

**NB: THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER FOR ANY SECURITIES**

**Ad Hoc Announcement** - For immediate release

**RE: Proposed Tender Offer by FMS-WM for certain Covered Bonds of DEPFA ACS BANK and DEPFA PFANDBRIEF BANK INTERNATIONAL S.A.**

19 January 2016

Issued on behalf of the following companies in respect of their listed debt:

DEPFA BANK plc ("**DEPFA**")  
DEPFA ACS BANK  
DEPFA Pfandbrief Bank International S.A.

FMS Wertmanagement AöR ("**FMS-WM**"), the parent company of DEPFA, has informed DEPFA and today announced the launch of a tender offer inviting holders of certain Asset Covered Securities in DEPFA ACS BANK and certain Lettres de Gage Publiques in DEPFA Pfandbrief Bank International S.A. (formerly Hypo Pfandbrief Bank International S.A.) to tender their covered bonds for purchase by FMS-WM for cash (the "**Tender Offers**").

FMS-WM has issued separate launch announcements for the Tender Offers on the Irish Stock Exchange: one for EUR and CHF currencies (the "**Euro and Swiss Franc Offers**") and another for USD and CAD currencies (the "**USD and CAD Offers**").

The Tender Offers are subject to separate tender offer memoranda each dated 19<sup>th</sup> January 2016.

The Euro and Swiss Franc Offers

The Euro and Swiss Franc Offers relate to the covered bonds issued by DEPFA ACS BANK and DEPFA Pfandbrief Bank International S.A. as more particularly set out in the table below:

Title of Series	ISIN/ Common Code	Principal Amount Outstanding	Benchmark Rate	CHF Purchase Spread	Euro Purchase Spread	Amount subject to relevant Offer
(i) <b>Euro Notes</b>						
DEPFA ACS Bank EUR1,000,000,000 4.875 per cent. ACS Instruments due 2019	DE000A0BCLA9	EUR 1,000,000,000	EUR Notes Interpo- lated Mid-Swap Rate	N/A	0 bps	Any and all
(ii) <b>CHF Notes</b>						
DEPFA ACS Bank CHF300,000,000 2.125 per cent. Asset Covered Securi- ties Instruments due 2017	CH0022738105	CHF 266,645,000	CHF Notes due 2017 Interpolated Mid-Swap Rate	10 bps	N/A	Any and all
DEPFA ACS Bank CHF200,000,000 2.375 per cent. Asset Covered Securi- ties Instruments due 2019	CH0024021302	CHF 200,000,000	CHF Notes due 2019 Interpolated Mid-Swap Rate	15 bps	N/A	Any and all
DEPFA Pfandbrief Bank In- ternational S.A. CHF400,000,000 3.125 per cent. Lettres de gage publiques due 2020	CH0026463577	CHF 397,000,000	CHF Notes due 2020 Interpolated Mid-Swap Rate	75 bps	N/A	Any and all
DEPFA ACS Bank CHF200,000,000 3.250 per cent. ACS Instruments due 2031	CH0026116084	CHF 200,000,000	CHF Notes due 2031 Interpolated Mid-Swap Rate	20 bps	N/A	Any and all

### Purchase Prices for the Euro and Swiss Franc Offers

FMS-WM has indicated that the purchase price for the Euro and Swiss Franc Offers will be determined at or around 11.00 a.m. (CET) on 2 February 2016 in a manner described in the relevant tender offer memorandum by reference to:

- (i) in respect of the Euro Notes, the annualised sum (the "**Euro Purchase Yield**") of:
  - (x) the Euro Purchase Spread specified in the table above under the heading "Euro Notes"; and
  - (y) the relevant Benchmark Rate specified in the table above under the heading "Benchmark Rate";
- (ii) in respect of each Series of the CHF Notes, the annualised sum (such annualised sum, in respect of each relevant Series of CHF Notes, the "**CHF Purchase Yield**") of:
  - (x) the relevant CHF Purchase Spread specified in the table above under the heading "CHF Notes"; and
  - (y) the relevant Benchmark Rate specified in the table above under the heading "Benchmark Rate".

Each purchase price will be determined in accordance with market convention and expressed as a percentage of the principal amount of the notes of the relevant series accepted for purchase pursuant to the relevant offer, and is intended to reflect a yield to maturity of the notes of the relevant series on the settlement date based on the relevant Purchase Yield. Specifically, the Purchase Price applicable to the notes of a particular series will equal (a) the value of all remaining payments of principal and interest on the relevant series up to and including the scheduled maturity date of the relevant series, discounted to the settlement date at a discount rate equal to the relevant Purchase Yield, minus (b) accrued interest for such series.

FMS-WM has indicated that it will also pay an accrued interest payment in respect of notes accepted for purchase pursuant to the offers.

