco Comercial Portugues.

Analysts said both Polish banks are of significant size with a strong retail focus, but investors will probably be cool toward the idea of further expansion after Sberbank bought brokerage Troika Dialog and Austria's VBI earlier this year.

"While we believe that Sberbank might be able to avoid paying a high price in current market conditions. ... We do not believe that investors will be keen to hear news of further international expansion by Sberbank," Alfa Bank said.

Sberbank, whose assets of more than \$315 billion make it the largest lender in the former Soviet Union, is also interested in entering Turkey, Gref said in July. The bank aims to earn at least 5 percent of its net profit from international operations by 2014.

China Construction Bank, or CCB, the world's No.2 bank by market capitalization, with a value of \$167 billion, wants to create a full branch based on its Russian representative office, the lender said.

The CCB board decided in a meeting Sunday to inject about \$150 million into the capital of its newly created Russian unit, after opening the representation office in May this year, the bank said.

Operations in Russia will help CCB do business in Eastern Europe, its president said in May, adding that the bank will seize any opportunities to buy Russian commercial banks.

European banks, including Barclays and HSBC, are shutting retail banking operations in Russia, citing strong competition from domestic state lenders.

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