

02.07.2012 – 15:01 Uhr

Helaba takes over S-Group Bank Business of WestLB with retroactive effect from 1 July 2012

Frankfurt am Main (ots) -

- Helaba becomes the S-Group Bank for 117 savings banks in North Rhine-Westphalia and Brandenburg
- Broadening of the group of owners of Helaba
- Capital contribution of EUR 1 billion
- Agreement with Portigon until the transfer of the S-Group Bank NRW

On 29 Friday 2012, the Supervisory Board and the Board of Owners of Helaba approved the assumption of the central bank business of WestLB for the savings banks by Helaba. Over the weekend, the Boards of Directors of Helaba, WestLB and Erste Abwicklungsanstalt (EAA) as well as the owners of WestLB and the Bundesanstalt für Finanzmarktstabilisierung (Federal Agency for Financial Market Stabilisation) signed a corresponding framework agreement and agreed on a time schedule for implementation.

In line with this transaction, four new owners will be added to the group of owners of the Bank:

- the Rheinischer Sparkassen- und Giroverband (Rhenish Savings Banks and Giro Association - RSGV) and the Sparkassenverband Westfalen-Lippe (Savings Banks Association Westphalia-Lippe - SVWL) as well as

- the German Savings Banks and Giro Association as the owner of the Deposit Protection and Investor Compensation Scheme of the Landesbanks and of the deposit protection and investor compensation schemes of the regional associations of the savings banks.

By means of a cash capital increase at Helaba in an amount of EUR 1 billion, the new owners receive equity shares in the Bank. After the implementation of the capital increase, the ownership structure of Helaba will be as follows: The Savings Banks and Giro Association Hesse-Thuringia (SGVHT) remains by far the largest shareholder, accounting for a share of 68.85 per cent. The State of Hesse will hold 8.1 per cent of the ordinary capital and the Free State of Thuringia will hold 4.05 per cent. The new owners will in total hold 19 per cent of the ordinary capital.

In accordance with the so-called "Cornerstone Agreement" ("Eckpunktevereinbarung") of June 2011, Helaba will take over a S-Group Bank portfolio with total assets of about EUR 40 billion, risk-weighted assets (RWA) in an amount of EUR 8.3 billion, as well as 451 employees. The S-Group Bank will be transferred with a goodwill of zero Euro.

Until 31 August 2012, all agreements required for the takeover of the S-Group Bank will be certificated. From 2 July to 31 August, the S-Group Bank business will be performed jointly by Portigon as the legal successor to WestLB and Helaba. In this connection, details as to the concrete procedure and the definition of the interests of Helaba have been bindingly laid down in a supplemental agreement. The technical transfer of the S-Group Bank to Helaba and the registration of the transaction in the Commercial Register will be completed after the presentation of the interim accounts by WestLB until 17 September 2012. Comprehensive, active and sustainable services for the savings banks and their customers are thus ensured from Monday, 2 July 2012, by Helaba and Portigon.

Hans Dieter Brenner, CEO of Helaba, expressed his satisfaction with what has been achieved: "Irrespective of this - unfortunately necessary - detour, which results from technical requirements in connection with the transformation, we have made a big step forward in terms of strategy. We are on track to becoming a leading S-Group Bank in the savings banks organisation," wrote Brenner in a letter to the Helaba employees.

In the business model of Helaba, the business field 'S-Group Bank' will in future be of even greater importance. In addition to the 50 savings banks in Hesse and Thuringia, the Bank will become the central bank for another 106 savings banks in North Rhine-Westphalia. In the State of Brandenburg, Helaba will, on the basis of a framework agreement with the East German Savings Banks Association (Ostdeutscher Sparkassenverband - OSV), assume the S-Group Bank function for the eleven savings banks in that State. Brenner: "Together with the participating associations, we have defined the principles and the organisation of cooperation in the S-Group Bank business. Individual contracts, in which the savings banks and Helaba define their concrete cooperation in the agreed business fields, are embedded in this framework. To date, practically all savings banks in NRW have signed such a contract. Our principle "Partnership, not Competition" will also in North Rhine-Westphalia and Brandenburg form the basis for our joint services to customers and our market development."

The North Rhine-Westphalian market holds considerable potential for Helaba, also outside the S-Group Bank business strictly

speaking. "We see the opportunity of significantly strengthening our activities in the core business fields and to comprehensively complement our business model," said Brenner. He sees potential in particular in Transaction Banking, in custodian business and in the business with large corporates, institutional customers and the public sector.

Brenner: "Together with our new owners and their savings banks, we want to cover all aspects of the financial market nationwide and realise the common interests of our owners in a Bank that is acting sustainably and risk-consciously in all business fields, as laid down in the cooperation agreement."

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