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Pütter walks away from Allianz Capital Partners

Paul Hodkinson

The long-standing head of Allianz Capital Partners, Thomas Pütter, has left after more than a decade at the top of the German insurer's private equity division.

Pütter, one of the industry's best-known names, stepped down from his role as chairman of the advisory board and investment committee at Allianz Capital Partners last week. Allianz said he decided to step back last year, when the division was restructured.

Since Pütter launched it in 1998, Allianz's direct private equity unit grew to 40 employees and had a direct investment portfolio worth between €1bn ($1.3bn) and €2bn. Allianz has generated average annual portfolio returns of about 30% from buyout activities.

Karl Ralf Jung has taken over leadership of the operation.

The news comes after Jonny Maxwell, the head of Allianz's third-party funds business, left late last year.

It is unclear whether Pütter's decision relates to Allianz's reluctance to spin off its private equity operation at a time when various banks and investors are looking to separate from such teams.

Allianz said it had no need to spin off its private equity division as it was in a different position from banks, which were being influenced by regulatory changes.

It is understood ACP has not made a direct investment for years. Allianz said its wider investment group, which includes infrastructure, renewables and fund investments, had invested more than €3bn since 2007, but was unable to say how much of this, if any, was in private equity.

A spokesman said the unit no longer took third-party mandates, but had no shortage of capital because the group had more than €400bn of assets under management. Commenting on the lack of investments, he said that as a captive investment arm it did not need to return cash frequently to investors and could be conservative and careful with deals.

Pütter is expected to stay in the business of building up alternative asset management divisions, although his next move is not known. He declined to comment.

PA PHOTOS

There's an app for that…

From Milan to Mombasa, buyout executives can now calculate deal returns on the road thanks to a new iPhone application, *writes Paul Hodkinson.*

The IRR app, developed by a former fund of funds executive who works at German technology company Zuhanden, enables the user to find out the internal rate of return, money multiple or length of holding period by entering just two of the figures.

Other products developed by the company include Facionic, an application that determines your personality using profile pictures of your face.

Banks get tough on failed buyouts

Toby Lewis

Private equity firms are facing a tougher line from banks in restructurings after banks have put more resources into managing repossessed assets.

Various industry figures said banks had been able to take tougher stances in negotiations after reallocating large numbers of their executives to look after troubled private equity-backed companies in which they have taken equity stakes.

Royal Bank of Scotland has roughly tripled the executives in its restructuring unit, according to Derek Sach, the bank's global restructuring group head. He said private equity firms would not get an easy ride from the banks in cases where their equity was worth nothing.

He said: "If private equity wants to stay in the game, they have to be willing to invest more equity. Otherwise we are happy to go ahead without them."

One banker dismissed the idea that banks did not have the skillset to run companies day-to-day, saying it was "tittle-tattle put about by private equity players, who think they should be able to buy our stakes for a nominal sum".

The news is likely to make grim reading for buyout firms struggling to maintain control of portfolio companies laden with debt. So far this year, the top 10 restructured buyout deals had debt worth a total of €12.2bn ($15.9bn), according to Debtwire data.

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