

Press Release – DEPFA Pfandbrief Bank International S.A.

24 January 2019

DEPFA Pfandbrief Bank International S.A. (“**DEPFA PBI**”) is a wholly owned subsidiary of DEPFA BANK plc (“**DEPFA**”) which is wholly owned by FMS Wertmanagement AöR (“**FMS-WM**”) the German state-owned, wind-down agency. FMS-WM was established in order to wind up risk positions and non-strategic operations of the former Hypo Real Estate Holding AG group (“**HRE Group**”) which included the DEPFA sub-group. DEPFA PBI has not undertaken any new business for several years and has been methodically shrinking its balance sheet in line with the DEPFA group policy of preserving capital and winding down its portfolio in a manner designed to maintain value.

Since 2016 FMS-WM has been purchasing covered bonds issued by the DEPFA group in the market, including Lettres de Gage Publiques (“**LdG**”) issued by DEPFA PBI. LdG held by FMS-WM were subsequently bought back by DEPFA PBI and cancelled. As a result of these buybacks and the natural maturing of LdG, the size of the LdG cover-pool has been steadily decreasing.

The final LdG of DEPFA PBI, in the amount of Euro 10m, matured on 23 January 2019 and today DEPFA PBI has removed the remaining asset from the LdG cover-pool. This reduces the total outstanding liabilities and assets in the DEPFA PBI cover-pool to zero. As DEPFA PBI has no plans to issue any new LdG, its cover-pool will now close. This marks another milestone in the managed wind down of the DEPFA group.

The current revised business assumption for DEPFA PBI is that, subject to all regulatory and corporate approvals and satisfaction of contractual terms and conditions and further wind down measures, any remaining assets or liabilities in DEPFA PBI will have been transferred to a successor or affiliate entity by 1 January 2020.

If you have any questions, please contact Rachel Martin, Head of Communications for DEPFA at +353 1 792 2144 or by email at rachel.martin@depfa.com or Frank Hessel Communications for FMS-WM at +49 89 9547627 647 or by email at frank.hessel@fms-wm.de