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# Report: VTB to Sell $3Bln Stake to Qatar

By The Moscow Times

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The Qatar Investment Authority is in talks with Russia's second-largest bank, VTB, to acquire a $3 billion stake in the state-owned lender, the Daily Telegraph reported.

Details of the deal and its structure could be announced next week.

The government's stake in VTB is currently at 75.5 percent, having publicly sold a 10 percent stake in February 2011, raising $3.26 billion. The bank's market capitalization stands at $598 billion as of Thursday morning.

VTB shares were up 3.8 percent Thursday morning on the report of the purchase.

To facilitate the deal, VTB is likely to issue $1.5 billion in new equity and another $1.5 billion in mandatory convertible bonds to the Qataris, the daily said, citing inside sources.

VTB is the next state asset in line for privatization. According to the government's plan, between 10 and 25.5 percent of VTB's shares are to be sold for $1.8-$4.5 billion.

At the end of January VTB's chairman and president, Andrei Kostin, said the bank plans to raise between $1 billion and $3 billion to boost its capital base and continue the pace of its lending operations.

According to the bank's development strategy, it expects profits to reach 120-140 billion rubles ($4 billion-$4.7 billion) in 2013. The bank reported a profit of 60.2 billion rubles for the first nine months of 2012.

Goldman Sachs and Citigroup are assisting VTB in the deal, the Telegraph said.

Earlier this month, Vladimir Putin urged all future asset sales to be held on Russian stock exchanges.

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