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Poland's Getin Sells Russia Bank, Citing Politics and Weak Economy

By The Moscow Times

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Polish financial group Getin Holding has sold its Russian unit Idea Bank Rosja for just under $1 million, citing Russia's weak economy and political environment.

"The decision to sell the stake in the bank in Russia and the withdrawal of Getin Holding from banking activities in the Russian Federation is an effect of the current macroeconomic and political situation in the country," Getin said Wednesday.

"In the opinion of the management board, the projected medium and long-term viability of the bank does not meet with the expectations of the group and its shareholders," it said in an emailed statement.

The fall in the price of oil, a sharp drop in the Russian ruble, and Western sanctions imposed on Russia over its intervention in Ukraine have caused difficulties for many Western businesses operating in Russia.

On the Warsaw stock exchange, Getin shares jumped almost 4 percent in morning trade, outperforming a market up 0.35 percent.

Getin sold 96 percent of Idea to Russia's Forus Bank and three private investors. Forus, which specializes in loans for small businesses, agreed to buy 76.3 percent of Idea. Getin did not identify the other investors.

Getin, controlled by Poland's fourth richest person, Leszek Czarnecki, still owns a car leasing operation in Russia, Carcade Rosja, and said the sale would not negatively affect Carcade's operations.

Getin said it was keeping a close watch on the economic situation in eastern Europe, and leaving its options open. It added, though, that in the coming quarters it was considering increasing investments in south and central Europe.

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