

DEPFA PFANDBRIEF BANK INTERNATIONAL S.A.

Société anonyme

8-10, Rue Jean Monnet

L - 2099 Luxembourg

R.C.S. Luxembourg : B71104

Luxembourg, 29 August 2018

Notice of a second meeting of *lettres de gages* holders is hereby given to the holders of the outstanding CHF92,005,000 3.125% *Lettres de gage publiques* 2006-2020 due 31 August 2020 issued by DEPFA Pfandbrief Bank International S.A. (formerly Hypo Pfandbrief Bank International S.A.) (the **Company**), under its Programme for the Issuance of Debt Instruments dated 9 May 2006 and final terms dated 21 August 2006 in the initial amount of CHF150,000,000 and subsequently increased (in two subsequent tranches of CHF100,000,000 in September 2006 and CHF150,000,000 in August 2007 to form a single series) to CHF400,000,000 unconditionally and irrevocably guaranteed pursuant to an universal guarantee by its then parent Hypo Public Finance Bank (now with DEPFA BANK plc), issued on 23 August 2006, with ISIN Code: CH0026463577 and listed and admitted to trading on the SIX Swiss Exchange (the **Instruments**).

In accordance with Article 470-14 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, the holders of the Instruments are convened to this second meeting because a first meeting (the **First Meeting**) of the Company with the same Agenda (as defined below) held on 28 August 2018 at 11.00 A.M. Central European Summer Time (CEST) at the registered office of the Company was adjourned by the board of directors of the Company as the necessary quorum to validly deliberate was not reached.

SECOND MEETING OF THE INSTRUMENT HOLDERS

of the Company (the **Second Meeting**) which shall be held on Friday, 14 September 2018 at 11.00 A.M. Central European Summer Time (CEST), at the registered office of the Company, with the following agenda (the **Agenda**):

Agenda:

1. Amendment of the Maturity Date (as defined in the terms and conditions of the Instruments (the **Conditions**)) of the Instruments to 27 September 2018 (the **Amended Maturity Date**) and on the Amended Maturity Date redemption of each Instrument by the Company at its Final Redemption Amount (as defined in the Conditions) plus a premium calculated as per the formula set-out below in the relevant Specified Currency (as defined in the Conditions).

The proposed amendment of the Maturity Date and redemption of the Instruments is driven by the Company's obligation (as part of the DEPFA BANK plc group of companies in wind-down owned by the German State owned agency, FMS Wertmanagement AöR) to consider ways to accelerate the wind-down of the Company and to reduce costs for the benefit of its owners. The Instruments, with a current maturity of 31 August 2020, are the longest dated *lettres de gage* outstanding and shortening their maturity will give the board of directors' scope to seek an early return of the banking licence and to expedite the liquidation of the Company.

The Final Redemption Amount to be paid by the Issuer will be calculated based on a yield to maturity of Mid Swaps plus 18 basis points. "Mid Swaps" will be the rate to the maturity of the

Instruments linearly interpolated between the 1Yr CHF Swap Mid-Rate (Bloomberg ticker “SFSW1 ICPL Curncy”) and 2Yr CHF Swap Mid-Rate (Bloomberg ticker “SFSW2 ICPL Curncy”) as quoted at 11.00 a.m. CEST two Business Days prior to the Amended Maturity Date. On the Amended Maturity Date, the Instruments would be redeemed and cancelled by the Company.

All the Instruments are represented by a Global Note (the **Global Note**). The Global Note is held by a depositary for SIS SegInterSettle AG, the Swiss Securities Services Corporation in Olten, Switzerland (**SIS**, which expression shall include any other clearing institution recognised by the SIX Swiss Exchange) (the **Clearing System**).

Each person who is the ultimate beneficial owner of a particular amount of the Instruments, through the Clearing System or its account holders with the Clearing System (the **Accountholders**) should be entitled to attend and to vote at the Second Meeting in accordance with the procedures set out below.

For the purposes of the Second Meeting, the report of the board of directors of the Company provided for Instrument holders in respect of the Second Meeting under Luxembourg company law will be available for inspection at the offices of each of the Company and Helvetische Bank AG acting in its capacity as Paying Agent (as defined in the Conditions) during normal office hours from 3 September 2018 until the adjournment or conclusion of the Second Meeting.

The report of the auditors of the Company provided for Instrument holders in respect of the Second Meeting under Luxembourg company law will be available for inspection at the offices of each of the Company and the Paying Agent during normal office hours from or about 10 September 2018 until the adjournment or conclusion of the Second Meeting. Further information on the Company is available on the website at www.depfa.com.

