

The Minister
of Finance
of the State of
Baden-Württemberg

The Minister
of the Interior
of the State of
Baden-Württemberg

Savings Banks
Association
Baden-Württemberg
President
Heinrich Haasis

State Capital
Stuttgart
The Mayor

Stuttgart, July 27th 2001

Reference:
(In reply please quote)

Statement concerning the Agreement with the EU Commission in the matter of Anstaltslast and Gewährträgerhaftung of Landesbank Baden-Württemberg

On July 17, 2001 the negotiations with the EU Commission in the matter of Anstaltslast und Gewährträgerhaftung were successfully completed. Thereby the necessary legal certainty was laid down for the future operations of the Landesbanken. With regard to the particular structure of the guarantee instruments it was agreed that after a transitional period of four years the Gewährträgerhaftung will be abolished as of July 18, 2005 and the Anstaltslast will be modified. With respect to the main issue of the transitional period the following provisions were agreed:

- Liabilities accrued already before July 18, 2001 are covered by Gewährträgerhaftung until they expire. I.e. these liabilities are fully covered by the grandfathering provisions even if the date of their ultimate maturity occurs after December 31, 2015.
- During the transitional period from July 19, 2001 to July 18, 2005 Anstaltslast and Gewährträgerhaftung, in their current form, will remain in full force and effect.
- Liabilities incurred during the transitional period are covered by the grandfathering provisions and hence covered by Gewährträgerhaftung subject to the condition that their maturity does not extend beyond December 31, 2015.

This regulation also warrants the timeliness of payments, in the same manner as ever, for all liabilities incurred before the transitional period as well as liabilities incurred during the transitional period the maturities of which do not extend beyond December 31, 2015.

The result of the negotiations with the Commission will be incorporated into the pertinent laws of the State of Baden-Württemberg in the course of a contemplated legislative measure. This embraces the provisions concerning the transitional period and the timeliness of payments of the liabilities in connection therewith.

Gerhard Stratthaus

Dr. Thomas Schäuble

Heinrich Haasis

Dr. Wolfgang Schuster