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Luther obtains approval from German Federal Cartel Office: three savings banks to merge in Lower Saxony

The German Federal Cartel Office approves the merger of the Sparkasse Hildesheim, the Sparkasse Goslar/Harz and the Kreissparkasse Peine

Brussels/Düsseldorf – The Sparkasse Hildesheim, the Sparkasse Goslar/Harz and the Kreissparkasse Peine are to be allowed to merge. The German Federal Cartel Office approved the merger on 10 August 2016. Luther Rechtsanwaltsgesellschaft mbH has represented the savings banks throughout the merger proceedings.

Although the operating areas of the three savings banks are immediately adjacent to one another, the German Federal Cartel Office has approved the merger. The German Federal Cartel Office analysed the various markets concerned in the banking services sector for private and business clients by region, and partially identified a high market share for the savings banks involved. In particular, it examined the market for private current accounts, and credit markets for business customers, in depth, including using a market survey.

In spite of these circumstances, they were able to obtain competition law clearance during the first phase (i.e. within one month). This was significantly faster than other merger procedures involving savings banks, and was only possible thanks to the intensive preparations for the arbitration procedure by all concerned.

The three savings banks can now carry out all of the steps required to usher in a new era as the Sparkasse Hildesheim Goslar Peine, on schedule for 1 January 2017. With total assets of around €7 billion, the new bank will be the 3rd biggest savings bank in Lower Saxony.

Background

Lower Saxony's legislators have prescribed geographically limited areas of activity for the savings banks. These legal requirements mean that they are not allowed to operate in the other banks' areas: according to the Lower Saxony Savings Bank Act, the business area of a savings bank generally corresponds to the area of their local government bodies. Generally, it is therefore forbidden for savings banks to open branches and advertise outside their business areas. The German Federal Cartel Office investigations into this case have shown that any overlap in the business areas of the banks concerned is negligible.

German Federal Cartel Office Press release:

http://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2016/10_08_2016_Sparkassen.html

On behalf of the savings banks

Luther, Antitrust Law: Dr Helmut Janssen (Lead Partner, Dusseldorf and Brussels), Martina Stasch (Brussels)

Luther, Mergers & Acquisitions: Dr Oliver Kairies (Partner), Dr Andreas Blunk, MLE (Of Counsel, Hanover)

Federführende Sparkasse Hildesheim, In-house: Dirk Kasten (Head of Board Office Sparkasse Hildesheim)

Brief Profile Luther

Luther is a leading German commercial law firm that offers comprehensive legal and tax services. The full-service law firm employs over 350 lawyers and tax advisors and is represented at 10 German economic centres and at important investment locations and financial centres in Europe and Asia with international offices in Brussels, London, Luxembourg, Shanghai, Singapore and Yangon. Our clients are medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions worldwide. On the Continent, Luther is part of a group of independent leading law firms who have worked together for many years on joint cross-border projects.

Luther Rechtsanwaltsgesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit.

Our lawyers and tax advisors have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks. Further information is available at: www.luther-lawfirm.com

Press contact

Luther Rechtsanwaltsgesellschaft mbH
Anna-Schneider-Steig 22
50678 Cologne | Germany
katja.hilbig@luther-lawfirm.com

Katja Hilbig
Press Officer
Phone +49 221 9937 25070
Mobile +49 1520 16 25070