

Raiffeisen Wants a Bigger Piece of Investment Market

By [The Moscow Times](#)

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Raiffeisen Bank International, Eastern Europe's third-biggest bank, is expanding its investment bank unit in Russia to tap the country's growth.

RBI wants to increase the revenue of its mergers and acquisitions unit Raiffeisen Investment AG in Russia tenfold, according to Martin Schwedler, who currently is co-head of RIAG. To support this, RBI is taking a 50 percent stake in RIAG's Russian M&A unit, expanding its scope to also include equity capital markets and installing Schwedler as its head, he said by phone from Vienna.

With as much as 70 percent of investment banking in the region happening in Russia, the country is "booming and we intend to profit from this," Schwedler said. Austria's Wirtschaftsblatt newspaper reported the plans Thursday.

Schwedler has been in charge of RIAG's cooperation with Lazard since it started in 2007.

The world's largest independent merger adviser "encouraged" the expansion in Russia, the banker said. RIAG is among 23 investment banks that are eligible to advise Russia on its planned \$59 billion state asset sale program over the next five years. Lazard isn't on the list, and the two banks will pitch to work on the deal together, Schwedler said in February.

President Dmitry Medvedev ordered the government in March to set the final schedule of the program for the next three years, saying it would bolster the investment climate. Last year was the biggest for Russian M&A since 2007, helped by 96 deals worth \$50.9 billion in the fourth quarter alone.

The Russian investment bank, which is based in Moscow, initially will be made up of five M&A and five equity capital markets bankers, with a midterm goal of 30 to 50 professionals, according to Schwedler. The bank will focus on midcap companies with sales of about 100 million euros (\$142 million) to 1 billion euros. "These are the companies that will go public, merge or be taken over in the coming years," he said.

Wolfgang Putschek, currently Schwedler's co-head at RIAG, will be solely in charge of the M&A unit. RIAG, based in Vienna, employs about 70 investment bankers in Austria, Turkey and nine Eastern European countries including Russia, Ukraine and Poland.

RIAG's most recent Russia deals include advising EMAlliance on its takeover of AE&E Duro Dakovic TEP in Croatia, advising Dr. Oetker on its sale of Russia-based dairy product producer Onken to German cheese manufacturer Hochland and — together with Lazard — advising on the merger of Groupe Danone's Russian dairy-product unit with Unimilk.

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