

Business

China's HNA Boosts Deutsche Bank Stake To Become Largest Shareholder

JILLIAN YUE

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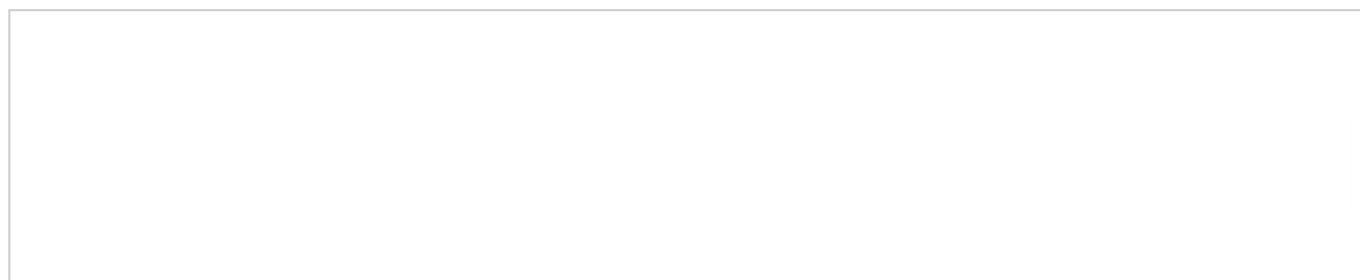
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China's acquisitive conglomerate HNA Group has become the largest shareholder of Deutsche Bank AG, after increasing its stake in the German banking giant to almost

10%, from 4.8% a month ago.

HNA Group's stake has now overtaken Qatar's royal family and BlackRock Inc. to top the shareholder list, after Deutsche raised capital by issuing 687.5 million shares at €19.14 per share, a 39% discount to the stock's market closing price the day before the recapitalization plan was announced.

The US\$8.5 billion capital raising by the German bank is the fourth such issuance since 2010, as part of a turnaround plan initiated by its chief executive officer John Cryan.



Deutsche's shares lost over 60% of their value at one point during the past two years, as it was hit by massive fines amid allegations of violating U.S. economic sanctions and manipulating the LIBOR interest rate index.

Hainan province-based HNA acquired a 3.04% stake in Deutsche in February, becoming the German bank's fourth largest shareholder. It said in March that its stake had risen to 4.8%.

The share purchase came as HNA has been actively expanding its business via overseas acquisitions. The Hainan Airlines-originated group has splashed out more than US\$40 billion on acquisitions in the past two years.

In the past two months, HNA has acquired a 16.79% stake in Dufry AG, a Swiss airport duty free shop operator, and offered to buy Singapore logistics firm CWT Ltd. for US\$1 billion.

It is also leading a deal to acquire an office building in New York city for US\$2.21 billion, and has reportedly acquired an 80% stake of the entity operating the online

portal of Chinese financial news organization Caijing.

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