

**Ad Hoc Announcement** - For immediate release

**RE: Confirmation by DEPFA ACS BANK of the buyback and cancellation of certain covered bonds and the sale of assets**

6 November 2017

Issued on behalf of DEPFA ACS BANK ("**DEPFA ACS**" or the "**Issuer**") 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 Issuer and the covered bonds.

*Background:*

On 12 October 2017, DEPFA ACS announced a transaction to buyback and cancel certain of their covered bonds (asset covered securities ("**ACS**") or "**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 2.0bln (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

<b>ISIN / Common Code</b>	<b>Maturity Date</b>	<b>Issuance Currency</b>	<b>Amount Purchased (issuance currency)</b>	<b>Principal Amount Outstanding (issuance currency)</b>	<b>Listing</b>
XS0246642523	20/03/2026	USD	100,000,000.00	0.00	Luxembourg
XS0225861060	11/08/2032	USD	50,000,000.00	0.00	Dublin
US249575AN19 / DE000A0LPMX0	16/03/2037	USD	1,000,000.00	27,390,000.00	Dublin
XS0209003697	07/01/2020	EUR	400,000,000.00	0.00	London
XS0244760061	20/10/2021	EUR	100,000,000.00	0.00	Not listed
XS0259316882	30/06/2021	EUR	75,000,000.00	0.00	Not listed
XS0215668376	01/04/2020	EUR	50,000,000.00	0.00	Dublin
XS0236319975	08/12/2025	EUR	50,000,000.00	0.00	Not listed
XS0218532249	20/05/2020	EUR	25,000,000.00	25,000,000.00	Dublin
XS0222699091	21/06/2020	EUR	10,000,000.00	0.00	Frankfurt
XS0277535075	25/05/2031	EUR	10,000,000.00	0.00	Not listed

*Cancellation of covered bonds:*

All the covered bonds being bought back by the Issuer 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 2.0bln (in nominal value) of public sector assets.

*Purchase price:*

The purchase price of the covered bonds has been conducted on an arm's length basis and assessed at fair market value. The purchase price for the public sector assets is also being 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. 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 pool of DEPFA ACS. Following such completion the nominal amount of outstanding DEPFA ACS covered bonds will be approximately Euro 2.8bln.

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