

STOCK EXCHANGE ANNOUNCEMENT

For immediate release on 2 September 2011

Ad Hoc Announcement

Payment of Purchase Price Adjustment

Dublin, 2 September 2011 – Reference is made to the Ad Hoc Announcement of 1 October 2010 relating to the transfer of assets to FMS Wertmanagement AöR (FMS-WM) and to the press release of 18 July 2011 by the European Commission approving the restructuring aid provided to Hypo Real Estate Holding AG (HRE) and its subsidiaries (including the DEPFA BANK plc sub-group) subject to the implementation of the restructuring plan and the fulfilment of the commitments provided by Germany regarding HRE's restructuring.

Within the framework of the transfer of assets to FMS-WM that took place on 1 October 2010 the German Financial Market Stabilisation Agency (FMSA) reserved the right to stipulate a required payment (a purchase price adjustment) of up to Euro 1.59 billion in order to avoid distortion of competition. The FMSA has issued a declaratory decree that the full amount is to be borne by the DEPFA BANK plc sub-group. The first instalment of the purchase price adjustment becomes due and payable by the DEPFA BANK plc sub-group today in the amount of Euro 800m. Accordingly the following bank entities within the DEPFA BANK plc sub-group will pay to FMS-WM the Euro amounts specified below:

DEPFA BANK plc	656,000,000
DEPFA ACS BANK	106,000,000
HYPO Pfandbrief Bank International S.A.	26,000,000
Hypo Public Finance Bank	12,000,000

The remaining amount will not arise unless and until the conditions for payment are met. As specified in the 2010 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.

Issued on behalf of the following companies and limited partnerships in respect of their listed debt:

DEPFA BANK plc	DEPFA Funding II LP
DEPFA ACS BANK	DEPFA Funding III LP
HYPO Pfandbrief Bank International S.A.	DEPFA Funding IV LP

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