

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON RESIDENT AND/OR LOCATED IN, ANY JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION IS UNLAWFUL (SEE “OFFER AND DISTRIBUTION RESTRICTIONS” BELOW)

January 19, 2016

FMS WERTMANAGEMENT AÖR LAUNCHES CASH TENDER OFFER ON CERTAIN U.S. DOLLAR AND CANADIAN DOLLAR SECURITIES

FMS Wertmanagement AÖR (the “**Offeror**”) has today invited holders of the securities listed below (the “**Securities**”) to tender any and all of their Securities for purchase by the Offeror for cash (the “**Offers**”) on the terms of, and subject to the conditions contained in, a tender offer memorandum dated January 19, 2016 (the “**Tender Offer Memorandum**”). Capitalized terms not otherwise defined in this announcement have the same meaning as assigned to them in the Tender Offer Memorandum.

This announcement does not constitute an offer to acquire any of the Securities, which is being made solely pursuant to the Tender Offer Memorandum. Holders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offers.

Title of Fixed Rate Note	ISIN	CUSIP	Principal Amount Outstanding ¹	Benchmark Rate	Bloomberg Reference Page	Fixed Spread
DEPFA ACS Bank 5.125% Asset Covered Securities due 2037	144A: US249575AN19 Reg S: DE000A0LPMX0	249575AN1	U.S.\$962,601,000	USD Securities Interpolated Mid-Swap Rate	ICAU1	80 bps
DEPFA ACS Bank 5.250% ACS Instruments due 2025	CA249575AG69	249575AG6	CAD300,000,000	CAD Securities due 2025 Interpolated Mid-Swap Rate	ICAC1	50 bps
DEPFA ACS Bank 4.900% ACS Instruments due 2035	CA249575AJ09	249575AJ0	CAD350,000,000	CAD Securities due 2035 Interpolated Mid-Swap Rate	ICAC1	85 bps

Rationale for the Offers

On December 19 2014, the Offeror acquired all shares in DEPFA Bank plc. In doing so, the Offeror implemented the decision of May 13 2014 by the Federal Government’s interministerial steering committee, which, after considering all options, decided to unwind DEPFA Bank plc and its subsidiaries via the Offeror. The Offeror was founded in 2010 by the Financial Market Stabilisation Authority (*Bundesanstalt für Finanzmarktstabilisierung*) as the Federal Republic of Germany’s winding-up institution for taking over and unwinding risk positions and non-strategic operations from the Hypo Real Estate group (which then included the DEPFA group). The stated objective of the Offeror is to wind down the DEPFA group (and related risk positions) in an orderly manner designed to optimise income and minimise losses within a limited wind down time horizon. As of the date of the Tender Offer Memorandum, the Offeror owns 100 per cent. of the shares in DEPFA Bank plc. The issuer of the Securities is DEPFA ACS Bank which is a subsidiary of DEPFA Bank plc.

The Offeror aims to enhance the unwinding of DEPFA Bank plc and its subsidiaries by purchasing outstanding DEPFA group covered bonds and notes to manage and optimize the liabilities of the DEPFA group.

The Offeror may conduct further activities to purchase other outstanding DEPFA group covered bonds and notes, which are not targeted in this tender offer, by way of bilateral agreements with the current holders of these bonds and notes or otherwise.

¹ The Principal Amount Outstanding of each of the Securities is as stated on Bloomberg as of January 18, 2016.

Concurrently with the Offers, the Offeror is inviting holders of certain EUR and CHF denominated debt securities who are outside the United States to tender those securities for purchase (the "**Non-U.S. Offer**"). The Non-U.S. Offer is being made in certain countries outside the United States only and is not open to any holder of such securities that is a U.S. resident. Holders that are U.S. residents that hold any such securities may not offer to sell them pursuant to such invitation. Holders may not tender any securities in these Offers other than the Securities specified in the table above.

Purchase Price for the Securities

USD Securities

The USD Purchase Price for the USD Securities accepted for purchase by the Offeror 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:

- the USD Securities Interpolated Mid-Swap Rate calculated as described in Schedule A to the Tender Offer Memorandum, plus
- the applicable Fixed Spread for the USD Securities set forth on the front cover of 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:

- 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
- 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 Dealer Manager will calculate the USD Repurchase Yield and USD Purchase Price applicable to the USD Securities on behalf of the Offeror, and its calculation will be final and binding, absent manifest error.

The total consideration payable to each Holder in respect of USD Securities validly tendered (and not validly withdrawn) and accepted for purchase by the Offeror 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 the Offeror 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 the Offeror 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:

- the relevant CAD Benchmark Rate calculated as described in Schedule B to the Tender Offer Memorandum, plus
- the applicable Fixed Spread for the relevant series of CAD Securities set forth on the front cover of 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:

- 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
- 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.

The Dealer Manager will calculate the CAD Repurchase Yield and CAD Purchase Price applicable to each series of the CAD Securities on behalf of the Offeror, and their calculation will be final and binding, absent manifest error.

