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EXPIRATION OF FMS WERTMANAGEMENT AÖR'S CURRENT PROGRAMME FOR THE PURCHASE OF CERTAIN NOTES ISSUED BY DEPFA ACS BANK DAC ("DEPFA ACS") AND DEPFA PFANDBRIEF BANK INTERNATIONAL S.A. ("DEPFA PBI")

05 June, 2018

FMS Wertmanagement AöR ("FMS-WM") announced on 13 November, 2017 that it had authorised with immediate effect a purchase programme to be managed by Deutsche Bank AG, London Branch (the "Manager" or "Deutsche Bank"), pursuant to which FMS-WM may from time to time continue to purchase, through open market purchases or private transactions (the "Programme"), the securities (the "Benchmark Notes" and the "Private Placement Notes", together the "Notes") specified in the table below. FMS-WM continues to operate the Programme, but hereby announces that this Programme for purchasing DEPFA covered bonds will expire on 30. June 2019 (the "Expiration Date"). Although FMS-WM may decide on further purchases of the Notes after the Expiration Date, it is also possible that FMS-WM may cease to continue its purchases of the Notes after the Expiration Date depending on the future progress on and strategic considerations within FMS-WM's wind-down strategy. Please note that FMS-WM cannot exclude that DEPFA ACS and/or DEPFA PBI may take separate actions to reduce the outstanding principal amount of the Notes.

Background and recent developments:

FMS-WM has been purchasing DEPFA ACS and DEPFA PBI covered bonds from various investors since 2016. FMS-WM has purchased a nominal value of such covered bonds of approximately EUR 8 billion and sold the majority thereof back to these issuers.

At the same time FMS-WM acquired assets from DEPFA ACS's and DEPFA PBI's cover pools via two Asset Liability Management ("ALM") transactions in November 2016 and November 2017. The ALM transactions helped to significantly reduce DEPFA Group's total balance sheet to EUR 18.6 billion by 31 December 2017. Investors in DEPFA Group's liabilities were kept informed about the ALM transactions and the changes in the cover pools via ad-hoc announcements. As per March 31, 2018 the outstanding volume of covered bonds has decreased to EUR 2.76bn nominal ACS liabilities and EUR 93.1m nominal LdG liabilities.

Post execution of the ALM transactions in November 2017, FMS-WM has continued to purchase covered bonds issued by the DEPFA Group in the secondary market and currently holds a nominal volume of approximately EUR 880 million equivalent. Thus the liquidity of the remaining DEPFA ACS and DEPFA PBI covered bonds held by the market has decreased even further.

Based on the current progress in the wind down of DEPFA Group, FMS-WM is evaluating the benefits of selling DEPFA Group or parts of it and/or the benefits of reducing the amount of capital within DEPFA Group and its subsidiaries. "By swiftly reducing total assets and improving all regulatory ratios, we have paved the way to realise the DEPFA Group's potential value faster than originally planned," said Spokesman Stephan Winkelmeier. He added, "Besides pursuing the successful wind-up strategy, selling the DEPFA Group or parts of it is also a possible option."

Benchmark Notes

Issuer	Description of the Notes	ISIN	Principal amount outstanding
DEPFA ACS	EUR 1,000mn 4.875% due May-2019	DE000A0BCLA9	EUR 448.700mn
DEPFA PBI	CHF 400mn 3.125% due Aug-2020	CH0026463577	CHF 92.005mn

DEPFA ACS	CAD 200mn 5.250% due Mar-2025	CA249575AG69	CAD 2.371mn
DEPFA ACS	CHF 300mn 3.250% due Jul-2031	CH0026116084	CHF 4.360mn
DEPFA ACS	CAD 350mn 4.900% due Aug-2035	CA249575AJ09	CAD 0.550mn
DEPFA ACS	USD 1,250mn 5.125% due Mar-2037 ¹	DE000A0LPMX0	USD 27.390mn

¹ The Programme does not extend to the 5.125% Mar-2037 notes issued pursuant to Rule 144A of the U.S. Securities Act 1933 (“**Rule 144A**”) and bearing ISIN: US249575AN19. No Rule 144A Notes shall be accepted for purchase pursuant to the Programme.

