The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

VTB Starts 'People's Buyback'

By The Moscow Times

March 12, 2012



State-owned VTB bank began accepting applications from shareholders Monday in the company's 13 billion ruble ($439 million) equity buyback scheme.

The populist policy was initiated by Prime Minister Vladimir Putin before the presidential election. VTB's share price plummeted after a 2007 "people's IPO," when thousands of amateur investors bought into the company. The stock never recovered its value.

The buyback option is available to foreign or Russian shareholders who participated in the initial public offering and who held shares on Feb.1 this year. It is capped at a limit of 500,000 rubles (3,676,471 shares). The bank will buy back shares at the IPO price of 13.6 kopeks. The share price Monday was about 7.1 kopeks.

VTB said it will receive applications, which can be filed at any branch of the bank's retail-banking arm VTB 24, to repurchase shares until April 13. The money for the shares will be transferred to investors between April 16 and April 30.

The legal heirs of investors who took part in the IPO are also eligible under the scheme, although they will have to wait until June 29 for their cash.

About 1,500 applications for the share buyback had been received by midday, including more than 800 in Siberia and the country's Far East. Some Moscow branches were experiencing technical delays in processing the requests, Vedomosti reported.

Original url: https://www.themoscowtimes.com/2012/03/12/vtb-starts-peoples-buyback-a13183