Advent Intl to Take 80% Stake in Hypo Alpe Adria’s SEE Network--Update

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FRANKFURT--Global private equity investor Advent International GmbH said on Tuesday it will purchase 80% of the Southeast Europe banking network of Hypo Alpe Adria Bank from the Austrian government, with the European Bank for Reconstruction & Development acquiring the remaining 20%.

"The parties have agreed to a purchase price of 200 million euros ($245 million), subject to certain closing conditions and a minimum purchase price of EUR50 million," Advent said.

In addition, the parties have agreed to a repayment schedule for around EUR2.2 billion in existing credit lines, pending available funding.

Advent and the EBRD are purchasing the network from Heta Asset Resolution AG, the "bad bank" holding Hypo Alpe Adria’s remaining assets that is fully owned by the Austrian government. The network has assets of around EUR8.4 billion, with 245 branches throughout the western Balkans.

In late October, nationalized lender Hypo Alpe Adria Bank International AG said it would sell the network to the Advent and EBRD consortium.

The Balkan network’s sale to Advent and the EBRD had been complicated by a legal dispute between Hypo Alpe Adria and its former owner, Bavarian state-owned bank BayernLB, as well as divisions in Austria over the price and legal details of the deal.

A Heta Asset Resolution spokesman on Tuesday confirmed the deal has received the necessary regulatory approvals, adding that BayernLB has said this particular deal doesn’t require its consent.

Hypo Alpe Adria was nationalized in 2009 after overextending itself in southeastern Europe. The government decided in March 2014 to establish a bad bank--Heta Asset Resolution--to wind down the lender, rather than let it become insolvent.

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