Private Placements Notes

Issuer	Description of the Notes	ISIN	Principal amount outstanding
DEPFA ACS	EUR 25mn CMS linked notes due May-2020	DE000A0D2HT2	EUR 25.000mn
DEPFA ACS	EUR 25mn CMS linked notes due May-2020	XS0218532249	EUR 25.000mn
DEPFA ACS	EUR 4mn CMS linked notes due Jun-2020	XS0221014474	EUR 4.000mn
DEPFA ACS	EUR 10mn CMS linked notes due Jun-2020	XS0222624248	EUR 10.000mn
DEPFA ACS	NOK 300mn 4.45% notes due Nov-2020	XS0235355210	NOK 300.000mn
DEPFA ACS	SEK 421mn Inflation linked notes due Dec-2020	XS0278110431	SEK 421.000mn
DEPFA ACS	EUR 5mn Structured notes due Feb-2021	XS0288711392	EUR 5.000mn
DEPFA ACS	EUR 20mn Structured notes due Jun-2021	XS0258836914	EUR 20.000mn
DEPFA ACS	EUR 12mn CMS linked notes due Jul-2021	XS0260901052	EUR 12.000mn
DEPFA ACS	EUR 12mn CMS linked notes due May-2022	XS0295619661	EUR 12.000mn
DEPFA ACS	EUR 100mn CMS linked notes due Jun-2022	XS0222934357	EUR 100.000mn
DEPFA ACS	EUR 5mn Structured notes due Feb-2024	XS0288769390	EUR 5.000mn
DEPFA ACS	EUR 10mn CMS linked notes due Apr-2025	XS0217803914	EUR 10.000mn
DEPFA ACS	NOK 120mn 4.270% notes due Nov-2025	XS0233593242	NOK 120.000mn
DEPFA ACS	EUR 13,5mn 0.000% notes due Jul-2037	XS0343829486	EUR 13.500mn

The price of a particular purchase pursuant to the Programme is to be determined between FMS-WM and the relevant noteholder (the “**Noteholder**”). An amount equal to the accrued and unpaid interest will also be paid in respect to all Notes validly purchased by FMS-WM pursuant to the Programme, from, and including, the immediately preceding interest payment date for each series of Notes to, but excluding, the Settlement Date. Notwithstanding the Expiration Date set out in this notice, FMS-WM may choose to terminate the Programme at any time, at its sole discretion, and without any prior notification to Noteholders

Noteholders wishing to submit their Notes for purchase by FMS-WM pursuant to the Programme should contact their Deutsche Bank Sales Representative. Any purchase will be made on a bilateral basis agreed between FMS-WM and the respective Noteholder as facilitated by Deutsche Bank.

If you have an account with Deutsche Bank and wish to submit any of the targeted Notes for purchase by FMS-WM pursuant to the Programme, you should contact your Deutsche Bank Sales Representative in London, Frankfurt and/or Zurich at any time between 9:00 a.m. and 3:00 p.m., London time, on any business day in the relevant jurisdiction. You will not be required to pay any fees or commissions to Deutsche Bank in connection with the sale of Notes. Deutsche Bank may require evidence of your identity to comply with applicable anti-money laundering legislation and related regulations, policies and procedures in relation to the selling of the Notes.

If you do not have an account with Deutsche Bank and wish to submit any of the targeted Notes for purchase by FMS-WM pursuant to the Programme, you may do so through your broker, dealer, commercial bank, trust company, other financial institution or other custodian that you customarily use. Your broker must contact a Deutsche Bank Sales Representative in London, Frankfurt and/or Zurich at any time between 9:00 a.m. and 3:00 p.m., London time, on any business day the relevant jurisdiction. You may be required to pay a fee or commission to your broker or intermediary through whom the Notes are sold.

For any other questions, Noteholders may also contact the Deutsche Bank Liability Management team at Telephone: +44 207 545 8011.

FMS-WM and the wind-down of DEPFA Bank plc (“DEPFA”):

FMS-WM is the parent company of DEPFA, which is the parent of DEPFA ACS Bank DAC (“DEPFA ACS”), and DEPFA Pfandbrief Bank International S.A. (“DEPFA PBI”). DEPFA together with its subsidiaries are referred to as “DEPFA Group”. FMS-WM was established in 2010 as a German State-owned wind down agency to unwind risk positions and non-strategic operations in a manner aimed at maximizing the value of the relevant assets. FMS-WM took ownership of DEPFA in December 2014. The strategy of DEPFA and FMS-WM has been to continue to wind down DEPFA’s balance sheet and those of its subsidiaries.

