

## Press Release

JOINT PRESS RELEASE OF FMSA AND HRE

### Wind down of DEPFA Bank plc by FMS Wertmanagement

**Frankfurt/Munich, 13 May 2014** –On 13th May 2014, having considered all options, the inter-ministerial Steering Committee, which decides on measures related to the Financial Market Stabilisation Fund (SoFFin), and an Extraordinary General Meeting of Hypo Real Estate Holding AG (HRE) have decided in favour of the preparation of a take over and wind down of DEPFA Bank plc (DEPFA) by the government owned FMS Wertmanagement (FMS-WM). The transfer to FMS-WM will be conducted according to the terms and conditions HRE had negotiated with the external bidder.

HRE acquired DEPFA in 2007. In 2008, during the international financial crisis, HRE Group ran into difficulties, threatening the group's existence. The German government stabilised the group with liquidity guarantees and capital and acquired all shares in HRE. In 2010, non-performing and non-strategic DEPFA assets in the amount of approximately €31 billion were transferred to FMS-WM. Since then, DEPFA has reduced its remaining core-portfolio by almost half to €34 billion (31/12/2013). The DEPFA portfolio consists primarily of assets with good issuer ratings (investment grade). As of 13/12/2013, DEPFA showed a balance sheet total of €49 billion.

„It will be FMS-WM's task to reach the best possible wind down result for the German tax payer. Past experiences with DEPFA and FMS-WM are encouraging“, said Dr Christopher Pleister, Chairman of the FMSA steering committee.

Manuela Better, CEO of HRE, said: “We have created very good options by preparing the sale of DEPFA ready for signing, in the Management's view, to very advantageous conditions and with the transfer of managerial responsibility. It goes without saying that the decision not to sell, but to wind down DEPFA under FMS-WM, is that of the owner. We will assist constructively with the transfer.”

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