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19 January 2016

**FMS WERTMANAGEMENT AÖR LAUNCHES CASH TENDER OFFERS FOR CERTAIN EURO AND CHF NOTES**

FMS Wertmanagement AöR (the "**Offeror**") has today invited Holders of the notes listed below (the "**Notes**") to tender any and all of their Notes for purchase by the Offeror for cash (each an "**Offer**" and together the "**Offers**") on the terms of, and subject to the conditions contained in, a tender offer memorandum dated 19 January 2016 (the "**Tender Offer Memorandum**"). Capitalised terms used but not otherwise defined in this announcement have the same meaning as assigned to them in the Tender Offer Memorandum. Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below.

**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 Series	ISIN/ Common Code	Principal Amount Outstanding <sup>1</sup>	Benchmark Rate	CHF Purchase Spread	Euro Purchase Spread	Amount subject to relevant Offer
<b>(i) 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 Interpolated Mid- Swap Rate	N/A	0 bps	Any and all
<b>(ii) CHF Notes</b>						
DEPFA ACS Bank CHF300,000,000 2.125 per cent. Asset Covered Securities 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 Securities Instruments due 2019	CH0024021302	CHF 200,000,000	CHF Notes due 2019 Interpolated Mid-Swap Rate	15 bps	N/A	Any and all
Hypo Pfandbrief Bank International S.A. <sup>2</sup> 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

**Rationale for the Offers**

<sup>1</sup> The Principal Amount Outstanding of each of the Notes is as stated on Bloomberg as of 18 January 2016.

<sup>2</sup> Hypo Pfandbrief Bank International S.A. has been renamed DEPFA Pfandbrief Bank International S.A.

On 19 December 2014, the Offeror acquired all shares in DEPFA Bank plc. In doing so, the Offeror implemented the decision of 13 May 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 this announcement, the Offeror owns 100 per cent. of the shares in DEPFA Bank plc. The issuer of the Notes is DEPFA ACS Bank or DEPFA Pfandbrief Bank International S.A. each of which is a subsidiary of DEPFA Bank plc.

The Offeror aims to enhance the unwind 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.

The Offeror has today also invited Holders of certain U.S. dollar and Canadian dollar denominated debt securities to tender those securities for purchase (the "**USD and CAD Tender**"). Only the Offers are being made by the Tender Offer Memorandum, which does not relate to the USD and CAD Tender.

#### **Purchase Prices and Accrued Interest Payments**

In respect of each Series, the Offeror will pay for any Notes of the relevant Series validly tendered and accepted by the Offeror for purchase, pursuant to the relevant Offer, a purchase price (each a "**Purchase Price**") to be determined at or around 11.00 a.m. (CET) (the "**Pricing Time**") on 2 February 2016 (the "**Pricing Date**") in a manner described in the 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.

The Offeror will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offers.

### **No Scaling**

If, in respect of any Series, the Offeror decides to accept any valid tenders of Notes of such Series for purchase pursuant to the relevant Offer, the Offeror will accept for purchase all of the Notes of such Series that are validly tendered and there will be no *pro rata* scaling of acceptance of the Notes of such Series.

### **General**

In respect of all Offers, Tender Instructions must be submitted in respect of a minimum principal amount of Notes of the relevant Series of no less than the minimum denomination for such Series and may thereafter be submitted in integral multiples of the relevant amount in each case as set out in the Tender Offer Memorandum.

Notes that are not tendered or accepted for purchase pursuant to the relevant Offer will remain outstanding.

The Offeror may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate any Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

### **Offer Period and Offer Results**

The Offers commenced today, 19 January 2016 and will end at 5.00 p.m. (CET) on 1 February 2016 (subject to the right of the Offeror to extend, re-open, amend and/or terminate any Offer) (the "**Expiration Deadline**")

**The relevant deadline set by any intermediary or each Clearing System will be earlier than this deadline.**

Payment of the relevant Purchase Price and applicable Accrued Interest Payment is expected to take place on the Settlement Date on 4 February 2016.

In order to participate in, and be eligible to receive the relevant Purchase Price and Accrued Interest Payment pursuant to the relevant Offer, Holders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline.

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum. A separate Tender Instruction must be completed in respect of each Series.

Unless stated otherwise, announcements in connection with the Offers will be made (i) (in the case of the Euro Notes) by publication through the Irish Stock Exchange Limited (the "**Irish Stock Exchange**"), (ii) (in the case of the CHF Notes) by publication through the SIX Swiss Exchange Ltd (the "**SIX Swiss Exchange**") and (iii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made (a) on the relevant Reuters International Insider Screen and/or (b) by the issue of a press release to a Notifying News Service.

