

Press Release

21 March 2018

Management Boards of DG HYP and WL BANK sign merger agreement

Launch of DZ HYP scheduled for the end of July 2018

DG HYP and WL BANK, two real estate banks from the German cooperative banking sector, are expediting their planned merger. The two banks had already expressed their intention to merge in June 2017, when they signed a Memorandum of Understanding. On 20 March 2018, the Management Boards of DG HYP and WL BANK signed the merger agreement, thus achieving another key milestone on the path to the creation of DZ HYP.

Work on the structural, technical and cultural integration is progressing on schedule. The General Meetings of DG HYP and WL Bank will resolve on the merger when they each take place at the end of May 2018. The merger is planned to become legally effective upon the entry into the Commercial Register, by the end of July 2018.

Dr Georg Reutter, Chairman of the Management Board of DG HYP, emphasised: "Through the merger of DG HYP and WL BANK, we continue to pursue the consolidation and efficient positioning of the *Volksbanken Raiffeisenbanken* cooperative financial network. The aim is to bring together two companies which are already successful in their own right, to form an even more powerful institution."

Frank M. Mühlbauer, Chairman of the Management Board of WL BANK, added: "DZ HYP will be a reliable and competent partner to the German cooperative banks – a partner facing the network's common challenges and promoting solutions."

The merged real estate bank will continue to serve existing client segments – commercial real estate investors, the housing industry, public-sector clients, as well as private customers – in the same scope and depth as today. DZ HYP will be a leading provider in all business segments. At the same time, the merger will create Germany's largest Pfandbrief issuer.

The next milestones of the merger, according to current planning:

25 May:	Ordinary General Meeting of WL BANK
28 May:	Ordinary General Meeting of DG HYP
30 May:	Ordinary General Meeting of DZ BANK
End of July:	Entry into the Commercial Register

Contacts:

Uwe Kirchner, DG HYP
Phone: +49 40 3334-2318
uwe.kirchner@dghyp.de

Dr Axel Roßdeutscher, WL BANK
Phone: +49 251 4905-2100
axel.rossdeutscher@wlbank.de