

Press release

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E/D/E established ETRIS BANK

As a fully owned subsidiary of E/D/E, ETRIS BANK will further professionalise its parent company's financing business. ETRIS BANK will launch its business operations on 1st January 2012.

Wuppertal/Düsseldorf – The family-owned medium-sized company E/D/E, which is based in Wuppertal, has established its own bank — ETRIS BANK GmbH. E/D/E has already received its license to provide financial services from the Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank. The new company has also been entered in the commercial register. ETRIS BANK will launch its business operations on 1st January 2012. The launch will be preceded by a six-month pilot phase starting on 1st July.

“The establishment of ETRIS BANK is a logical and consistent step in the continuous expansion of all of the company's areas of activity. It is a core element of E/D/E's long-term corporate strategy,” says Hans-Jürgen Adorf, Chairman of the E/D/E Management Board. At E/D/E, the development of specialised professional skills was followed by the establishment of a team organization, process optimisation, the construction of the eLC logistics centre and an intense campaign to internationalise E/D/E. This sequence of important strategic measures will now be continued with the further professionalisation of the area of financial services.

ETRIS BANK is a special institute for central accounting, payments and trade finance; it will take over E/D/E's financing activities in the future. The new bank is a fully owned subsidiary of E/D/E. In the context of central accounting it forms a stable joint liability scheme together with E/D/E. “This is a long-term measure that will open up

many new possibilities for our 1,400 medium-sized member companies, our approximately 2,500 suppliers and E/D/E itself,” says Adorf. He emphasizes that through this strategic approach E/D/E will further strengthen the association — including its network of distributors and suppliers — in the financial services area as well.

As a corporate bank for medium-sized companies in the industrial wholesale distribution sector and for its suppliers, ETRIS BANK is designed to meet the sector’s specific needs. “The main function of ETRIS BANK is central accounting, including the assumption of del credere liability. This will make central accounting, which is a core business area of E/D/E, future-proof,” says Dr. Andreas Trautwein, the Management Board member who is responsible for financial services, amongst other areas. The volume of central accounting at E/D/E amounts to almost €5 billion. By internationalising central accounting, ETRIS BANK will also open up new opportunities for E/D/E in Europe.

Trading companies that are members of E/D/E can open traditional bank accounts at ETRIS BANK. Additional services that may be offered in the future include investment financing, factoring, sureties and guarantees. “The further development of ETRIS BANK’s range of services will be based on the specific needs of E/D/E members and suppliers,” says Dr. Trautwein. “That’s because medium-sized family-owned companies will be dealing with one another on equal terms in the new bank as well.” ETRIS BANK has been designed as a practical complement to the banks these companies normally use. The new bank’s customer target group consists exclusively of E/D/E partners that are the company’s members and suppliers.

ETRIS BANK will optimise payment and accounting processes overall. Up to 35,000 documents are processed every day at E/D/E by means of state-of-the-art electronic technology. That corresponds to an annual volume of more than 7.5 million transactions.

By establishing ETRIS BANK, E/D/E is putting its financial business on a more secure footing. It is also voluntarily complying with the strict stipulations of banking regulatory law, which means that it will be continuously monitored by the Federal Financial Supervisory Authority and the Deutsche Bundesbank. This will guarantee security for all the partners involved.

When it launches its business operations, the new E/D/E subsidiary will already have a wealth of sector expertise. Thanks to the E/D/E's decades of experience in the area of central accounting, ETRIS BANK — as a “child of the sector” — has extensive market knowledge, a deep understanding of the sector, tremendous financial expertise and a natural affinity with its customers, E/D/E's members and suppliers. As a result, ETRIS BANK combines the expertise of E/D/E with professional banking know-how.

E/D/E deliberately chose Wuppertal as the headquarters of ETRIS BANK. This is the city where E/D/E — a family-owned company whose Management Board now includes members of the founding family's third generation — was established 80 years ago. By locating the bank in Wuppertal, E/D/E is emphasizing its firm commitment to the city of Wuppertal and the region. “We expect to hire more well-qualified employees in the future as the bank continues to develop. That will benefit not only E/D/E and ETRIS BANK but also the entire region,” says Dr. Andreas Trautwein.

E/D/E (Einkaufsbüro Deutscher Eisenhändler GmbH — Purchasing Association of German Hardware Dealers) is Europe's largest purchasing and marketing association. Its members include more than 1,000 medium-sized trading companies in the area of industrial wholesale distribution, as well as 376 additional retail traders. These companies deal in tools, machines and company equipment, building fittings and building elements, sanitary and heating equipment, steel and mounting technology, welding and security systems, industrial technology and occupational safety products. Most of these member companies primarily supply commercial clients from industry, the skilled trades and municipalities.

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