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DEUTSCHE PFANDBRIEFBANK AG

announces bond tender offer

Munich, 18 January 2021 – Deutsche Pfandbriefbank AG (the "Company") hereby announces invitations to Noteholders of its EUR 500,000,000 0.625% Notes due February 2022 (ISIN DE000A2GSLC6) (the "Notes"), to tender their Notes for repurchase by the Company at the Repurchase Price plus any accrued interest on the Notes until (but excluding) the settlement date (the "Solicitation").

The Solicitation is being made on the terms and subject to the conditions set out in the tender offer memorandum dated 18 January 2021 (the "Tender Offer Memorandum").

**THE TENDER OFFER WILL EXPIRE AT 5 P.M. CET ON 26 JANUARY 2021, UNLESS THE PERIOD FOR THE TENDER OFFER IS EXTENDED, REOPENED OR TERMINATED.**

**THE RELEVANT DEADLINE SET BY ANY INTERMEDIARY OR DIRECT PARTICIPANT (AS APPLICABLE) THROUGH WHICH HOLDERS OF THE NOTES (THE "NOTEHOLDERS") HOLD NOTES OR BY THE CLEARING SYSTEM WILL BE EARLIER THAN THIS DEADLINE.**

**Rationale for the Solicitation**

By tendering for the Notes, the Company intends to manage its liability structure and to optimize its funding costs. The Solicitation seeks to provide liquidity to current holders of the Notes which are subject of such Solicitation.

**Details of the Solicitation**

The Company is under no obligation to accept any offers of Noteholders to sell their Notes. The acceptance of Notes validly tendered is at the sole discretion of the Company. Please refer to the Tender Offer Memorandum which includes full details of the Solicitation and the terms and conditions of the Solicitation. Capitalised terms used and not otherwise defined in this announcement have the meaning given to them in the Tender Offer Memorandum.

Description of the Notes	ISIN	Outstanding principal amount	Amount subject to Solicitation	Terms used to determine the Repurchase Price	
				Interpolated Reference Rate	Repurchase Spread
EUR 500,000,000 0.625% Notes due February 2022	DE000A2GSLC6	EUR 500,000,000	Any and all	The rate, expressed as a percentage and rounded to the nearest 0.001 per cent. (with 0.0005 rounded upwards), as determined by the Dealer Manager at the Pricing Time on the Pricing Date, by linear interpolation of the 1 Year Mid-Swap Rate and the 2 Year Mid-Swap Rate (using the ICAE1 page on Bloomberg) to the maturity date of the Notes in accordance with market convention.	50 bps

The Solicitation begins today, 18 January 2021 (the "Launch Date") and will expire at 5.00 p.m. (CET) on 26 January 2021 (the "Expiration Deadline"), unless extended, re-opened, amended or terminated as provided for in the Tender Offer Memorandum.

Subject to certain restrictions set out in the Tender Offer Memorandum, all holders of the Notes (the "**Noteholders**") are being invited to offer to sell their Notes until the Expiration Deadline for purchase by the Company for cash. In order to be eligible to receive the Repurchase Price, Noteholders must validly tender their Notes by the Expiration Deadline, 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.

#### **Repurchase Price and Accrued Interest**

The Company will pay for Notes validly tendered and accepted by it for purchase pursuant to the Solicitation a price (the "**Repurchase Price**"), to be determined at or around 11.00 a.m. (CET) (the "**Pricing Time**") on 27 January 2020 (the "**Pricing Date**") in the manner described in the Tender Offer Memorandum by reference to the sum (such sum, the "**Repurchase Yield**") of:

- (a) the repurchase spread (expressed in basis points) specified in the above table in the column titled "*Terms used to determine the Repurchase Price–Reference Spread*" (the "**Repurchase Spread**"); and
- (b) the interpolated reference rate specified in the above table in the column titled "*Terms used to determine the Repurchase Price–Interpolated Reference Rate*" (the "**Interpolated Reference Rate**").

The Repurchase Price will be determined in accordance with market convention and expressed as a percentage of the principal amount of the Notes accepted for repurchase pursuant to the Solicitation, and is intended to reflect a yield to maturity of the Notes on the Settlement Date based on the Repurchase Yield. Specifically, the Repurchase Price will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including the scheduled maturity date, discounted to the Settlement Date at a discount rate equal to the relevant Repurchase Yield, minus (b) Accrued Interest, all calculated in accordance with market convention and rounded to the nearest 0.001 per cent. (with 0.0005 per cent. rounded upwards).

The Company will also pay Accrued Interest on such Notes accepted for repurchase pursuant to the Solicitations.

#### **Acceptance and Announcements of Results**

If the Solicitation is not extended, re-opened, amended or terminated by the Company, the Company will announce as early as practicable after the Pricing Time on the Pricing Date:

- (a) whether it accepts for repurchase Notes validly tendered in the Solicitation; and, if so:
- (b) the aggregate principal amount of the Notes accepted for repurchase (if any); and
- (c) the Interpolated Reference Rate, the Repurchase Yield and the Repurchase Price.

The Noteholders are advised that the Company may, in its sole discretion, accept Notes on more than one date if the Solicitation is extended or re-opened.

#### **Settlement**

The settlement date for the Notes validly accepted by the Company, if any, is expected to be 29 January 2021 (the "**Settlement Date**").

#### **Indicative Timetable**

The indicative timetable is summarised below.

