2016

Annex to letter Central Bank of Hungary to Andrea Enria

Magyar Nemzeti Bank (MNB)

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Summary

to the decision No. H-SZN-I-23/2016 of the Central Bank of Hungary on the application of the sale of
business tool in the ongoing resolution process in respect of MKB Bank Zrt.

MKB Bank Zrt. (seat: 1056 Budapest, Váci street 38.; Company Register: Budapest-Capital Regional
Court of Appeal, as Registry Court; Company Register No.: 01-10-040952; hereinafter ‘Bank’) was placed
under resolution on 18 December 2014 according to the resolution strategy determined by Magyar
Nemzeti Bank (The Central Bank of Hungary, hereinafter: ‘MNB’) as the designated national resolution
authority.

The obligation to sell the shares (100 per cent) of the Bank was prescribed by the decision of the
European Commission (SA.40441 (2015/N) dd. 16 December 2015. In accordance with the relevant
decision of the European Commission, the sale process must comply with the criteria of open,
transparent, competitive and non-discriminative sale, with the view to maximize the purchase price and
in line with the EU regulations pertaining to State aids within the meaning of the competition law and
the recovery and resolution of credit institutions and investment firms (hereinafter ‘BRRD’).

In order to implement a successful sale on the market and enforce the aforementioned principles
in full, the investment bank J.P. Morgan Limited acted in the sale process as financial advisor to the
seller. With the involvement of other advisors as well, a multi-round competitive sale was conducted
in accordance with international practice. In the initial phase of the sale, open for the submission of non­
binding offers, seven offers were received. In order to ensure sufficient competition, all potential buyers
that submitted non-binding offers were permitted to continue participating in the sales process.

The investors were granted access to legal, business and financial data in a virtual data room, set
up in accordance with international practice, to perform the due diligence review of the Bank. Following
the due diligence process the binding bids had to be submitted by 22 February 2016. Three bids were
received by the specified deadline, from which the MNB selected the members of the syndicate offering
the highest purchase price, i.e. HUF 37 billion, as winner. According to the decision, following the
fulfilment of the closing conditions (including authorisation of the acquisition of holding by the members
of the winning syndicate) the new owners (buyers) of the Bank will be Blue Robin Investments S.C.A.,
METIS Private Capital Fund and Pannónia Pension Fund, member of the CIG Partnership, in a proportion
of 45-45-10 per cent, respectively.

MNB performed the evaluation of the offers in accordance with a set of selection criteria which
were developed in cooperation of a leading international consultant firm and finalized prior to the
submission of the binding offers to be evaluated and which are based on objective foundations,
correspond to international best practice and notified to the bidders in advance. In accordance with the
European Commission’s competition law practice, the purchase price had a decisive role in the selection
decision, but apart from this, the requirements of the resolution framework focusing on financial
stability interests were also taken into account.

MNB has been applying the sale of business tool complying with all requirements laid down in
point a) of Article 36 (1) of the Hungarian Resolution Act transposing Article 39 (1) of BRRD (criteria of

1 BLUE ROBIN INVESTMENTS S.C.A., an investment fund incorporated in Grand Douéchë de Luxembourg managed by Blue Robin Management
Sà.r.l., a company incorporated in Grand Douéchë de Luxembourg which has its registered office at 51 Route de Thionville, L-2651 Luxembourg,
Grand Douéchë de Luxembourg ("Purchaser 1"); METIS MAGÁNTÖKÉLET, a private equity fund incorporated in Hungary with number G122-42
managed by MINERVA Tőkézet-kezelő Zrt., a company incorporated in Hungary with number Cp.01-10-047477 which has its registered office
at 1143 Budapest, Ilka u. 31., Hungary ("Purchaser 2"); PANNONIA NYUGDÍJPÉNZTÁR, A CIG PARTNERSEG TAGIA, a pension fund incorporated
in Hungary with number Cp.01-04-0000052 which has its registered office at 1072 Budapest, Nyár u. 12., Hungary whose sole external
investment manager is Pannonia CIG Adjakészlet Zrt., a company incorporated in Hungary with number Cp.01-10-047318 which has its
registered office at 1072 Budapest, Nyár u. 12., Hungary

2 Act XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial
intermediary system
applying the sale of business tool) into the Hungarian law and the governing Communications of the European Commission.

The decision No. H-SZN-I-23/2016, which is effective from 31 March 2016, does not have any effect on the retail customers of the Bank in turn it is a necessary provision in line of the planned actions and the State aid SA.40441 (2015/N) decision of the European Commission.

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