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Ex-Citi Banker Expands Brazil Startup

Ricardo Lacerda, the former head of Brazil investment banking at Citi, is growing a new Brazil-focused investment banking and asset management firm, BR Partners. The executive, who left Citi last July, has already hired 4 senior bankers and plans to expand the team to 40 people in the next several months, he adds. The effort will focus solely on Brazil, where Lacerda, a banker who also previously led Goldman Sachs' local operation, says he can offer clients the greatest amount of expertise. BR Partners was set up in November as a merchant bank focused on advisory, private equity and asset management. Lacerda tells LatinFinance he will announce several new hires in February and March but declines to name existing colleagues. Initially, the effort will focus on PE and advisory, says the banker, noting that becoming a full service shop is a second stage objective. BR Partners expects to receive a broker-dealer license by mid-2010, which will allow it to become active in trading and asset management. "I think this is an incredible opportunity and the timing is very good," the banker says, noting that he has planned to start his own shop for years. "This is a business based on people, reputation and capital," he adds. The executive was rumored last year to be among the main candidates to head up UBS's Brazil business, but he rejects the chatter. "There were a lot of rumors about UBS, including that I was building all of this on their behalf," says Lacerda. "The truth is I never talked to them," he adds.

BR Partners Raises PE Fund

As former Citi banking chief Ricardo Lacerda builds up a new banking and trading shop called BR Partners, the initial strategy centers around managing a new private equity fund, he tells LatinFinance. "We raised BRL250m exclusively from wealthy Brazilian families to make minority investments in high-growth companies," he says. Unlike many typical PE funds that have lockups and divestment periods, the equity raised for investment has few restrictions on what can be done with the money and how it must return to investors, says Lacerda. The fund will focus exclusively on Brazilian companies with high growth potential, in a variety of sectors. The banker worked with private and public companies, notably Hypermarcas, in his former role as a senior banker at Citi. In M&A advisory, Lacerda says he plans to take on any and all Brazil-focused players, albeit initially with smaller staff. In December, BRP advised Hypermarcas in the acquisition of Neo Quimica for BRL1.4bn.

PDVSA Looks Beyond LatAm for Loan

Venezuela's PDVSA is out with a new \$1.5bn 3-year syndicated loan at Libor plus 450bp. BES and China Development Bank are joint bookrunners and global coordinators on the new deal, suggesting other Asian lenders could also become involved, as well as traditional Europe-based lenders. However, unlike previous forays into the dollar bank market, the facility has not been shopped to some of PDVSA's older relationship banks, to the apparent dismay of executives at some of those lenders. In January 2008, the oil company raised \$1bn in 1-year funds at Libor plus 150bp with several regional lenders. Some of those banks say they have not been approached to participate in the new deal. That facility, which was paid down a year ago, was led by BNP, with BANDES, China Development Bank, RBS, Bladex, Banco do Brasil and Citi. Some local Venezuelan lenders also took smaller tickets. An executive involved in the new syndication says invitations went out Friday to a top tier of would-be lead arrangers, some of them Europe-based, and that a first round would likely be closed by early February. A retail syndication will likely follow, he adds.
