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Hengeler Mueller advises WestLB on Restructuring

The shareholders of WestLB AG have reached an agreement with the German Federal Agency for Financial Market Stabilisation (*Bundesanstalt für Finanzmarktstabilisierung*), Erste Abwicklungsanstalt and WestLB AG on a framework for the restructuring plan of WestLB AG.

The business related to the savings banks (*Sparkassenverbundgeschäft*) with a balance sheet total of € 40-45 billion and approx. 400 employees will be transferred to a new credit institution (*Verbundbank*) established and capitalised by the Savings Banks Finance Group (*Sparkassen-Finanzgruppe*). WestLB AG is free to sell further business units until 30 June 2012. Such activities as will not have been sold until the end of this period shall be transferred to Erste Abwicklungsanstalt. In the future, WestLB AG will operate as a Service and Portfolio Management Bank. The Savings Banks and Giro Association of Rhineland (*Rheinischer Sparkassen und Giroverband*) and the Savings Banks and Giro Association of Westphalia-Lippe (*Sparkassenverband Westfalen-Lippe*) will cease to be shareholders of WestLB AG.

The burden of the restructuring will be covered by equity capital that remains within WestLB AG after the split-off of the Verbundbank, and by the additional and, if possible, subordinated liability of the State of North Rhine-Westphalia in an amount of € 1 billion as well as by the ownership responsibility of the State of North Rhine-Westphalia. The silent partnership contribution of the Financial Market Stabilisation Fund (*Finanzmarktstabilisierungsfonds*) to WestLB AG will be reduced by € 1 billion.

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Hengeler Mueller advises WestLB AG on the restructuring. The Hengeler Mueller team is led by partners Johannes Adolff (Frankfurt) and Dirk Bliesener (Frankfurt) and includes partners Hans-Jörg Niemeyer (State Aid, Brussels), Axel Baumanns (Corporate/M&A, Düsseldorf), Gerd Krieger (Corporate/M&A, Düsseldorf), Karsten Schmidt-Hern (Corporate/M&A/Restructuring, Frankfurt), Sven H. Schneider (Corporate / M&A / Regulatory, Frankfurt), Alexander Rang (Finance/Regulatory, Frankfurt), Christian Hoefs (Labour, Frankfurt), Thomas Müller (Corporate/M&A, Frankfurt) as well as associates Dirk Busch (Düsseldorf), Lucina Berger (Frankfurt), Malte Rosenberg (Düsseldorf), Timm Fabian Ebner (Frankfurt), Hannah Ehlers (Brussels), Christine Messing (Frankfurt) and Thomas Richter (Frankfurt).

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