

Mergers: Commission approves acquisition of Hypo Group Alpe Adria by the Republic of Austria

The European Commission has approved under the Merger Regulation the acquisition of the Austrian financial group Hypo Group Alpe Adria ("HGAA") by the Austrian Ministry of Finance. The Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area (EEA) or any substantial part of it. This is the second time that the Commission has examined the nationalisation of a bank following the financial crisis under the Merger Regulation. The first case concerned the acquisition of the German financial institution Hypo Real Estate AG by Germany's state-owned Financial Market Stabilisation Fund (see [IP/09/791](#)).

HGAA is a banking group that provides universal banking, asset management and leasing services in several European countries. It was previously controlled by BayernLB. The Austrian Ministry of Finance acquired HGAA under the Austrian Financial Market Stability Act ("FinStaG") in December 2009.

In agreement with the Austrian government, the transaction was notified to the Commission under the Merger Regulation, as the Ministry of Finance had previously acquired another bank under the FinStaG, namely Kommunalkredit Austria AG ("KA"). The Ministry of Finance therefore controls both HGAA and KA, which together reach the turnover thresholds requiring a notification under the Merger Regulation. The transaction therefore falls within the Commission's jurisdiction.

The Commission has assessed the horizontal overlaps between HGAA and KA on the market for public sector financing and real estate leasing and concluded that the transaction would not raise any competition concerns because the two banks have combined market shares of less than 15% under any of the possible market definitions.

More information on the case will be available at:

http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=2_M_5861