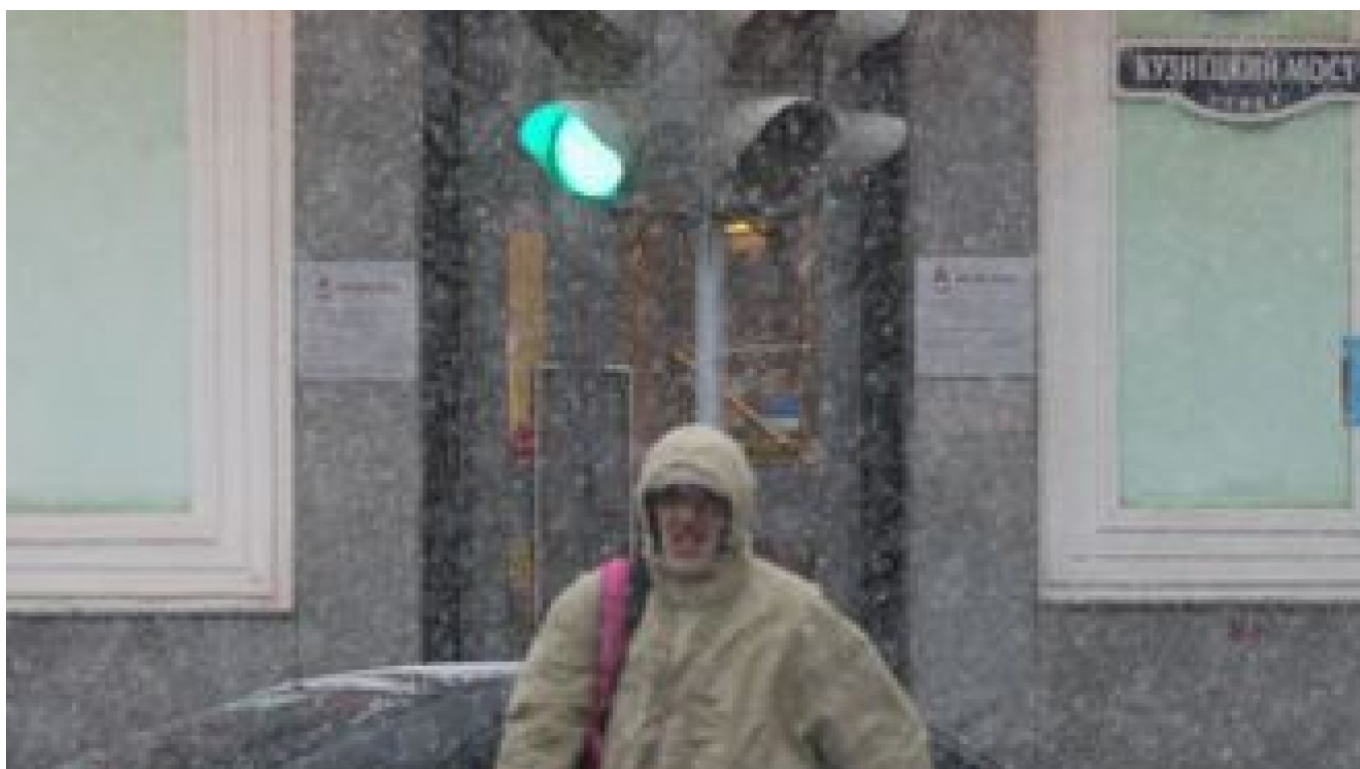


# No Bonuses at Alfa Investment Bank

By [Howard Amos](#)

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Investment bankers at Alfa Bank have reportedly not been paid their bonuses for 2011 after showing its worst result in 10 years. **Andrei Makhonin**

The denial of bonuses to Alfa Bank's investment-banking arm was confirmed Wednesday as the outfit became the second major privately owned investment bank to reveal its suffering in less than a week.

Renaissance Capital, the investment-banking arm of Renaissance Group, said Monday that it made a loss of \$94 million in 2011, its worst result for 10 years.

A source at Alfa Bank, which is owned by Mikhail Fridman's Alfa Group, confirmed to The Moscow Times on Wednesday that the company's investment bankers had not been paid their bonuses for 2011, though they received their annual salaries.

Resentment at the decision was first reported by Finparty.ru last week, which spoke to more than 10 analysts, traders and bankers about the situation. Several bankers left the office in disgust after being informed that bonuses would not be forthcoming, the financial news

website reported.

Alfa Bank's investment bankers were particularly riled by the decision because the group as a whole made a \$641 million profit in 2011 — a record figure in their 20-year history. The investment-banking arm was also profitable.

"The shareholders and the board of directors are of the mind that the possibilities of potential growth for the bank are higher than the market average," Alfa Bank said in e-mailed comments.

"In connection with this, bonuses for the results of 2011 work were not paid to top managers."

The financial woes are more serious at Renaissance Capital. The investment-banking arm of Renaissance Group — owned jointly by Mikhail Prokhorov and Steven Jennings — was the only part of the organization not to turn a profit.

The bank blamed market weakness. "We believe that Renaissance Capital will return to profitability as markets continue to stabilize," it said in a statement.

Private investment-banking outfits have struggled against an unfavorable macroeconomic environment and competition from big state-controlled giants.

The investment-banking division of state-owned VTB made 1 billion rubles (\$30 million) in profit in 2011, according to its results released April 26.

Staff writer Roland Oliphant contributed to this report.

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