

Raiffeisen Switching Attention to Retail in Russia

By [The Moscow Times](#)

July 29, 2014



Raiffeisen Bank will concentrate more on the retail segment in its key Russian market.

VIENNA — Austrian lender Raiffeisen Bank International, or RBI, will concentrate more on the retail segment in its key Russian market amid growing competition for corporate customers, Chief Executive Karl Sevelde told the *Wirtschaftsblatt* newspaper.

"Russia is an important market for us ... but we will wait and see how the situation develops. We will keep doing business but shift the focus from corporate to retail," he said in an interview published on Tuesday.

Margins in the corporate business there are falling sharply but retail margins are not, he said, adding Raiffeisen wanted to exploit its "excellent image" in Russia, RBI's single most profitable market.

As EU countries prepared to impose stepped-up sanctions on Russia for its role in Ukraine's

political crisis, Sevela called for a "balanced solution," noting sanctions would harm not just Russia but also Ukraine and the European Union.

But he added: "One cannot sacrifice all ethical and moral standards for the sake of business."

Sevela said he met President Vladimir Putin at a lunch during his visit to Vienna last month, and said Putin had stressed he had no intention of annexing eastern Ukraine, as it had done with the Crimean Peninsula.

"I had the impression that Putin is not ready to sacrifice his significant, good economic ties with the European Union to this step," he said, adding Ukraine also had a vested interest in finding a balanced position between the EU and Russia.

RBI put the sale of its banking unit in Ukraine on hold during the crisis, but Sevela said he hoped a new parliament to be elected there later this year could restore an environment in which the rule of law prevailed, addressing a major reason why it had considered a sale in the first place. "So we are taking a look at how the situation develops," he added.

RBI also called off a planned sale of its unit in Hungary after getting an offer it deemed too low, but Sevela said the situation there was different than in Ukraine.

"There is peace in the country but no peace between the government and banks," he said, referring to Budapest's efforts to get banks to pay up for what it calls unfair lending practices. Sevela said the steps threatened to cause massive harm to the entire banking system in Hungary.

See also:

[Raiffeisen Bank Closes Crimean Branches](#)

Original url:

<https://www.themoscowtimes.com/2014/07/29/raiffeisen-switching-attention-to-retail-in-russia-a37780>