

# UniCredit Writes Down Its Local Brokerage

By [The Moscow Times](#)

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UniCredit wrote down to zero the goodwill on the Russian brokerage it bought for four times book value in 2006, doubting that the business can make money in an area increasingly targeted by Russian state-owned banks.

UniCredit's Bank Austria unit wrote down the entire remaining goodwill of 50 million euros (\$71 million) on its Moscow-based UniCredit Securities unit, Bank Austria chief financial officer Francesco Giordano told journalists in Vienna on Thursday.

The write-down on the unit formerly known as Aton follows previous impairments in 2008 and 2009. Bank Austria owns most of the Italian lender's Eastern European assets.

"To be honest, if you look at the results, Aton has not been particularly exciting," Giordano said, adding that "we have reassessed partially our activity." UniCredit now wants to "do securities business mostly as support for corporates and a little bit less as a standalone

activity," he said.

UniCredit agreed to buy what was then known as Aton for \$424 million in 2006, winning against rival suitors that included Goldman Sachs Group and JPMorgan Chase, according to Russian media at the time. That was four times Aton's book value, according to Bank Austria's 2007 annual report. The bank wrote down 140 million euros of goodwill in 2008, and another 18 million euros in 2009.

UniCredit's Russian broker business is facing growing competition. Sberbank, the state-controlled lender, is buying Troika Dialog, the country's oldest brokerage, and VTB Group, another state-controlled bank, was the leading equity and debt underwriter last year in Russia two years after it hired more than 100 bankers from Deutsche Bank in Moscow for its startup.

Billionaire Mikhail Prokhorov, who recently entered politics as a leader of business-friendly Right Cause party, bought a 50 percent stake in Renaissance Capital in September 2008.

Aton was founded in 1991 by Yevgeny Yuryev, an adviser to Russian President Dmitry Medvedev. Yuryev retained Aton's asset management business and in 2009 started a new broker under the same name. The new Aton competes with UniCredit.

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