

# FMS Wertmanagement: Result for the first half of 2018 and changes in the Executive Board

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## **Significant advances in unwinding the portfolio and winding up the DEPFA Group**

### **Positive half-year result of EUR 105 million**

FMS Wertmanagement (FMS-WM), the German federal government's winding-up institution, generated a result from ordinary activities of EUR 105 million in the first half of 2018, which, as expected, is down on the figure for the prior-year period (H1 2017: EUR 298 million). Total assets of FMS-WM for the first six months amounted to EUR 150.1 billion (year-end 2017: EUR 157.3 billion). Since the beginning of the year, the nominal value of the portfolio has been reduced by EUR 5.1 billion or 6.6% to EUR 71.7 billion (H1 2017: a decrease of 8.1%).

The decline in the result for the first half-year is attributable to the further reduction in the size of the portfolio, the resulting drop in interest income and the substantial year-on-year decrease in one-off effects. General and administrative expenses decreased by 10.4% in the first six months of 2018 to EUR 69 million (H1 2017: EUR 77 million). Based on the successful first half of 2018, the Executive Board of FMS-WM again anticipates a positive result from ordinary activities for 2018 as a whole.

Excellent progress was made with the wind-up of the Irish DEPFA Group, which is not consolidated by FMS-WM. Since the beginning of the year, its total assets have been reduced by 8.6% to EUR 17.0 billion; the CET 1 ratio is now 96%.

## **Changes in the Executive Board in 2019**

Frank Hellwig, Chief Operating Officer of FMS-WM with responsibility for IT, Sourcing and Operations Management as well as Legal and Group Compliance, notified the Supervisory Board of his intention not to extend his contract that is due to expire in 2019. After nine very successful years in a position of responsibility, he now intends to focus on other tasks outside FMS-WM. The Supervisory Board complied with his request.

“Frank Hellwig played an important part in setting up FMS Wertmanagement in 2010,” said Jan Bettink, Chairman of the Supervisory Board. “Under his direction, stable, efficient operations were established at FMS Wertmanagement that are crucial for fulfilling our task of winding up our portfolio. The Supervisory Board would like to take this opportunity to thank Frank Hellwig for his excellent work and to wish him all the best in his future professional and personal endeavours.”

“After a very challenging and exciting start-up phase, in which we entered unfamiliar territory in many respects, FMS Wertmanagement is well positioned for carrying out its task,” said COO Frank Hellwig. “I am proud to

have been part of this. In recent years, we have also made faster progress than expected in unwinding the portfolio in ways that maximise its value. I really enjoyed working with all employees and the other members of the Executive Board, but now I would like to focus on new challenges outside the FMS Group.”

Stephan Winkelmeier, Spokesman of FMS-WM’s Executive Board, said, “In his further capacity as Chairman of the Supervisory Board of FMS Servicegesellschaft and as a member of DEPFA’s Board of Directors, Frank was instrumental in ensuring constructive, efficient cooperation between FMS Wertmanagement and its subsidiaries. Likewise, I am very grateful to him for his initiative to outsource most of our IT landscape. Streamlining our management structure is also in keeping with our mandate to wind up the portfolio taken over from the HRE Group in ways that maximise its value.”

Following Frank Hellwig’s departure, the position of Chief Operating Officer will not be filled. The responsibilities for this Board department will be taken over by Chief Executive Officer Stephan Winkelmeier and by Chief Risk/Financial Officer Christoph Müller.

*FMS-WM was established in July 2010 as the Federal government’s winding-up institution for the purpose of taking over and unwinding the HRE Group’s risk positions and non-strategic operations in ways aimed at minimising losses. The Federal Republic of Germany is the sole owner of FMS-WM via the Financial Market Stabilisation Fund (FMS).*

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