

Russia's Sberbank to Buy Stake in Mail.Ru

Deal worth \$170m will further partnership between Russia's largest bank and one of its top tech firms.

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Mail.Ru and Sberbank already team-up on a joint venture for their food delivery and ride-hailing spin-offs.
Kirill Zykov / Moskva News Agency

Sberbank, Russia's largest bank, is to purchase a \$170 million stake in tech giant Mail.Ru.

The deal will see Sberbank buy into a company called MF Technologies, which owns a majority of Mail.Ru's voting rights, from Gazprombank — another state-owned Russian financial outfit.

Sberbank's 35% stake in MF Technologies would give it control of one-fifth of the voting rights of Mail.Ru and a 1.8% economic interest in the tech giant. The purchase should be completed by the end of the year, subject to government approval, Sberbank said.

Related article: [Russia's Yandex and Mail.Ru Report Strong Growth Despite Ownership Threats](#)

VTB Capital's banking analyst Mikhail Shlemov said the deal shows how Mail.Ru is becoming Sberbank's partner of choice in the tech sector in the context of recent failed attempts to secure a Sberbank-Yandex partnership.

Mail.Ru and Sberbank already have a joint venture together following a [tie-up](#) over the summer for the fast-growing Delivery Club food delivery platform, and ride-hailing service Citimobil.

"Sberbank is announcing the signing of a non-binding agreement to acquire a minority stake in MF Technologies from Gazprombank. The binding agreement is scheduled to be concluded by the end of 2019, after obtaining all necessary permits from corporate governance bodies and regulators," Sberbank said in a statement.

"Sberbank sees significant potential in joining with Mail.Ru. The bank shares and supports Mail.Ru's strategy and technological leadership."

Mail.Ru shares, which have seen [volatility](#) in recent weeks following speculation about a draft law that could limit foreign ownership in Russian technology companies, opened the day up 1% in London on the news. Sberbank shares were also up slightly, as investors anticipate a set of mixed quarterly results set to be announced this week.

According to Mail.Ru's governance rules, a majority of voting rights in the company must be controlled by a Russian person or company. Other investors of MF Technologies include companies controlled by Mail.Ru co-founder Alisher Usmanov, such as Megafon and USM Holdings.

Mail.Ru owns Russia's largest social media site VKontakte and is the country's top online game development company.

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