



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MARK E. VAN DER WEIDE
GENERAL COUNSEL

February 28, 2025

Thomas Delaney, Esq.
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Dear Mr. Delaney:

This letter is in response to the request by Niedersachsen Invest GmbH (“NIG”) and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (“HanBG,” and together with NIG, the “Government-Owned Entities”), each of Hannover, Germany, for relief from certain reporting, capital, filing, and other prudential requirements attendant to ownership of a foreign banking organization that does business in the United States. The Government-Owned Entities made this request concurrently with requests for (1) exemptions under section 4(c)(9) of the Bank Holding Company Act (“BHC Act” or “Act”)¹ from the nonbanking restrictions of the Act; and (2) permission to comply with the enhanced prudential standards of the Board’s Regulation YY² through a subsidiary.³

The Government-Owned Entities own a controlling interest in Norddeutsche Landesbank Girozentrale (“NordLB”), also of Hannover, Germany, a German bank with a branch in the United States. Under section 8 of the International Banking Act of 1978, any foreign bank that operates a branch, an agency, or a commercial lending company in the United States and any company that controls the foreign bank is subject to the BHC Act as if the foreign bank or company were a bank

¹ 12 U.S.C. § 1843(c)(9).

² 12 CFR part 252.

³ These requests were separately considered. See Letter from Ann E. Misback to Thomas Delaney, Esq. (Feb. 28, 2025).

holding company.⁴ Accordingly, the Government-Owned Entities, through their control of NordLB,⁵ are subject to various requirements of the BHC Act and the Board's Regulations Y.

The Government-Owned Entities assert that certain reporting, capital, filing, and other requirements applicable to foreign banking organizations pursuant to the BHC Act would require a substantial increase in their funding and personnel and would interfere with the State of Lower Saxony's public policy objectives. The Government-Owned Entities also argue that the requested relief from the various reporting, filing, and capital requirements as they apply to foreign banking organizations would be consistent with the Board's treatment of other foreign government-owned companies.⁶ In addition, the Government-Owned Entities note that a foreign subsidiary bank of the Government-Owned Entities, NordLB, would remain subject to any applicable reporting, capital, filing, and other requirements.

Based on these considerations and on all the facts of this case, including the representations and commitments made by the Government-Owned Entities, staff would not recommend that the Board take action to require the Government-Owned Entities to comply with certain regular reporting, capital, filing, and other requirements of the BHC Act, and the Board's regulations. The findings and decision herein are based on all the facts of record and the representations made by the Government-Owned Entities to the Board in connection with their request. Any change in the facts presented could result in different conclusions and should be reported immediately to Board staff.

Sincerely,

(signed) Mark Van Der Weide

Mark Van Der Weide
General Counsel

⁴ 12 U.S.C. § 3106(a).

⁵ 12 CFR 211.21(o).

⁶ See Board letter to H. Rodgin Cohen, Esq. (Aug. 5, 2008).