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Russian Federation: Sbierbank takes over Troika Dialog

On 11 March, the state-owned Sbierbank, Russia's largest bank, signed an agreement to acquire the Russian private investment bank Troika Dialog. The acquisition of this bank is another transaction which strengthens the state's presence in the Russian financial sector; this February the state-owned Vnieshtorgbank took control over the Bank of Moscow.

The owners of 63.6% of Troika Dialog were its managers and partners (approximately 130 people in total), led by its founder and head Ruben Vardanian; the remaining 36.4% belonged to the South African Standard Bank. By the end of 2011 Sbierbank will buy up 100% of the investment bank's shares for US$1bn, and will transform it into a subsidiary. In the period from 2011 to 2013, Troika's present owners will retain their influence over the management of the company, and depending on the financial results, Sbierbank will pay them financial bonuses (of perhaps as much as US$700m). Troika Dialog has been one of the most dynamic Russian private investment banks in recent years, becoming a shareholder in many companies in Russia, including the state-controlled Avtovaz and Kamaz; it has also been active in Kazakhstan and Ukraine. The suggestion of reselling shares in Troika Dialog to a state company had already been made in the autumn of 2010, in an interview Vardanian gave to the Russian economic journal *Vedomosti*. Troika's co-owner stated therein that with the state's growing role in the economy, the most profitable thing for private investors to do was to resell the business to a state owner.

Control over Troika Dialog will allow Sbierbank to strengthen its position on the investment market. Its main competitor in this segment will be VTB-Capital, which belongs to the state-owned Vnieshtorgbank (VTB). <Iwo>