

Ad Hoc Announcement - For immediate release

RE: Confirmation by DEPFA ACS BANK and DEPFA Pfandbrief Bank International S.A. of the buyback and cancellation of certain covered bonds and the sale of assets

4 November 2016

Issued on behalf of DEPFA ACS BANK ("**DEPFA ACS**") and DEPFA Pfandbrief Bank International S.A. ("**DEPFA PBI**") and together with DEPFA ACS, the "**Issuers**") in each case in respect of its covered bonds (as defined below) listed on a trading venue within the scope of Regulation (EU) No. 596/2014 (the "**Market Abuse Regulation**"). The Market Abuse Regulation requires disclosure of inside information relating to the Issuers and the covered bonds.

Background:

On 14 October 2016, DEPFA ACS and DEPFA PBI announced a transaction to buyback and cancel certain of their covered bonds (respectively, asset covered securities ("**ACS**") and Lettres de Gage Publiques ("**LdG**") and collectively, the "**covered bonds**") from FMS Wertmanagement AÖR ("**FMS-WM**") and then to sell to FMS-WM certain assets.

Confirmation of buyback of covered bonds:

With effect from today, DEPFA ACS confirms the purchase of approximately Euro 4.0bn (in total nominal amount) of ACS (which include global notes and registered notes). Details of the purchases of the global notes are set out in the table below:

Issuer: DEPFA ACS

ISIN / Common Code	Maturity Date	Issuance Currency	Amount Purchased	Principal Amount Outstanding	Listing
CA249575AG69	31/03/2025	CAD	297,629,000.00	2,371,000.00	London
CA249575AJ09	24/08/2035	CAD	349,450,000.00	550,000.00	Dublin
CH0022738105	13/10/2017	CHF	191,940,000.00	74,705,000.00	Swiss
CH0024021302	15/02/2019	CHF	140,640,000.00	59,360,000.00	Swiss
CH0026116084	31/07/2031	CHF	195,640,000.00	4,360,000.00	Swiss
DE000A0BCLA9	21/05/2019	EUR	551,300,000.00	448,700,000.00	Frankfurt & Dublin
US249575AN19 / DE000A0LPMX0	16/03/2037	USD	934,211,000.00	28,390,000.00	Dublin
XS0206924309	17/12/2024	CHF	50,000,000.00	-	None
XS0235645214	05/12/2025	EUR	100,000,000.00	-	None
XS0239624546	22/12/2030	USD	65,000,000.00	-	None

DEPFA PBI confirms the purchase of approximately Euro 826m (in total nominal amount) of LdG (which include global notes and registered notes). Details of the purchases of the global notes are set out in the table below:

Issuer: DEPFA PBI

ISIN / Common Code	Maturity Date	Issuance Currency	Amount Purchased	Principal Amount Outstanding	Listing
CH0026463577	31/08/2020	CHF	304,995,000.00	92,005,000.00	Swiss
XS0294671291	20/04/2027	CHF	50,000,000.00	-	None

Cancellation of covered bonds:

All the covered bonds being bought back by the Issuers will be cancelled where bought back in full or, where bought back in part, have the principal amount outstanding reduced accordingly.

Sale of assets:

With effect from today, following the cancellation of the covered bonds described above, FMS-WM will immediately complete the purchase from DEPFA ACS of approximately Euro 4.1bln (in nominal value) of public sector assets and approximately Euro 1.1bln (in nominal value) of public sector assets from DEPFA PBI.

Purchase price:

The purchase price of both the covered bonds and the public sector assets have been conducted on an arm's length basis and assessed at fair market value.

FMS-WM and the wind down of the DEPFA group:

FMS-WM is the parent company of DEPFA BANK plc which is the parent of DEPFA ACS and DEPFA PBI. FMS-WM was established in 2010 as a German state owned wind down agency in order to wind up risk positions and non-strategic operations in a manner aimed at maximizing the value of the relevant assets. FMS-WM took ownership of DEPFA BANK plc in December 2014. The strategy of DEPFA BANK plc is to continue to wind down its balance sheet and those of its subsidiaries in a manner designed to maintain value. Completion of the transactions identified in this announcement is a further step in the wind down plan of the DEPFA BANK plc group which helps reduce the cover pools of both DEPFA ACS and DEPFA PBI.

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