

Ad Hoc Announcement - For immediate release

RE: Purchase by FMS Wertmanagement AÖR of DEPFA group covered bond securities

29 July 2016

Issued on behalf of DEPFA ACS BANK in respect of its listed debt.

In January 2016, FMS Wertmanagement AÖR ("**FMS-WM**"), the parent company of DEPFA BANK plc ("**DEPFA**" and collectively with its subsidiaries the "**DEPFA Group**"), announced a public tender offer to purchase certain Asset Covered Securities issued by DEPFA ACS BANK, Dublin ("**DEPFA ACS**"), and certain Lettres de Gage Publiques issued by DEPFA Pfandbriefbank International S. A. Luxembourg ("**DEPFA PBI**"). FMS-WM has to date purchased DEPFA ACS covered bond securities with an aggregate nominal amount of around EUR 4.8 bn (a nominal amount of around EUR 3 bn thereof pertaining to global notes and the remainder to registered notes) and DEPFA PBI covered bond securities with an aggregate nominal amount of around EUR 0.8 bn (a nominal amount of around EUR 0.3 bn thereof pertaining to global notes and the remainder to registered notes), in total around EUR 5.6 bn. About EUR 2.6 bn of the covered bond securities issued by the DEPFA Group were purchased in the context of the public tender offer and a further EUR 3 bn have been acquired by FMS-WM based on bilateral agreements with investors. Further detail of the percentage holding by FMS-WM in the global notes is set out in the tables below.

Issuer: DEPFA ACS

ISIN / Common Code	Maturity Date	Issuance Currency	Principal Amount Outstanding	Amount Purchased	% of FMSW holding	Listing
CA249575AG69	31/03/2025	CAD	300,000,000	297,419,000	99.1%	London
CA249575AJ09	24/08/2035	CAD	350,000,000	349,450,000	99.8%	Dublin
DE000A0LPMX0 / US249575AN19	16/03/2037	USD	962,601,000	927,211,000	96.3%	Dublin
CH0022738105	13/10/2017	CHF	266,645,000	191,940,000	72.0%	Swiss
CH0024021302	15/02/2019	CHF	200,000,000	140,640,000	70.3%	Swiss
DE000A0BCLA9	21/05/2019	EUR	1,000,000,000	551,300,000	55.1%	Dublin & Frankfurt
CH0026116084	31/07/2031	CHF	200,000,000	195,640,000	97.8%	Swiss
XS0209003697	07/01/2020	EUR	400,000,000	400,000,000	100%	London
XS0225861060	11/08/2032	USD	50,000,000	50,000,000	100%	Dublin
XS0215668376	01/04/2020	EUR	50,000,000	50,000,000	100%	Dublin
XS0239624546	22/12/2030	USD	65,000,000	65,000,000	100%	N/A
XS0206924309	17/12/2024	CHF	50,000,000	50,000,000	100%	N/A
XS0235645214	05/12/2025	EUR	100,000,000	100,000,000	100%	N/A

Issuer: DEPFA PBI

ISIN / Common Code	Maturity Date	Issuance Currency	Notional Currency	Notional Purchase Currency	% of FMSW holding	Listing
CH0026463577	31/08/2020	CHF	397,000,000	304,995,000	76.8%	Swiss
XS0294671291	20/04/2027	CHF	50,000,000	50,000,000	100%	N/A

In addition, in 2015 FMS-WM has – as communicated before – purchased hybrid capital debt instruments issued by DEPFA through the funding vehicles: DEPFA Funding II LP, DEPFA Funding III LP and DEPFA Funding IV LP. The remaining hybrid securities issued by these vehicles not acquired by FMS-WM were subsequently acquired by DEPFA, such that DEPFA and FMS-WM jointly hold 100 % of DEPFA’s hybrid capital debt instruments with an aggregate nominal value of EUR 1.2 bn.

The purchases by FMS-WM of the various debt instruments issued by DEPFA ACS and DEPFA PBI aim at enhancing the wind down of DEPFA on an accelerated basis, which is one of FMS-WM’s key goals. It can be expected that in a next step, in cooperation with FMS-WM, DEPFA Group’s liabilities could be reduced and the cover pools of DEPFA ACS and DEPFA PBI adjusted accordingly. DEPFA and FMS-WM will work over the coming months to implement this strategy. Such strategy may affect the future market liquidity of the outstanding securities issued by DEPFA ACS and DEPFA PBI. DEPFA and FMS-WM will assess further measures to support the accelerated wind down of the DEPFA Group. This may include in particular a removal of ratings where there is no contractual requirement to maintain such ratings.

FMS-WM was founded in July 2010 as a German state owned wind down agency in order to wind up risk positions and non-strategic operations of the former Hypo Real Estate Holding AG group in a manner aimed at maximizing the value of the relevant assets. In May 2014 FMS-WM was instructed to take over the whole share capital of DEPFA in order to wind down the DEPFA group. FMS-WM acquired DEPFA on 19 December 2014.

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