

(BN) Seer's Locam Is Said to Make Top Bid for Bad Italian Bank Loans

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By Luca Casiraghi and Sonia Sirletti

(Bloomberg) -- The Italian unit of Seer Capital Management submitted the highest bid for a bundle of bad loans being sold by a group of local banks, according to people familiar with the matter.

Seer's Locam topped Bayview Asset Management and Davidson Kempner Capital Management in final offers last week, said the people, who asked not to be identified because the information is private. Sellers are currently reviewing the offers, the people said.

Funds were bidding for the junior portion of a 500 million- euro (\$590 million) securitization of bad loans made by a group of cooperative banks that are merging into Cassa Centrale Banca, the people said. The securitization is called Buonconsiglio.

Small cooperative banks are combining in larger groups to comply with Italy's bank reform and preparing for stress tests by the European Central Bank next year.

Officials at Cassa Centrale Banca, based in Trento, couldn't immediately be reached for comment on the bids.

Officials at Locam, Bayview and a spokesman for Davidson Kempner declined to comment.

Seer Capital is a New York-based credit fund, specializing in loans and structured credit, with about \$1.1 billion of assets under management, according to its website.