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Otkritie IPO Stalled for Next Few Years

By The Moscow Times

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Otkritie Financial, 20 percent owned by lender VTB, has mothballed plans for an initial public offering and expects markets to remain tough for perhaps five years, its chairman said.

Otkritie, a holding company that owns a brokerage house, fund manager and commercial and investment banks, had been considering floating a 20 percent stake in late 2012.

"Given the current market situation, we can't expect interest in Russian [financial] institutions. We don't plan an IPO in 2012-13 at the moment. It makes no sense," Otkritie chairman Boris Mints said.

Mints, who owns a 30 percent stake in Otkritie and is estimated by Forbes magazine to be worth $600 million, said he would cut his stake in any share offering and expected VTB to do the same.

"The market situation will be tough for at least three to five years," Mints added.

"We will focus on retail expansion to increase its share to 60 percent of our loan portfolio over a two-year time horizon. Now it is around 40 percent," he said.

The group, he added, expected to earn 1.5 billion to 2 billion rubles ($47 million to $65 million) this year in total, down from a net profit of 2.6 billion in 2010, as the commercial bank's loan book is growing more slowly than expected.

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