The total consideration payable to each Holder in respect of CAD Securities validly tendered (and not validly withdrawn) and accepted for purchase by the Offeror will be an amount in cash equal to (i) the relevant CAD Purchase Price multiplied by each CAD1,000 in aggregate principal amount of such CAD Securities tendered and delivered by such Holder and accepted by the Offeror for purchase plus (ii) any Accrued Interest payable in respect of such CAD Securities.

Accrued Interest

An amount equal to accrued and unpaid interest will also be paid as consideration in respect of all Securities validly tendered and delivered (and not validly withdrawn) and accepted for purchase by the Offeror pursuant to the Offers from, and including, the immediately preceding interest payment date for the relevant series of Securities to, but excluding, the Settlement Date, subject to rounding as set out in the Tender Offer Memorandum.

The Dealer Manager will calculate the Accrued Interest in respect of all Securities on behalf of the Offeror, and its calculation will be final and binding, absent manifest error.

Offers Period and Results

The Offers commenced today, January 19, 2016 and will end at 5:00 p.m. (New York City time) on February 1, 2016 (the “**Expiration Deadline**”), unless extended, re-opened, and/or terminated as provided in the Tender Offer Memorandum.

The relevant deadline set by any intermediary or the Clearing Systems for the submission of Tender Instructions may be earlier than this deadline.

The results of the Offers are expected to be announced on February 2, 2016. The acceptance of Securities for purchase is conditional on the satisfaction of the conditions of the Offers as provided in the Tender Offer Memorandum. Settlement of the relevant Purchase Price and, where applicable, Accrued Interest is expected to take place on February 4, 2016.

In order to receive the Purchase Price and Accrued Interest, holders of Securities must validly tender their Securities by the Expiration Deadline, by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the relevant Tender Agent by the Expiration Deadline. Any submission amount must be equal to or greater than the relevant Security’s Minimum Denomination. See the Tender Offer Memorandum for further details on submitting a Tender Instruction.

Once the Offeror has announced the results of the Offers in accordance with applicable law, the Offeror’s acceptance of Tender Instructions in accordance with the terms of the Offers will be irrevocable. Tender Instructions which are so accepted will constitute binding obligations of the submitting Holders and the Offeror to settle the Offers.

Announcements in connection with the Offers will be made by the issue of a press release through the relevant Reuters International Insider Screen, Notifying News Service and by the delivery of notices to the Clearing Systems, for communication to Direct Participants. Copies of all announcements, notices and press releases can also be obtained from the Tender Agents, the contact details for which are set out below.

INDICATIVE TIMETABLE

The following table sets out the expected dates and times of the key events relating to the Offers. This is an indicative timetable and is subject to change.

<u>Date and Time</u>	<u>Action</u>
January 19, 2016.....	<i>Commencement of the Offers</i> Offers announced. Tender Offer Memorandum available from the Tender Agents.
At or around 11:00 a.m. (New York City time) on February 1, 2016	<i>Price Determination Time</i> Determination of the USD Benchmark Rate, the CAD Benchmark Rates, the USD Repurchase Yield, the CAD Repurchase Yields and each Purchase Price in the manner described in the Tender Offer Memorandum at the Price Determination Time.
5:00 p.m. (New York City time) on February 1, 2016	<i>Expiration Deadline</i> The last time and date for Holders to tender Securities in order to be able to participate in the Offers and to be eligible to receive the relevant Purchase Price and Accrued Interest on the Settlement Date. Deadline for Holders who have tendered Securities in the Offers to be able to validly withdraw such Securities.
February 2, 2016.....	<i>Announcement of Results of the Offers</i> The Offeror expects to announce the final aggregate principal amount of each series of Securities accepted for purchase, the USD Benchmark Rate, the CAD Benchmark Rates, the USD Repurchase Yield, the CAD Repurchase Yields and each Purchase Price.
Expected to be February 4, 2016	<i>Settlement Date</i> Expected Settlement Date for Securities validly tendered and accepted by the Offeror. Payment of the relevant Purchase Price and any Accrued Interest in respect of any such Securities.

The above dates and times are subject, where applicable, to the right of the Offeror to extend, re-open, amend, and/or terminate the Offers, subject to applicable laws. Holders of Securities are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would require to receive instructions to participate in, or withdraw their instruction to participate in, the Offers before the deadlines set out above.

Holders of Securities are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offers.

FURTHER INFORMATION

Lucid Issuer Services Limited has been appointed by the Offeror as global tender agent in respect of the USD Securities (the “**Global Tender Agent**”) and Equity Financial Trust Company has been appointed as Canadian tender agent in respect of the CAD Securities (the “**Canadian Tender Agent**”) and, together with the Global Tender Agent, the “**Tender Agents**” or separately a “**Tender Agent**”) for the purposes of the Offers.