<b><u>Date and time</u></b>	<b><u>Event</u></b>
18 January 2021	<i>Launch Date</i>
26 January 2021, at 5.00 p.m. (CET)	<i>Expiration Deadline</i>
27 January 2021, at or around 11.00 a.m. (CET)	<i>Pricing Time and Pricing Date</i>
27 January 2021, as soon as practicable after the Pricing Time	<i>Announcement of results</i>
29 January 2021	<i>Expected Settlement Date</i>

Noteholders are advised to check with their bank, securities broker or other intermediary through which they hold their Notes whether such intermediary applies different deadlines for any of the events specified above, and then to allow for such deadlines if such deadlines are prior to those set out above. The deadlines set by any intermediary or the Clearing System may be earlier than the relevant deadlines above.

## **GENERAL**

This notice must be read in conjunction with the Tender Offer Memorandum. Noteholders are advised to read the Tender Offer Memorandum carefully for full details of, and information on, the procedures for participating in the Solicitation. None of the Company, the Dealer Manager, the Tender Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Solicitation, or any recommendation as to whether Noteholders should tender Notes in the Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its tax adviser, stockbroker, bank manager, solicitor, accountant or other independent adviser.

Subject to applicable law and as provided for in the Tender Offer Memorandum, the Company may, in its sole discretion, extend, re-open, amend and/or terminate the Solicitation at any time.

The Solicitation is not being made in the United States or to any U.S. person and is also restricted in other jurisdictions, as more fully described below and in the Tender Offer Memorandum.

### **Dealer Manager:**

#### **NatWestMarkets N.V.**

Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

For information by telephone: +44 (0) 20 7085 3933  
Attention: Liability Management  
Email: liabilitymanagement@natwestmarkets.com

*Requests for information in relation to the procedures for tendering Notes and for any documents or materials relating to the Solicitation should be directed to the Tender Agent.*

### **Tender Agent:**

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

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

For information by telephone: +44 (0)20 7704 0880  
Attention: Arlind Bytyqi  
Email: pbb@lucid-is.com

## DISCLAIMER

**In certain jurisdictions, the distribution of this announcement and the Tender Offer Memorandum may be restricted by law. Persons into whose possession this announcement and the Tender Offer Memorandum come are required by the Company to inform themselves about and to observe any such restrictions.**

This announcement and the Tender Offer Memorandum do not constitute an offer to buy or a solicitation of an offer to sell the Notes in any jurisdiction in which such offer or solicitation is unlawful, and offers to sell by Noteholders originating from any jurisdiction in which such offer or solicitation is unlawful will be rejected. In those jurisdictions where the securities laws or other laws require the Solicitation to be made by a licensed broker or dealer, the Solicitation shall be deemed to be made on behalf of the Company by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

### United States

The Solicitation 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 or to or for the account or benefit of any U.S. person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). 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 Solicitation by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of the Tender Offer Memorandum and any other documents or materials relating to the Solicitation 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 persons located or resident in the United States. Any purported tender of Notes in the Solicitation resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by any person acting for the account or benefit of, a U.S. Person or by 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 or for a U.S. Person will be invalid and will not be accepted.

The Solicitation will only be made to eligible Noteholders who are non-U.S. persons located outside the United States and hold the Notes through Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States and holding the Notes through Clearstream.

Each Noteholder participating in the Solicitation will represent that it is not located in the United States and is not participating in the Solicitation 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 Solicitation 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

The communication of the Tender Offer Memorandum and any other documents or materials relating to the Solicitation is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. 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 as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43(2) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order. Any investment or investment activity to which the Tender Offer Memorandum relates is available only to such persons or will be engaged only with such persons and other persons should not rely on it.

### Italy

None of the Solicitation, the Tender Offer Memorandum and any other document or materials relating to the Solicitation has been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. The Solicitation 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 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). Accordingly, the Solicitation is not available to investors or beneficial owners located in Italy that do not qualify as qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation ("**Ineligible Italian Investors**"). Ineligible Italian Investors may not tender Notes in the Offer and neither the Tender Offer Memorandum

nor any other documents or materials relating to the Solicitation or the Notes may be distributed or made available to Ineligible Italian Investors. Holders or beneficial owners of the Notes that are located in Italy and qualify as qualified investors (*investitori qualificati*) can tender Notes for purchase in the Solicitation 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. 20307 of 15 February 2018, 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.

## **Belgium**

Neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitation have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / L'Autorité des Services et Marchés Financiers / Financial Services and Markets Authority*) and, accordingly, the Solicitation may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 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 (together, the "**Belgian Public Offer Law**"), each as amended or replaced from time to time. Accordingly, the Solicitation may not be advertised and the Solicitation will not be extended, and neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitation (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 Public Offer Law (as amended from time to time), acting on their own account. Insofar as Belgium is concerned, the Tender Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Solicitation. Accordingly, the information contained in the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

## **France**

The Solicitation is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither the Tender Offer Memorandum nor any other documents or materials relating to the Solicitation have 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, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, are eligible to participate in the Solicitation. The Tender Offer Memorandum has not been and will not be submitted to nor approved by the *Autorité des marchés financiers*.

## **General**

The Tender Offer Memorandum does not constitute an offer to buy or a solicitation of an offer to sell Notes, and tenders of Notes in the Solicitation will not be accepted from Noteholders, in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities laws or other laws require the Solicitation to be made by a licensed broker or dealer and the Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in such jurisdictions, the Solicitation shall be deemed to be made by the Dealer Manager or such affiliate (as the case may be) in such jurisdictions.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Solicitation gives certain representations in respect of the other jurisdictions referred to above and generally as set out in "Procedures for Participating in the Solicitation". Any tender of Notes for repurchase pursuant to the Solicitation from a Noteholder that is unable to make these representations may be rejected. Each of the Company, the Dealer Manager and the Tender Agent reserves the right, in their absolute discretion, to investigate, in relation to any tender of Notes for repurchase pursuant to the Solicitation, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender may be rejected.