

DEPFA DEUTSCHE PFANDBRIEFBANK AG

**Issue of HUF 3,000,000,000 6.50 per cent. Instruments due 2012 (the "Instruments")
under the
€15,000,000,000
Programme for the Issuance of Debt Instruments**

**(to be consolidated and form a single Series with the HUF 10,000,000,000 6.50 per cent.
Instruments due 2012 issued on 6 March 2002, the HUF 4,000,000,000 6.50 per cent.
Instruments due 2012 issued on 7 March 2005 and the HUF 3,000,000,000 6.50 per cent.
Instruments due 2012 issued on 13 July 2005)**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated 17 January 2002. This Pricing Supplement contains the final terms of the Instruments and must be read in conjunction with the Information Memorandum dated 30 July 2004, save in respect of the Conditions which are extracted from the Information Memorandum dated 17 January 2002 and are attached hereto.

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| 1. | Issuer: | DEPFA Deutsche Pfandbriefbank AG. |
| 2. | (i) Series Number: | 12 |
| | (ii) Tranche Number:
(if fungible with an existing Series, details of that series, including the date on which the Instruments become fungible) | 4 (to be consolidated and form a single Series with the HUF 10,000,000,000 6.50 per cent. Instruments due 2012 issued on 6 March 2002, the HUF 4,000,000,000 6.50 per cent Instruments due 2012 issued on 7 March 2005 and the HUF 3,000,000,000 6.50 per cent. Instruments due 2012 issued on 13 July 2005 (the " Original Instruments ") not earlier than 40 days after the Issue Date). |
| 3. | Specified Currency or Currencies: | Hungarian Forints (" HUF "). |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | HUF 20,000,000,000. |
| | (ii) Tranche: | HUF 3,000,000,000 (not immediately fungible). |

5.	(i)	Issue Price:	102.575 per cent. of the Aggregate Nominal Amount plus accrued interest for 339 days.
	(ii)	Net proceeds:	HUF 3,030,930,000 plus accrued interest in the amount of HUF 181,109,589.04 (less agreed expenses).
6.		Specified Denominations:	HUF 100,000; HUF 1,000,000; and HUF 10,000,000.
7.	(i)	Issue Date:	8 February 2006.
	(ii)	Interest Commencement Date (if different from the Issue Date):	6 March 2005.
8.		Maturity Date:	6 March 2012.
9.		Interest Basis:	6.50 per cent. Fixed Rate (further particulars specified below).
10.		Redemption/Payment Basis:	Redemption at par.
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable.
12.		Put/Call Options:	Not Applicable.
13.		Status of the Instruments:	Unsubordinated.
14.		Listing:	None
15.		Method of distribution:	Non-Syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.		Fixed Rate Instrument Provisions	Applicable.
	(i)	Rate of Interest:	6.50 per cent. per annum payable annually in arrear.
	(ii)	Interest Payment Date(s):	6 March in each year.
	(iii)	Fixed Coupon Amount(s):	HUF 6,500 per 100,000 in Nominal Amount; HUF 65,000 per 1,000,000 in Nominal Amount; and HUF 650,000 per 10,000,000 in Nominal

		Amount.
	(iv) Broken Amount(s):	Not Applicable.
	(v) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	Actual/Actual. Condition 6 applies.
17.	Floating Rate Instrument Provisions	Not Applicable.
18.	Zero Coupon Instrument Provisions	Not Applicable.
19.	Index-Linked Interest Instrument Provisions	Not Applicable.
20.	Dual Currency Instrument Provisions	Not Applicable.
PROVISIONS RELATING TO REDEMPTION		
21.	Call Option	Not Applicable.
22.	Put Option	Not Applicable.
23.	Final Redemption Amount	Par.
24.	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Par. The Issuer may redeem the Instruments prior to the Maturity Date in the event of the imposition of withholding taxes in Germany affecting the Instruments. Condition 10 (b) applies.
GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS		
25.	Form of Instruments:	Temporary Global Instrument exchangeable for Definitive Instruments not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership.

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| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Budapest, TARGET. |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): | No. |
| 28. | Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment: | Not Applicable. |
| 29. | Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made: | Not Applicable. |
| 30. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable. |
| 31. | Consolidation provisions: | Not Applicable. |
| 32. | Other terms or special conditions: | Not Applicable. |
| DISTRIBUTION | | |
| 33. | (i) If syndicated, names of Managers: | Not Applicable. |
| | (ii) Stabilising Manager (if any): | Not Applicable. |
| 34. | If non-syndicated, name of Dealer: | Deutsche Bank AG, London Branch |
| 35. | Additional selling restrictions: | <u>Republic of Hungary</u>
Each of the managers will be required to acknowledge that no permit of the Hungarian Financial Supervisory Authority has been obtained and will represent, warrant and agree that it has not offered, sold or delivered, and that it will not offer, sell or deliver, any Instruments in the republic of Hungary, other than in accordance with all applicable provisions of Act CXX of 2001 on the capital markets. |

European Economic Area

In relation to each member State of European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each manager represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Instruments to the public in that relevant member state, except that it may, with effect from and including the relevant Implementation Date, make an offer of Instruments to the public in that relevant Member State:

- (A) In (or in Germany where the Offer starts within) the period beginning on the date of publication of a Prospectus in relation to those Instruments which has been approved by the competent authority in that relevant Member State or, where appropriate, approved in another relevant Member State and notified to the competent authority in that relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is twelve months after the date of such publication;
- (B) At any time to legal entities which are

authorised or regulated to operate in the Financial Markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- (C) At any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet or more than €13,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (D) At any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "Offer of Instruments to the Public" in relation to any Instruments in any relevant Member State means the communication in any form and by any means of sufficient information in the terms of the Offer and the Instruments to be offered so as to enable an Investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State

and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant Member State. The D Rules apply.

36. TEFRA:

OPERATIONAL INFORMATION

37. ISIN Code:

The Instruments will be consolidated and form a single series with the Original Instruments upon the exchange of the Temporary Global Instrument for Definitive Instruments. Until such time, the Instruments will have a temporary ISIN Code XS0241592566, and following such time the Instruments will have the same ISIN Code as the Original Instruments (XS0143998440).

38. Common Code:

The Instruments will be consolidated and form a single series with the Original Instruments upon the exchange of the Temporary Global Instrument for Definitive Instruments. Until such time, the Instruments will have a temporary Common Code 024159256, and following such exchange the Instruments will have the same Common Code as the Original Instruments (014399844).

39. German Securities Code (*WKN*):

The Instruments will be consolidated and form a single series with the Original Instruments upon the exchange of the Temporary Global Instrument for Definitive Instruments. Until such time, the Instruments will have a

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| | | temporary WKN A0E9LR, and following such exchange the Instruments will have the same Common Code as the Original Instruments (731571). |
| 40. | Any clearing system(s) other than Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme, Luxembourg and the relevant identification number(s): | Not Applicable. |
| 41. | Delivery: | Delivery against payment. |
| 42. | Fiscal Agent: | Deutsche Bank AG, London Branch. |
| 43. | Additional Paying Agent(s) (if any): | Not applicable. |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of DEPFA Deutsche Pfandbriefbank AG:

By:	By:
Duly authorised	Duly authorised