## INDICATIVE TIMETABLE

The times and dates below are indicative only. This timetable is subject to change and dates and times may be extended, re-opened or amended by the Offeror in accordance with the terms of the Offers as described in the Tender Offer Memorandum. Accordingly, the actual timetable may differ from the timetable below.

<b>Action</b>	<b>Date and Time</b>
	(All times are CET)
<b><i>Commencement of the Offers</i></b> Offers announced. Tender Offer Memorandum available from the Tender Agent.	19 January 2016
<b><i>Expiration Deadline</i></b> Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Holders to be able to participate in the Offers.	5.00 p.m. on 1 February 2016
<b><i>Pricing Time and Pricing Date</i></b> Determination of the Benchmark Rates, the Euro Purchase Yield, each CHF Purchase Yield and each Purchase Price.	At or around 11.00 a.m. on 2 February 2016
<b><i>Announcement of Results and Pricing</i></b> Announcement of whether the Offeror will accept valid tenders of Notes pursuant to all or any of the Offers and, if so accepted, (i) in respect of each Series of Notes so accepted, the aggregate principal amount of Notes of the relevant Series so accepted and the relevant Purchase Price, (ii) in respect of the Euro Notes so accepted, the Euro Purchase Yield and the relevant Benchmark rate and (iii) in respect of each Series of CHF Notes so accepted, the relevant Sterling Purchase Yield and the relevant Benchmark Security Rate.	As soon as reasonably practicable after the Pricing Time on the Pricing Date
<b><i>Settlement Date</i></b> Expected Settlement Date for the Offers.	Expected to be 4 February 2016

The above times and dates are subject to the right of the Offeror to extend, re-open, amend, and/or terminate any Offer (subject to applicable law and as provided in the Tender Offer Memorandum). Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, an Offer before the deadlines specified above.

## **FURTHER INFORMATION**

Lucid Issuer Services Limited has been appointed by the Offeror as Tender Agent (the "**Tender Agent**") for the purposes of the Offers.

Deutsche Bank AG, London Branch has been appointed as Dealer Manager in connection with the Offers.

Requests for information and for any documents or materials relating to the Offers should be directed to:

### **DEALER MANAGER**

#### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

Tel: +44 20 7545 8011

Attention: Liability Management Group

Email: [liability.management@db.com](mailto:liability.management@db.com)

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

### **TENDER AGENT**

#### **Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA

Telephone: +44 20 7704 0880

Attention: Paul Kamminga

Email: [depfa@lucid-is.com](mailto:depfa@lucid-is.com)

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

## **DISCLAIMER**

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 Notes is in any doubt as to the action it should take, it is recommended to immediately seek its own legal, tax, accounting and financial advice, including as to any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Offers. None of the Offeror, the Dealer Manager, the Tender Agent (or any of their respective directors, employees or affiliates), makes any recommendation as to whether Holders of Notes 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 the United States or in any other 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 securities laws. The distribution of this announcement and/or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Offeror, the Dealer Manager and the Tender Agent to inform themselves about, and to observe, any such restrictions.

### **United States**

The Offers are not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offers by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by, or by any person acting for the account or benefit of, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in an Offer will represent that it is not located in the United States and is not participating in such Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such Offer from the United States. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### **United Kingdom**

This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers have not been approved by an authorised 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 (i) 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 (ii) any other persons to whom these documents and/or materials may lawfully be communicated.

Neither this announcement nor the Tender Offer Memorandum is 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 Conduct 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 1 April 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 16 June 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/or 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/or the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

### **France**

The Offers are not being made, directly or indirectly, to the public in the Republic of France ("**France**"). None of this announcement, the Tender Offer Memorandum or any other documents or 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, acting for their own account, 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. Neither this announcement nor the Tender Offer Memorandum has been or will be submitted for clearance to nor approved by 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 procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to applicable Italian laws and regulations.

Each Offer is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**").

Holders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offers through authorised 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 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 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 Notes or the Offers.

### **Switzerland**

None of this announcement, the Tender Offer Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Accordingly, the investor protection rules otherwise applicable to investors in Switzerland do not apply to the Offers. When in doubt, investors based in Switzerland are recommended to contact their legal, financial or tax adviser with respect to the Offers.

### **General**

The Offers do not constitute an offer to buy or the solicitation of an offer to sell Notes 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 the Dealer Manager or, where the context so requires, any of its affiliates is such a licensed broker or dealer in that jurisdiction, such Offers shall be deemed to be made on behalf of the Offeror by the Dealer Manager or affiliate (as the case may be) in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Holder participating in an Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offers*" in the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to an Offer from a Holder that is unable to make these representations will not be accepted. Each of the Offeror, the Dealer Manager and the Tender Agent reserves the right, in their absolute discretion, to investigate, in relation to any tender of Notes 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 shall not be accepted.