

# Sale of FMS-WM's participation in DEPFA BANK plc – Notice inviting expression of interest

Munich, 14 July 2020. FMS Wertmanagement AöR ("FMS-WM"), a winding-up institution indirectly owned by the Federal Republic of Germany, intends to sell 100% of the shares in DEPFA BANK plc ("DEPFA") in an open, transparent, competitive and non-discriminatory auction sale process.

DEPFA is a Dublin-based licensed credit institution, incorporated under Irish law and supervised by the Central Bank of Ireland. DEPFA holds a full banking licence and has been focusing on public sector financing. Through its subsidiary DEPFA ACS BANK DAC ("DEPFA ACS"), DEPFA holds a licence to issue public credit covered bonds under the Irish Asset Covered Securities Act, 2001 (as amended).

FMS-WM was established in 2010 for winding down Hypo Real Estate Holding AG (the former parent company of DEPFA). In 2014, FMS-WM acquired all shares in DEPFA and accelerated its wind-down, with the goal of achieving the best possible outcome in the interest of the German taxpayer. The balance sheet was reduced from EUR 48.5bn (Dec-2014) to c. EUR 8.9bn (Dec-2019). The remaining portfolio mainly consists of loans and bonds to German and other Western European borrowers from the public sector, rated AAA to A (overall EaD of c. EUR 2.0bn). As of year-end 2019, DEPFA's CET1 ratio amounted to 152.3%.

DEPFA has closed all of its former overseas branches and is currently implementing the dissolution and liquidation of its remaining non-strategic subsidiaries. In 2019, DEPFA conducted its operations with on average 111 employees.

DEPFA operates as a licensed EU bank, with a standalone platform and provides a potential investor with the ability to add further scale to the business. For further information regarding DEPFA including its 2019 annual report, please refer to the official DEPFA webpage <https://www.depfa.com>.

Barclays Bank Ireland PLC ("Barclays") is acting as exclusive financial adviser to FMS-WM in connection with this sale process. Any interested party intending to participate in the sale process must register its interest with Barclays. Interested parties can register their interest to participate in the process for the potential sale of 100% of the shares in DEPFA until 3 August 2020, 12:00 noon CEST.

The expression of interest must be submitted by email to [sae-won.hwang@barclays.com](mailto:sae-won.hwang@barclays.com) and [InterestinDEPFA@barclays.com](mailto:InterestinDEPFA@barclays.com), either in German or English, and contain the following details: (i) name and address of the interested party, (ii) names of the respective responsible individuals to be contacted with any questions, and (iii) a confirmation of a power of representation if you are acting on behalf of a third party (agents and advisers).

Besides the submission of such expression of interest, interested parties will be required to sign a customary confidentiality agreement. Subsequently, interested parties will be invited to take part in Phase 1 of the sale process and will receive further information on the process, the requirements as to potential investors as well as information relating to DEPFA.

FMS-WM reserves the right to restrict the number of parties in the sale process. An assessment of the (indicative) offers will be conducted based on the criteria disclosed in the process letter(s) and including, inter alia: (i) experience and track record in acquiring and managing a regulated credit institution in Europe, (ii) ability to provide DEPFA with the required funding and liquidity support, (iii) capabilities to finance and execute the proposed transaction, and (iv) indicative valuation and commercial terms of the indicative offer.

## Contact Persons Barclays

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