

# Post Merger Integration Creates Russia's Largest Foreign Banking Group

**Raiffeisen International collaborates with Capgemini to ensure smooth integration of IMPEXBANK with its local subsidiary**

## The Situation

As a major banking group in its region, Raiffeisen International serves 14.4 million customers in 17 markets.

With a vision to becoming a leading foreign banking group in Russia and sustain dynamic growth over the long term, Raiffeisen International acquired IMPEXBANK in 2006. The acquisition, the largest in Raiffeisen International's history, gave the Group access to IMPEXBANK's strong network of branch offices in Russia and led to an integrated bank with a million customers in 48 regions throughout Russia.

Integrating IMPEXBANK's comprehensive retail banking network with Raiffeisen International's banking subsidiary, Raiffeisenbank, was complex due to the diverse nature of both entities.

## The Solution

Capgemini supported Raiffeisen International to develop and implement a post merger solution. Aware of the need for speed in successful Post Merger Integrations (PMI), Capgemini entered into a well structured 14 month engagement with Raiffeisenbank.

## The Result

With Capgemini as a trusted partner, Raiffeisen International was able to fulfill shareholder commitments by concluding the merger activities on time and within budget. It facilitated a harmonized product catalog combining services and products of both former entities.

While profitable service offerings were retained, an exit plan

**“I enjoyed the cooperation with the Capgemini team and always had the feeling that you have been part of our Raiffeisenbank. You did a wonderful job and made an important contribution for the successful merger of Raiffeisenbank and IMPEXBANK.”**

Dr. A. Röchling,  
CFO,  
ZAO Raiffeisenbank Austria



for unprofitable products was created. As a result, Raiffeisenbank was able to substantially improve its cost-to-income ratio for its product portfolio. In addition, Capgemini's hands-on approach to optimize the branch operational model as well as underlying IT architecture allowed Raiffeisenbank to continue its organic growth with the opening of 80 branches in 2007.

### How Raiffeisen International and Capgemini Worked Together

The success of the post merger integration project was based on detailed analysis of the underlying processes of both entities. In all phases of the transformation, teams comprising both entities as well as from Capgemini worked intimately to deliver a full and comprehensive solution of all necessary activities.

By creating a transparent project management process, Capgemini successfully aligned employees from both entities without disrupting daily business operations. Relying on its vast experience in managing key post merger projects in the region, Capgemini applied its proven PMI methodology to deliver results that were on time and above expectations.

The project was structured into a preparation phase (where both banks were analyzed) and an integration phase (where the two were brought together). Both phases were based on three major streams: Business Transformation, Operations Transformation and IT Integration.

During the first phase, strategic objectives as well as the future business and branch network model were defined. In parallel, several IT architecture scenarios were evaluated to correspond to the future business model of the merged entity. As part of this phase, the requisite legal and business requirements were defined.

Based on the vision of the Group, a new regional organizational and steering structure was developed to reflect the strength of the merged

entity while substantial portions of the old legacy system were retained. Synergies were exploited to place Raiffeisen International's new merged entity in a redefined and stronger competitive position and prepare it for future growth.

In the second phase, Capgemini assisted in implementing the future of the merged entity through 26 project integration clusters within each of the three major streams of focus. Aware of the importance of creating a joint understanding of the merged entity, Capgemini ensured transparent and instant communication between local teams from both entities.

Keeping the momentum, focus, and overview of the integration was

critical to guarantee a timely and seamless integration and derive sustainable added value for Raiffeisen International.

In a final step, Capgemini worked together with up to 600 people from Raiffeisenbank and IMPEXBANK for three days to ensure the successful and smooth conversion of the two entities throughout Russia.

Dr. H. Stepic, CEO of Raiffeisen International Bank-Holding AG, comments on the successful partnership with Capgemini as follows: *"This merger is a decisive step towards continuing our successful track record in Russia. With the integration of IMPEXBANK, I am confident that we will prolong our dynamic growth."*



### About Capgemini and the Collaborative Business Experience®

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Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working - the Collaborative Business Experience® -

and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion and employs over 86,000 people worldwide.

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Post-Merger Integration

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In collaboration with



Raiffeisen International operates one of the largest banking networks in Central & Eastern Europe. 17 markets of Europe's growth region are covered by subsidiary banks, finance leasing companies and a number of other financial service providers. Over 14

million customers are attended to through more than 3,000 business outlets. Raiffeisen International is a fully consolidated subsidiary of Raiffeisen Zentralbank Osterreich AG (RZB), which owns 68.5 per cent of the common stock.

ZAO Raiffeisenbank is a subsidiary of Raiffeisen International Bank-Holding AG. Raiffeisenbank is the largest foreign-owned bank in Russia, ranking 7th in terms of assets among top Russian banks. For more information, please visit: [www.raiffeisen.ru](http://www.raiffeisen.ru) or [www.ri.co.at](http://www.ri.co.at)