

Invitation to bid by auction Reopening Treasury discount paper of the Federal Republic of Germany (Unverzinsliche Schatzanweisungen – “Bubills”)

For the account of the Federal Government, the German Finance Agency, through Deutsche Bundesbank, will reopen the

**Treasury discount paper of the Federal Republic of Germany
(Unverzinsliche Schatzanweisungen – “Bubills”)
October 2010 issue / maturity 12 months
due on 26 October 2011
residual maturity 9 months (280 days)
ISIN DE0001115723 // SIN 111 572**

launched on 25 October 2010, using an auction procedure. An increase of €2 billion is envisaged for the issue (auction allotment and amount set aside for secondary market operations). The current volume amounts to €3 billion.

Members of the Bund Issues Auction Group are entitled to bid. Bids must be for a par value of not less than €1 million or an integral multiple thereof. The yield rate bids must be expressed as full 0.0005 percentage points. It is possible to make non-competitive bids. The bids accepted by the issuer will be allotted at the yield bid. Non-competitive bids are filled at the weighted average yield of the bids accepted. The right to scale down bids is reserved.

Time schedule of the auction procedure:

Bidding period: Monday, 17 January 2011, from 8.00 a. m. until 11.00 a. m. Frankfurt time
Value date: Wednesday, 19 January 2011
Settlement: delivery versus payment-settlement in the night-time processing of Clearstream Banking AG Frankfurt, beginning on the eve of the value date

In addition, the Auction rules, the Special terms and conditions of the Deutsche Bundesbank for auctions of Federal securities using the Bund Bidding System (BBS) and the Issue terms for Federal securities shall apply.