Deutsche Bank Securities Inc. has been appointed as Dealer Manager in connection with the Offers (the “**Dealer Manager**”).

Holders of Securities may access the Tender Offer Memorandum and the relevant form of notice of guaranteed delivery (as described in the Tender Offer Memorandum) at <http://www.lucid-is.com/depfa>

Requests for information in relation to the Offers should be directed to:

DEALER MANAGER

Deutsche Bank Securities Inc.

60 Wall Street
New York
New York 10005
United States

In the U.S.:

Attention: Liability Management Group

Telephone:

+1 (212) 250 2955 (Collect)

+ (866) 627 0391 (US Toll Free)

In Europe:

Attention: Liability Management Group

Telephone: +44 20 7545 8011

Email: liability.management@db.com

Requests for information in relation to the procedures for tendering Securities in, and for any documents or materials relating to, the Offers should be directed to:

GLOBAL TENDER AGENT

(in respect of USD Securities)

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom
+44 20 7704 0880
Facsimile: +44 20 7067 9098

Attention: Paul Kummingsa

Email: depfa@lucid-is.com

Website: <http://www.lucid-is.com/depfa>

CANADIAN TENDER AGENT

(in respect of CAD Securities)

Equity Financial Trust Company

200 University Avenue
Suite 300
Toronto ON M5H 4H1
Telephone: +1 416-607-7889
Facsimile: +1 416-361-0470

Attention: Corporate Actions

Email: TMXecorporateactions@tmx.com

NOTICE AND DISCLAIMER

Subject to applicable law, the Offeror or any of its affiliates may at any time and from time to time following completion of the Offers purchase remaining outstanding Securities by tender, in the open market, by private agreement or otherwise on such terms and at such prices as the Offeror or, if applicable, its affiliates may determine. Such terms, consideration and prices may be more or less favorable than those offered pursuant to the Offers.

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which must be read carefully before any decision is made with respect to the Offers. If any holder of Securities is in any doubt as to the action it should take, it is recommended to seek its own legal, accounting and financial advice, including as to any tax consequences, immediately from its stockbroker, bank manager, attorney, accountant or other independent financial adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Offers. None of the Offeror, the Dealer Manager, the Tender Agents and any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation as to whether holders of Securities should participate in the Offers.

OFFER AND DISTRIBUTION RESTRICTIONS

This announcement and the Tender Offer Memorandum do not constitute an offer or an invitation to participate in the Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such offer or invitation or for there to be such participation under applicable laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Tender Offer Memorandum comes are required by each of the Offeror, the Dealer Manager and the Tender Agents to inform themselves about and to observe any such restrictions.

United Kingdom

This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers have not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (1) those persons who are existing members or creditors of the Offeror or other persons within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and (2) any other persons to whom these documents and/or materials may lawfully be communicated.

This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not addressed to or directed at any other person, including any retail clients within the meaning of the rules, regulations and guidance issued by the Financial Services Authority and such other persons should not act or rely upon it.

Belgium

None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*) and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of April 1, 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or

indirectly, to any person in Belgium other than “qualified investors” in the sense of Article 10 of the Belgian Law of June 16, 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account. This announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

Canada

This announcement and the Tender Offer Memorandum are not, and under no circumstances are they to be construed as, a prospectus, an advertisement or a public offering in Canada of the Securities referred to in this document. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the Offers or the Securities described herein or in the Tender Offer Memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this announcement or the Tender Offer Memorandum or expressed an opinion about the Securities described therein and any representation to the contrary is an offence.

France

The Offers are not being made, directly or indirectly, to the public in France. Neither this announcement, the Tender Offer Memorandum, nor any other documents or offering materials relating to the Offers, has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offers. The Tender Offer Memorandum has not been submitted to the clearance procedures (*visa*) of the *Autorité des marchés financiers*.

Italy

None of the Offers, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers has been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”), pursuant to applicable Italian laws and regulations.

The Offers are being carried out in the Republic of Italy (“**Italy**”) as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of February 24, 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “**CONSOB Regulation**”).

Holders or beneficial owners of the Securities located in Italy can tender Securities for purchase in the Offers through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Securities or the Offers.

General

The Offers do not constitute an offer to buy or the solicitation of an offer to sell Securities in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Offers to be made by a licensed broker or dealer and either of the Dealer Manager or, where the context so requires,

any of their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Offers shall be deemed to be made on behalf of the Offeror by such Dealer Manager or affiliate (as the case may be) in such jurisdiction.

Each Holder participating in an Offer will be deemed to give certain representations in respect of the jurisdictions referred to above and generally as set out in “*Procedures for Participating in the Offers*” in the Tender Offer Memorandum. Any tender of Securities for purchase pursuant to an Offer from a Holder that is unable to make these representations may be rejected. Each of the Offeror, the Dealer Manager and the Tender Agents reserves the right, in their absolute discretion, to investigate, in relation to any tender of Securities for purchase pursuant to an Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender may be rejected.