

Press release

Judgement of Regional Court of Frankfurt/Main

Erste Abwicklungsanstalt ordered to pay to Portigon AG approx. EUR 1bn

Düsseldorf, 29 September 2021. With judgement dated 29 September 2021, the Regional Court of Frankfurt/Main has ordered Erste Abwicklungsanstalt AöR (EAA) to pay to Portigon AG approx. EUR 1 bn. In 2012 and based on the decision of the European Commission, EAA has, in a financial markets stabilization transaction, taken over risk assets from Portigon AG (former WestLB AG). Portigon AG is currently being held liable by the tax authorities to repay refunded/counted tax credits in connection with suspected dividend arbitrage tradings in an amount of approx. EUR 1 bn. Portigon AG claims from EAA to be held harmless from such tax claims. EAA is convinced that there is no legal basis for such claim. Therefore, EAA will appeal against the decision of the Regional Court of Frankfurt/Main.

Enquiries

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The EAA is a financially and organisationally independent public law institution. It was established in 2009 with a view to helping stabilise the financial markets. In accordance with its charter, its mission is to wind up risk positions taken over from the former WestLB in such a way as to minimise losses.

The EAA has taken over positions totalling approximately EUR 200 billion, which it accomplished in two stages: The “first fill” in 2009/2010 comprised loans and securities with a notional volume of EUR 77.5 billion. The second transfer, or “replenishment”, took place in 2012 and comprised loans, securities (banking portfolio) and derivatives (trading portfolio) in the amount of EUR 124.4 billion.

Being a public law institution, the 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 its charter, the EAA can issue securities on favourable terms. The 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. Shareholders in the EAA are the state of North Rhine-Westphalia (approx. 48.2%), the two North Rhine-Westphalian savings banks and giro associations (both approx. 25%) and the two Regional Associations of North-Rhine Westphalia (each approx. 0.9%).