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Penta's problem



The arrest in Slovakia yesterday of Partner Jaroslav Haščák of Penta Investments on charges of corruption and money laundering is one of the biggest events in years in Czech and Slovak business and is on the same general level as the prosecution of Czech PM Andrej Babiš. There was speculation last year, with good reason, that Babiš's legal problems could cause Agrofert's banks to call their roughly Kč 40bn in loans. The same now applies to [Penta's €1.27bn in short- and long-term borrowings](#). Penta's fortunes depend in many cases on government decisions, and Haščák's arrest raises serious questions about the methods it uses. Will banks and other creditors that are already under immense pressure because of covid want to watch as rival oligarchs use their media to tarnish Penta's good name, hoping to be able to pick off some of its assets at depressed prices? Penta missed its chance to avoid this by severing its ties with Haščák and claiming that he was just a bad apple.

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