

Sberbank Reduces Volksbanken Offer

By [The Moscow Times](#)

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Sberbank lowered the offer price agreed upon last month for its planned purchase of Oesterreichische Volksbanken's Eastern European unit, according to five people with knowledge of the talks.

Russia's biggest bank reduced its offer for Volksbanken International, or VBI, which owns nine lenders in Eastern Europe, after a 22 percent drop in the European bank's shares since Sberbank and VBI's owners agreed to a term sheet July 15, said the people, who declined to be identified because the talks are private. It is now offering 590 million euros (\$849 million) for the business from an earlier bid of 670 million euros, according to three of the people.

Senior executives of Volksbanken, Sberbank and VBI's minority shareholders — Groupe BPCE, DZ Bank and WGZ-Bank — could meet as early as Aug. 28 for talks to rescue the deal, two of the people said. That meeting was scheduled to sign the purchase agreement, which would have been a whole month after the original target to sign the deal at the end of July.

Volksbanken spokesman Walter Groeblinger declined to comment on the status of the deal

beyond the bank's statement Thursday that it still planned to complete the sale by the end of the year.

Sberbank spokesman Alexander Baziyan could not comment when reached by phone Friday in Moscow. DZ Bank spokesman Martin Roth declined to comment. WGZ spokesman Frank Schweizer-Nuernberg said the lender does not comment on active transactions, while calls to a BPCE spokesman were not immediately returned.

Vienna-based Volksbanken owns 51 percent of VBI, France's BPCE owns 24.5 percent, and DZ and WGZ together also own 24.5 percent.

Sberbank is aspiring to become a regional player in the Central European market. VBI's network of banks in countries including the Czech Republic, Slovakia, Hungary and most of the former Yugoslavia was only the first step in making Sberbank a "global bank" by using the new group as a platform for further acquisitions in Eastern Europe and Turkey, chief executive German Gref said July 15.

Volksbanken is under heightened pressure to sell its VBI stake after it failed the European Union's bank stress test last month. The lender, which received 1 billion euros of state capital in 2009, said late last week that it will not reach its profit goal for the year after write-downs on Greek government debt. Austria may get the option to nationalize the bank should the profit shortfall scupper dividend payments on state capital again this year.

The other shareholders are under no pressure to sell now, making them less ready to accept a lower price, according to two of the people. WGZ, a cooperative regional German lender, has signaled that it is not ready to accept Sberbank's reduced bid, those people said.

Other elements of the contract that may increase or reduce the offer price depending on profit developments or other future factors are also under renewed discussion, one of them said.

Sberbank may get a fully fledged listing of its depositary receipts on the London Stock Exchange on Sept. 1, VTB Capital said Friday, Reuters reported.

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