

Press Release

Sale of WestImmo concluded as planned

Düsseldorf, 1 June 2015 Erste Abwicklungsanstalt (EAA) has concluded the sale of Westdeutsche Immobilienbank (WestImmo) as planned. Now that the necessary regulatory approvals, amongst others, have been received, the closing of the transaction, i.e. the transfer of the shares to the buyer Aareal Bank Group, has taken place effective 1 June 2015. The agreement on the sale of WestImmo shares had already been signed at the end of February.

EAA regards the sale of its largest participation as a milestone for the wind-up of the portfolio. The sale of the bank will be reflected in the interim results for the second half of 2015. The transaction will once again considerably decrease the holdings of loans and securities in the EAA banking book portfolio – EUR 49.5 million as at 31 March 2015. In addition, the sale will have a positive effect on earnings for the fiscal year 2015 and on the long-term wind-up planning of EAA.

According to Matthias Wargers, Spokesman of the EAA's Managing Board, the total capital repayments and income for EAA from its participation in WestImmo – from its transfer up to and including the sale – amounts to considerably more than EUR 800 million. "Between the signing in February and today's closing, there were no further significant changes in the overall amount of capital repayments and income," said Wargers. This means that the cash inflows received from the EAA's stake in WestImmo far exceed the book value when it was initially transferred.

The 100 per cent stake in WestImmo was transferred to EAA in 2012. Previously, the real estate lender belonged to the former WestLB AG. Today's sale of WestImmo by EAA was preceded by extensive restructuring measures. EAA worked together with WestImmo's management to focus the real estate financier on the business as a Pfandbrief bank.

Inquiries

EAA Press Office: 0211 826-7900

EAA is a financially and organisationally independent public law institution. It was established in 2009 with a view to helping stabilise the financial markets. According to its statutes, its mission is to wind up risk positions taken over from the former WestLB in a risk-minimising manner. EAA has taken over positions totalling approximately EUR 200 billion. Being a public-law institution, EAA has a bankruptcy-remote structure and funds itself independently in the capital market. Thanks to the loss compensation duties of the State of NRW, the North Rhine-Westphalian savings bank and regional associations and the Financial Market Stabilisation Fund laid down in the statutes, EAA can issue securities at favourable conditions. EAA nevertheless plans to complete the wind-up activities in 2027 at least “with a black zero” - i.e. without taking advantage of the loss compensation duties. Stakeholders in the EAA are the Land of North Rhine-Westphalia (approx. 48.2%), both of the North Rhine-Westphalian savings banks and Giro associations (both approx. 25%) and both North-Rhine Westphalian regional authorities (both approx. 0.9%).