

Press Release

EAA confirms participation in Greek Government bond exchange

Düsseldorf (September 12, 2011) - The Supervisory Board of Erste Abwicklungsanstalt (EAA) has approved the participation of the winding-up agency and its subsidiary, EAA Covered Bond Bank plc, Dublin, in the planned exchange of Greek bonds. The Supervisory Board adopted the proposal made by the Managing Board to exchange bonds worth approx. EUR 1 billion for new 30-year paper. As all bonds in the current EAA portfolio issued or guaranteed by the Greek government will mature before 2020, they fully comply with the conditions specified in the offer.

“By exchanging the bonds, we want to make a further contribution to stabilising the financial markets,” said EAA Board members Markus Bolder and Matthias Wargers. The Managing Board and the legal supervisory body are of the opinion that this step is consistent with the legal and statutory tasks of Erste Abwicklungsanstalt, according to which EAA shall minimise the risks in the liquidation of its portfolio and optimise the value in the long term. To achieve this objective, EAA may take measures to restructure its portfolio. “We assume that the bond exchange will have a positive effect in the long term and will thus stabilise the liquidation results of EAA,” said Matthias Wargers.

As a precautionary measure, EAA had written down the Greek bonds by 21% or approx. EUR 242.5 million with effect as of June 30, 2011, thus following a recommendation made by the Institute of Chartered Accountants in Germany (IDW).

For further queries

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About the Erste Abwicklungsanstalt (EAA)

The EAA has taken over risk exposures and non-strategic business units from WestLB AG with an original total volume of 77.5 billion euro. It manages this portfolio with the goal of minimizing risk. The EEA is a structurally and financially independent public law institution with partial legal capacity within the FMSA. The EEA is not a credit institution within the meaning of the German Banking Act and does not operate any business requiring authorization within the meaning of the EU-Directive 2006/48/EG. The EEA is not supervised as a credit institution by the German Federal Financial Supervisory Authority (BaFin). Stakeholders in the EAA are the state of Nordrhein-Westfalen (approx. 48.2%), the two savings bank associations of the state of Nordrhein-Westfalen (each approx. 25%) and the two regional associations of the state of Nordrhein-Westfalen (each approx. 0.9%).