

News Release

DEPFA announces consent solicitation for subordinated tier 1 instruments

- Redemption price of €290 per €1,000 of such Securities and additional consent fee of €10 per €1,000 of such Securities

Dublin, 20 November 2012 –DEPFA BANK plc today announces a consent solicitation to seek the consent of holders of the preferred securities (the “**Securities**”) issued by the tier 1 issuing vehicles DEPFA Funding II LP, DEPFA Funding III LP and DEPFA Funding IV LP to amend the terms and conditions of the Securities to allow for a redemption of the Securities.

The consent solicitation is a voluntary, market-based approach which reflects the distressed nature of the Securities. Through the redemption of the Securities, DEPFA aims to create additional core tier 1 capital, thereby optimising and simplifying its capital structure.

Each series of the Securities is perpetual with no fixed maturity date and no distribution payments have been made since 2009. The consent solicitation provides an opportunity for investors to exit their investment in compliance with State Aid rules regarding burden sharing and other regulatory requirements.

DEPFA has requested all Holders of the Securities consent to the proposals by way of securityholders’ resolutions. The deadline for voting and being eligible to receive the consent fee is the end of the day (New York time) on 18 December 2012 (subject to any earlier deadline of the clearing systems) and the meetings of Holders are expected to occur on 20 December 2012.

Subject to the passing all of the resolutions in respect of each series of the Securities, DEPFA will pay to each Holder who voted in favour of the proposals before the consent fee deadline an amount of €10 per €1,000 of such Securities in addition to the redemption price of €290 per €1,000 of such Securities. No payment will be made in respect of accrued distributions on any of the Securities.

J.P. Morgan Securities plc is acting as Consent Co-ordinator and Lucid Issuer Services Limited is Tabulation Agent in this transaction.

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This release does not constitute an invitation to participate in the Consent Solicitation in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws.

*No offer or invitation to redeem any securities is being made pursuant to this release. This release must be read in conjunction with the consent solicitation memorandum dated 20 November 2012 (the “**Consent Solicitation Memorandum**”).*

This release and the Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made in relation to the Consent Solicitation. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian trust company or other nominee must contact such entity if they wish to participate in the Consent Solicitation. None of DEPFA, the Consent Co-ordinator, the Tabulation Agent or any of the Paying Agents (as defined in the Consent Solicitation Memorandum) makes any recommendation as to whether or not or how beneficial owners of Securities should participate in the Consent Solicitation.