### The USD and CAD Offers

The USD and CAD Offers relate to the covered bonds issued by DEPFA ACS BANK as more particularly set out in the table below:

Title of Fixed Rate Note	ISIN	CUSIP	Principal Amount Outstanding	Benchmark Rate	Bloomberg Reference Page	Fixed Spread
DEPFA ACS Bank144A: US249575AN19 5.125% Asset Covered Securities due 2037	Reg S: DE000A0LPMX0	249575AN1	U.S.\$962,601,000	USD Securities Interpolated Mid-Swap Rate	ICAU1	80 bps
DEPFA ACS BankCA249575AG69 5.250% ACS Instruments due 2025		249575AG6	CAD300,000,000	CAD Securities due 2025 Interpolated Mid-Swap Rate	ICAC1	50 bps
DEPFA ACS BankCA249575AJ09 4.900% ACS Instruments due 2035		249575AJ0	CAD350,000,000	CAD Securities due 2035 Interpolated Mid-Swap Rate	ICAC1	85 bps

**Purchase Price for the USD and CAD Offers:**

***USD Securities***

FMS-WM has indicated that the purchase price for the USD Securities will be calculated in accordance with market convention so as to result in a price as of the settlement date that equates to a yield to the maturity date for the USD Securities equal to the sum of:

- (i) the USD Securities Interpolated Mid-Swap Rate calculated as described in the tender offer memorandum, plus
- (ii) the applicable Fixed Spread for the USD Securities as indicated in the table above and further described in the tender offer memorandum.

This sum with respect to the USD Securities is referred to in the tender offer memorandum as the "**USD Repurchase Yield**". Specifically, the USD Purchase Price per U.S.\$1,000 principal amount of USD Securities will equal:

- (i) the present value per U.S.\$1,000 principal amount of all remaining payments of principal and interest on the USD Securities to be made to (and including) the maturity date of USD Securities, discounted to the settlement date at a discount rate equal to the USD Repurchase Yield, minus
- (ii) accrued interest on the USD Securities per U.S.\$1,000 principal amount of such USD Securities,

with such purchase price rounded to the nearest U.S.\$0.01 with U.S.\$0.005 being rounded up.

The total consideration payable to each holder in respect of USD Securities validly tendered (and not validly withdrawn) and accepted for purchase by FMS-WM will be an amount in cash equal to (i) the USD Purchase Price multiplied by each U.S.\$1,000 in aggregate principal amount of USD Securities tendered and delivered by such holder and accepted by FMS-WM for purchase, plus (ii) any accrued interest payable in respect of the USD Securities.

***CAD Securities***

In respect of each series of CAD Securities, the CAD Purchase Price for the CAD Securities of such series accepted for purchase by FMS-WM will be calculated in accordance with market convention so as to result in a price as of the settlement date that equates to a yield to the maturity date for the applicable series of CAD Securities equal to the sum of:

- (i) the relevant CAD Benchmark Rate calculated as described in the tender offer memorandum, plus
- (ii) the applicable Fixed Spread for the relevant series of CAD Securities as indicated in the table above and further described in the tender offer memorandum.

This sum with respect to each series of CAD Securities is referred to in the Tender Offer Memorandum as the "**CAD Repurchase Yield**" for such series. Specifically, the CAD Purchase Price per CAD1,000 principal amount of each series of CAD Securities will equal:

- (i) the present value per CAD1,000 principal amount of all remaining payments of principal and interest on such CAD Securities to be made to (and including) the maturity date of such CAD Securities, discounted to the settlement date at a discount rate equal to the relevant CAD Repurchase Yield, minus

- (ii) accrued interest on the relevant series of CAD Securities per CAD1,000 principal amount of such CAD Securities,

with such purchase price rounded to the nearest CAD0.01 with CAD0.005 being rounded up.

Potential further offers:

FMS-WM has also informed DEPFA that it may conduct further activities to purchase other outstanding DEPFA group covered bonds and notes in particular covered bonds with maturities in 2020 and beyond, which are not currently targeted by these tender offers, in particular by way of bilateral agreements with the current holders of such bonds and notes or otherwise.

**FURTHER INFORMATION for the Euro and Swiss Franc Offers**

Lucid Issuer Services Limited has been appointed by FMS-WM as tender agent and Deutsche Bank AG, London Branch has been appointed as dealer manager in connection with the Euro and Swiss Franc Offers.

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**FURTHER INFORMATION for the USD and CAD Offers**

Lucid Issuer Services Limited and Equity Financial Trust Company have been appointed by FMS-WM as tender agents and Deutsche Bank Securities Inc has been appointed as dealer manager in connection with the Euro and Swiss Franc Offers.

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