



Statement by Commissioner Vestager following agreement in principle with German authorities on state aid procedure concerning HSH Nordbank AG

Brussels, 19 October 2015

Following a meeting today with the Minister-President of the German state of Schleswig Holstein, Mr Torsten Albig, and First Mayor of Hamburg, Mr Olaf Scholz, European Commissioner Margrethe Vestager, in charge of competition, made the following statement:

"I am glad to announce that I have today reached an agreement in principle with the German authorities on the way forward to finally conclude the European Commission's State aid procedure on HSH Nordbank and approve the €3bn guarantee increase.

This is a positive step which creates the chance for the sale of an important part of the bank and can pave the way for a privatised, viable business to emerge from the sales process.

My services will now take the necessary steps to formalise this agreement in principle in a Commission decision that will be proposed to the College of Commissioners."

Following intensive negotiations the Commission and German authorities have been able to agree a solution that includes, first, a split of the bank into a holding company taking over most of the guarantee fee payment obligations and an operating subsidiary which will continue the bank's current operations. Secondly, the operating subsidiary will subsequently be privatised in an open, transparent and non-discriminatory tender process. The subsidiary to be sold will be restructured in a way that facilitates a successful sales process in the light of the privatisation. The proceeds from the sale will be used in the first place to satisfy the German states' guarantee fee claims. The Commission will assess the entity resulting from the sales process in a subsequent decision. Should the sales process fail, the bank will have to cease new business activities and manage the assets with a view of winding them down.

Background

The procedure [was opened in 2013](#) when HSH Nordbank's risk shield had to be re-increased from €7 billion to €10 billion. At that time, the Commission temporarily approved the aid but required a new and deeper restructuring of the bank to enable a final approval of the re-increased guarantee.

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