Further information is available at the following websites:

- 10.04.2018 - FMS Wertmanagement achieves a further reduction in the portfolio and an increase in profit:
<https://www.fms-wm.de/en/press/333-fms-wertmanagement-achieves-a-further-reduction-in-the-portfolio-and-an-increase-in-profit>
- 13.11.2017 – FMS Wertmanagement AÖR launches a programme for the purchase of certain notes issued by DEPFA ACS and DEPFA PBI:
https://www.depfa.com/uploads/files/73/ad_hoc_announcement_-_notice_for_fms-wm_purchase_programme_13nov17.pdf
- 09.11.2017 – Company Announcement: Re-registration, change in status and name of DEPFA ACS BANK to DEPFA ACS BANK DAC: https://www.depfa.com/uploads/files/9/se_notice_acs_re-reg_9nov17.pdf
- 08.11.2017 – Press Release: DEPFA Pfandbrief Bank International S.A.:
https://www.depfa.com/uploads/files/9/press_release_depfa_pbi_8nov17_final.pdf
- 06.11.2017 – Ad Hoc Announcement: Confirmation by DEPFA ACS BANK of the buyback and cancellation of certain covered bonds and the sale of assets:
https://www.depfa.com/uploads/files/9/ad_hoc_announcement_6nov17f.pdf
- 12.10.2017 – Ad Hoc Announcement: Agreement by DEPFA ACS BANK to purchase their own covered bond securities from FMSWertmanagement AöR, to cancel them, and to sell assets to FMS-WM to reduce its cover pool:
https://www.depfa.com/uploads/files/9/ad_hoc_announcementfinal_12oct17.pdf

As of the date of this announcement, FMS-WM owns 100 per cent. of the shares in DEPFA. The issuers of the Notes are DEPFA ACS and DEPFA PBI (the “**Issuers**”), each of which is a subsidiary of DEPFA. The Issuers have been informed about the publication of this announcement and the Programme.

FURTHER INFORMATION

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Attention: Liability Management Group

DISCLAIMER

This announcement contains important information, which should be read carefully before any decision is made. If you are in any doubt as to the action you should take, you are recommended to seek your own legal, tax, accounting and financial advice, including as to any tax consequences, from your stockbroker, bank manager, solicitor, accountant or other independent financial, tax 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 sell such Notes. None of FMS-WM, or Deutsche Bank makes any recommendation as to whether Noteholders should sell their Notes.

Any investment decision to sell Notes must be made solely based on publicly available information. Such information is not the responsibility of Deutsche Bank and has not been independently verified by Deutsche Bank. Deutsche Bank is acting for FMS-WM and no one else in connection with the Programme and any transactions thereunder and will not be responsible to anyone other than FMS-WM in relation to the Programme, any transactions thereunder or any matters referred to this announcement.

OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by FMS-WM and Deutsche Bank to inform themselves about and to observe any such restrictions. This announcement does not constitute an offer to buy or a solicitation of an offer to sell the Notes and offers to sell Notes will not be accepted from Noteholders in any circumstances in which such offer or solicitation is unlawful.

United States

The Programme is 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. Accordingly, copies of this announcement and any other documents or materials relating to the Programme 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 offers to sell the Notes pursuant to the Programme resulting directly or indirectly from a violation of these restrictions will be invalid and any offer to sell the 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 Noteholder participating in the Programme will represent that it is not located in the United States and is not participating in the Programme 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 the Programme 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 and any other documents or materials relating to the Programme 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 FMS-

WM or other persons within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”) and (ii) any other persons to whom these documents and/or materials may lawfully be communicated.

This announcement is 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 Conduct Authority and such other persons should not act or rely upon it.

Belgium

Neither this announcement nor any other documents or materials relating to the Programme 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 Programme 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 Programme may not be advertised and the Programme will not be extended, and neither this announcement nor any other documents or materials relating to the Programme (including any announcements, 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 has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Programme. Accordingly, the information contained in this announcement may not be used for any other purpose or disclosed to any other person in Belgium.

France

The Programme is not being made, directly or indirectly, to the public in the Republic of France (“**France**”). Neither this announcement nor any other documents or materials relating to the Programme 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 Programme. This announcement has not been and will not be submitted for clearance to nor approved by the Autorité des Marchés Financiers.

Italy

None of the Programme, this announcement or any other documents or materials relating to the Programme 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.

The Programme 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**”).

Noteholders or beneficial owners of the Notes that are located in Italy can offer Notes for purchase pursuant to the Programme 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 Programme.

Switzerland

Neither this announcement 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 Programme. When in doubt, investors based in Switzerland are recommended to contact their legal, financial or tax adviser with respect to the Programme.

General

This announcement does 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 Programme to be facilitated 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 such jurisdiction, the Programme shall be deemed to be made on behalf of FMS-WM by the Manager or such affiliate (as the case may be) in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Programme will also be deemed to give certain representations in respect of the other jurisdictions referred to above. Any submission of Notes for purchase pursuant to the Programme from a Noteholder that is unable to make these representations will not be accepted. Each of FMS-WM and the Manager reserves the right, in its absolute discretion, to investigate, in relation to any submission of Notes for purchase pursuant to the Programme, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result FMS-WM determines (for any reason) that such representation is not correct, such submission shall not be accepted.