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Bank Rossia Interested in Tele2 Stake

By The Moscow Times

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Bank Rossia is considering taking part in a deal for a stake in Russian telecom operator Tele2, the St Petersburg-based bank said in response to a report that companies representing the bank have asked permission to buy 50 percent of the business.

State-controlled VTB bought 100 percent of Nordic telecom Tele2's Russian business in April for $3.55 billion.

Analysts have said they expect VTB to sell the firm on to another party, with many pointing to Rostelecom, the country's fifth-largest telecoms operator, as an option.

Interfax earlier reported that the country's anti-monopoly service received a request from companies representing Bank Rossia for permission to buy 50 percent of telecom operator Tele2Russia from VTB.

"Bank Rossia is considering the possibility of participating in this deal," a press officer for the bank said by email, making no further comment regarding the details of its interest.

Bank Rossia was reported in the Russian press in June to be interested in buying a stake in Tele2, but the bank was expected to be an intermediary rather than the final purchaser of the business.

Bank Rossia is part owned by Yuri Kovalchuk, a St. Petersburg banker whose association with President Vladimir Putin dates back to the early 1990s.

Interfax reported Friday that Invinte B.V. and ABR Investments, affiliated with Bank Rossia, applied for permission from the anti-monopoly service.

An official at the agency confirmed that two companies had applied but could not name them or the entity they represent.

VTB said that the bank might sell a stake in Tele2 in the next couple of weeks but that it intended to remain a large minority shareholder with a share not less than 20 percent. The bank declined to comment on potential buyers.

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