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# Russia's VTB May Drop London Listing for China

By The Moscow Times

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Head of VTB Bank Andrei Kostin speaks during the VTB Capital "Russia Calling!" Investment Forum in Moscow on Oct. 2, 2014.

BEIJING — VTB, Russia's No. 2 bank, may delist from the London Stock Exchange (LSE) in favor of Chinese bourses as sanctions imposed in the Ukraine crisis hit its ability to raise capital in Western markets, its chief executive said on Monday.

VTB shares have traded in London and Moscow since 2007, when the bank raised about $8 billion in an initial pubic offering. In total, it has raised over $14 billion in public share issues and has received state support to boost its capital.

The Western sanctions imposed on VTB over Russia's role in the conflict in Ukraine limit its ability to raise funds — including capital — in the United States and Europe.

"We are not satisfied with the LSE's position," Andrei Kostin, president and chairman of the

management board of VTB, and an ally of President Vladimir Putin, told reporters on the sidelines of an Asia-Pacific summit in Beijing.

"We will seriously consider our participation in the London Stock Exchange. We are looking at Chinese bourses."

In an interview with Russia state television channel Rossia-24, he added that any Chinese listing was unlikely this year. He gave no time frame and did not say how much VTB might raise.

VTB shares were trading at 4.08 kopeks on Monday, close to the price of its latest share offering in 2013.

VTB received 214 billion rubles ($4.8 billion) in capital in September when the Finance Ministry bought preferred shares as part of wider support for the banking sector.

VTB's Tier 1 capital ratio — a measure of its ability to absorb losses — fell below 10 percent in the first six months of the year as an economic slowdown in Russia and political tensions drove profits down 82 percent.

The bank has asked for up to 200 billion rubles more capital from state funds, Russian business newspaper Vedomosti said last month.

Kostin declined to comment on that. He noted the bank had enough capital under international standards (Tier 1) for the coming year but come up short under Russian requirements.

He added banks may get funds — and capital — to channel them to the projects for which the state is ready to provide support from the National Welfare Fund. Kostin did not elaborate.

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