Any Instrument holder wishing to attend and to vote at the Second Meeting in person must produce at the Second Meeting a valid voting certificate issued by the Paying Agent in respect of which he wishes to vote.

If an Instrument holder does not wish to attend the Second Meeting, he can appoint either the Paying Agent or an authorised representative of his choice as a proxy (with power of substitution) to attend and vote at the Second Meeting on his behalf by indicating the type of vote in respect of the proposed resolution.

Any Instrument holder or proxyholder wishing to attend and vote at the Second Meeting must present at the beginning of the Second Meeting all requested documents evidencing the holding of the Instruments, in a form satisfactory to the scrutineer of the Second Meeting, and, among others, the passport in order to verify the identity of the Instrument holder or proxyholder and any other document evidencing the powers of the representative of the Instrument holder or evidencing that a proxy has been validly granted to the representative.

Instrument holders who are not Accountholders must arrange through their broker, dealer, commercial bank, custodian, trust company or other nominee to contact the Accountholder through which they hold their Instruments in order to procure delivery of their voting instructions through the Clearing System to the Paying Agent.

Instrument holders who wish to attend and vote at the Second Meeting should contact the Clearing System (through the relevant Accountholders, if applicable) to make arrangements to be appointed as proxy in respect of the Instruments in which they have an interest for the purpose of attending and voting at the Second Meeting in person. Such Instrument holder must have made arrangements to vote with the Clearing System (through the relevant Accountholder, if applicable) in time for the Clearing System to arrange for them to be appointed as a proxy no later than 48 hours before the time fixed for the Second Meeting.

Instrument holders who wish to vote at, but who do not wish to attend, the Second Meeting should contact the Clearing System (through the relevant Accountholders, if applicable) to arrange for another person nominated by them to be appointed as a proxy in respect of such Instruments in which they have an interest to attend and vote at the Second Meeting on their behalf or to make arrangements for the votes relating to such Instruments in which they have an interest to be cast on their behalf by or on behalf of the Paying Agent acting as a proxy. An Instrument holder must have made arrangements to vote with the Clearing System (through the relevant Accountholder, if applicable) in time for the Clearing System to arrange for the Instrument holder's proxy, or a representative of the Paying Agent to be appointed as a proxy not later than 48 hours before the time fixed for the Second Meeting.

Once the Paying Agent has issued a voting certificate for the Second Meeting in respect of the Instruments, it shall not release the Instruments until either (i) the Second Meeting has been concluded, (ii) the Second Meeting has been adjourned or (iii) the voting certificate has been surrendered to the Paying Agent. A vote cast in accordance with a block voting instruction may not be revoked or altered during the 48 hours before the time that has been fixed for the Second Meeting.

Instrument holders should note that they must allow sufficient time for compliance with the standard operating procedures of the Clearing System and if applicable, such Accountholder in order to ensure delivery of their voting instructions to the Paying Agent in accordance with the time frame set out in this convening notice. Instrument holders are urged to contact any such person promptly to ensure timely delivery of such voting instructions.

Once the instructions to participate at the Second Meeting or to vote by proxy have been given, the Instrument holder's interest in the Instruments will be blocked until the conclusion of the Second Meeting or the adjournment of the Second Meeting. This means that it may not be possible to sell such Instruments until the conclusion of the Second Meeting or the adjournment of the Second Meeting.

Instrument holders who took no action in respect of the First Meeting can give instructions for the Second Meeting by following the same instructions as above. No quorum requirement applies for the Second Meeting. The resolution of the above Agenda will be adopted by the approval of a majority of two thirds of the votes cast by the Instrument holders present or represented at the Second Meeting.

For the purpose of this convening notice "48 hours" and "24 hours" shall mean a period of 48 hours or 24 hours respectively including all or part of a day upon which banks are open for business in both the place where the Second Meeting is to be held and the place where the Paying Agent has its specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours or 48 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

The period to give instructions is scheduled from 30 August 2018 08:00 CEST to 11 September 2018 23:59 CEST.

UNDER NO CIRCUMSTANCES SHALL THIS NOTICE CONSTITUTE AN OFFER TO SELL, OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR BONDS IN ANY JURISDICTION WHERE ACTION FOR THOSE PURPOSES WOULD BE REQUIRED. THE INSTRUMENT HOLDERS SHOULD SEEK AND OBTAIN THEIR OWN LEGAL AND TAX ADVICE IN CONNECTION WITH THE SECOND MEETING.