The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

State Firms Gazprom, Sberbank Opt Out of Dividend Payout

June 30, 2022

Gazprom

Russia's state energy giant Gazprom and top lender Sberbank decided Thursday not to pay their investors dividends for 2021, sending the companies' shares downward.

Gazprom's canceled 2021 dividends would have marked an all-time record payout for the company, giving investors an expected 1.24 trillion rubles ($23.37 billion).

"The shareholders decided that in the current situation it's impractical to pay dividends for 2021," Gazprom deputy CEO Famil Sadigov said.

The majority state-owned corporation will instead prioritize gasifying Russian regions, preparing for winter and paying higher taxes to the government, Sadigov added.

The Moscow Stock Exchange suspended trading in Gazprom shares after they fell by 30% following the announcement.

Reuters reported that this was Gazprom's first non-payout since 1998.

The announcement came one week after media reported that Russian lawmakers had drafted legislation to seize 416 billion rubles ($8 billion) in additional mineral extraction taxes from Gazprom due to high gas prices in Europe.

Russia's largest bank, Sberbank, also announced that it would not pay dividends Thursday, causing its shares to tumble by 7%.

The Russian government, Sberbank's majority owner, ordered the Finance Ministry last month not to pay a dividend on the lender's 2021 results.

Prior to Russia's invasion of Ukraine in February, Sberbank had announced a record 623 billion rubles ($12 billion) in dividend payouts.

But the lender has been hit by sanctions by the United States and European Union, and has been cut off from international payment system SWIFT;

Gazprom is also under U.S. debt and equity restrictions and an EU ban on investments in Russia's energy sector.

Original url:
https://www.themoscowtimes.com/2022/06/30/state-firms-gazprom-sberbank-opt-out-of-dividend-payout-a78159