



Presseinformation Sparkassen- und Giroverband Hessen-Thüringen

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The owners of Landesbank Hessen-Thüringen have agreed on an Adaptation of the silent participations of the State and submitted an initialled agreement to the BaFin

The owners of Landesbank Hessen-Thüringen (Helaba) – the State of Hesse, the Free State of Thuringia and the Savings Banks and Giro Association Hesse-Thuringia (Sparkassen- und Giroverband Hessen-Thüringen - SGVHT) – over the last weekend agreed on contractual terms and conditions to safeguard the equity capital base of Helaba. A corresponding agreement was initialled yesterday and forwarded to the BaFin. "As stated in April, we have kept our promise and thus adapt the existing silent participations held by the State of Hesse to the future supervisory requirements," stated the Hessian Minister of Finance, Dr. Thomas Schäfer. His Thuringian counterpart stated that the interests of the Free State of Thuringia will be safeguarded in full by the arrangements made: "The particular rights of cooperation and veto rights of the States which, which result from the Guarantor Agreement, are maintained; the same applies to the participation level." The Executive President of the SGVHT, Gerhard Grandke, said: "The solution that has now been found will strengthen the core capital of Helaba. We really appreciate this outcome."

In order to comply with the future requirements of banking supervisory law, the owners of Helaba agreed to adapt in particular the participation in profit, loss and any liquidation proceeds to the future requirements of Basel III. Instead of a fixed interest, the State of Hesse will in future receive a share in the Bank's net income for the year in the amount of its percentage interest held as remuneration for its participation. If this is not disbursed – which is to be decided on anew each year by the Board of Owners, also with regard to the holders of participations in the ordinary capital – the State's share is allocated to a reserve.

In accordance with the requirements, the amended Participation Agreements were forwarded in initialled form to the BaFin on 31 October. The owners are positive that "the arrangement that has been agreed upon strengthens the Bank and thus creates the prerequisite for ensuring that Helaba will be able to play a central and material role also with regard to the further consolidation in the Landesbank sector."

Hessen's Minister of Finance Schäfer was highly satisfied with the agreements that have been made: "The fact that the adaptation of our silent participation will result in a Core Tier 1 Ratio of Helaba of about 10 %, is a strong and powerful signal after the resolutions passed by the EU summit on a stronger recapitalisation of the banks. Helaba is and will remain a credit institution that is healthy to the core."

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