

Troika on Hiring Spree to Beat VTB

By [The Moscow Times](#)

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An additional 40 bankers will increase activity on the Troika trading floor. **Vladimir Filonov**

Troika Dialog, the brokerage being acquired by Sberbank, plans to hire as many as 40 bankers to aid its expansion into mergers and acquisitions and challenge state-run rival VTB Capital.

Troika aims to increase its 100-strong investment banking staff by 25 to 40 percent in the next year to 14 months, said Todd Berman, who was hired as co-head of investment banking from Bank of America Merrill Lynch in September.

"Deal flow will pick up," Berman said in an interview earlier this week. "On debt-capital markets, we are going to print deals every week. Equity deals may come back in the first or second quarter next year, and we are having a lot of dialogue on M&A with clients."

Sberbank chief executive German Gref, a former Economic Development Minister, is seeking to turn the Soviet Union's savings bank into a full-service financial firm that can compete at home and abroad on services from bond underwriting to stock trading.

VTB Capital, created from scratch three years ago by VTB Group, and closely held Renaissance Capital have opened offices and hired staff this year in cities including New York, London, Hong Kong, Frankfurt, Singapore, Dubai, Mumbai and Kiev.

Troika's current investment banking staff of 100 includes 30 to 35 Sberbank transfers who will report to Berman and his co-head, Igor Sagiryan.

Sberbank agreed in March to pay at least \$1 billion for the 64 percent of Troika held by chairman and CEO Ruben Vardanian and his partners and the 36 percent held by South African Standard Bank Group.

Troika has recruited a number of senior bankers since the accord was announced, including Standard Bank's Rob Leith this month as global head of investment banking and markets and Chris Weafer as chief strategist from ING in August.

Berman said he plans to hire "two to three director-level bankers" for mergers and acquisitions by the end of the year.

The staff changes haven't been all one way. Jacques Der Megreditchian stepped down as deputy chief executive officer and head of global markets in September. That followed the June departure of Nick Harwood as deputy head of global markets and head of sales in June. Der Megreditchian had advocated for a management buyout instead of the sale to Sberbank.

The Troika acquisition will push the combined company past VTB and Gazprombank to the top position in underwriting ruble debt, according to data compiled by Bloomberg. Sberbank and Troika combined are No. 9 so far this year in organizing share offerings.

Merger and acquisitions advisory in Russia is dominated by Western banks led by HSBC, Morgan Stanley and Societe Generale, Bloomberg data show. Sberbank is 32nd so far this year, though its biggest competitor overall is VTB, which has been the leading organizer of Russian debt and equity sales for the past two years.

"We are significantly larger than VTB, and there are places where we will compete with them and places where we will complement one another and work together," Berman said. Sberbank, which holds about half of Russian bank deposits, has a market value of about \$57 billion versus \$21 billion for VTB.

VTB Capital said in October it planned to increase its workforce overseas by 25 percent and open offices in countries including Turkey and Bulgaria over the next year to 18 months.

Berman said Sberbank's acquisition of Vienna-based Volksbanken International will open new opportunities to gain investment banking clients in Eastern Europe.

Sberbank agreed on July 14 to buy a network of nine small banks in countries including the Czech Republic, Slovakia, Hungary and most of former Yugoslavia from Austria's Oesterreichische Volksbanken.

Gref said at the time that the acquisition was only the first step in making Sberbank a "global bank."

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