

Media Release

HRE Group pays first instalment of a Euro 1.59 billion payment obligation to FMS Wertmanagement

Dublin/Munich, 2 September 2011 – Within the framework of the transfer of assets from HRE Group (HRE) to FMS Wertmanagement that took place on 1 October 2010 the German Financial Market Stabilisation Agency (FMSA) reserved the right to stipulate a required payment (purchase price adjustment) of up to Euro 1.59 billion in order to avoid distortion of competition. The FMSA has now issued a respective decree that the full amount is to be borne by the DEPFA Bank plc. sub-group. The first instalment of the purchase price adjustment became due and payable by the DEPFA BANK plc sub-group on Friday in the amount of Euro 800m. The payment will have no P&L effect but will reduce the equity.

With the payment HRE passes a portion of the support received from the Federal Republic of Germany to FMS Wertmanagement.

The remaining amount will not arise unless and until the conditions for payment can be satisfied. As specified in the 2010 DEPFA Annual Report the conditions are to ensure that payment would not cause the regulatory tier 1 capital ratio of any of the bank entities to fall below 15%. In addition payment of the purchase price adjustment must not result, inter alia, in: any of the bank entities or their parent becoming insolvent, illiquid or result in a negative going concern assumption; or the violation of any relevant regulatory capital ratios, major credit limits or other legal or regulatory requirements.

Media Contacts:

Walter Allwicher, +49 (0)89 2 88 02 87 87, walter.allwicher@hyporealestate.com
Oliver Gruss, +49 (0)89-2 88 02 87 81, oliver.gruss@hyporealestate.com