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U.S.-German consortium interested in Gerling-paper

Troubled German insurer Gerling may be taken over by a U.S.-German consortium instead of being broken up and sold in parts, German magazine DMEuro reported on Monday.

In an early release of an article ahead of publication on Thursday, the magazine said the consortium included Alix Partner, Advent International, Acxit Capital Management and another U.S. fund. The offer was discussed last week at the firm's supervisory board meeting, the magazine said, without citing sources.

A Gerling spokesman declined to comment on the report. He said, however, that the group was negotiating intensely with possible financial partners and strategic investors.

The magazine said the consortium wanted to take over 90 percent of Gerling Holding's stock and said that would result in a capital increase of 800 million euros.

The magazine said that if Deutsche Bank did not take part in the consortium, its roughly 30 percent stake would fall to a few percentage points.

A source told Reuters earlier this month that mutual insurer HDI would seal its acquisition of parts of Gerling shortly.

The source said Hanover-based HDI would pay one billion euros for Gerling's property, casualty and life insurance business in an all-paper deal that would create one of Germany's top three insurance companies.

The long-awaited sale would reduce Deutsche Bank's stake in Gerling to seven percent of the merged group, but would drag out an exit the bank had always said it hoped would be swift.

The report said Deutsche Bank was now prioritising the consortium's offer over the HDI deal.

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