

Pursuant to article 16 para. 3 of the German Securities Prospectus Act investors who have already agreed to purchase or subscribe for Notes issued under the Programme (as defined herein) before this Supplement (as defined herein) has been published shall have the right, exercisable within a time limit which shall not be shorter than two working days after the publication of this Supplement, to withdraw their acceptances as far as the purchase is not completed yet. In this case the withdrawal has to be addressed to the Issuer (as defined below).

Supplement pursuant to article 16 para. 1 of the German Securities Prospectus Act  
dated 13 October 2009

to the base prospectus  
dated 19 August 2009

relating to

## **Deutsche Pfandbriefbank AG**

Munich, Federal Republic of Germany

as Issuer

### **Euro 50,000,000,000 Debt Issuance Programme (the “Programme”)**

This supplement (the “First Supplement” or the “Supplement”) to the base prospectus dated 19 August 2009 is prepared in connection with the Euro 50,000,000,000 Debt Issuance Programme (the “Programme”) of Deutsche Pfandbriefbank AG (the “Issuer”) and is supplemental to, and should be read in conjunction with, the base prospectus dated 19 August 2009 (the “Original Base Prospectus”) in respect of the Programme. Unless otherwise stated or the context otherwise requires, terms defined in the Original Base Prospectus shall have the same meaning when used in the Supplement. As used herein, the term “Base Prospectus” means the Original Base Prospectus and the Supplement.

The Issuer accepts responsibility for the information contained in, or incorporated into this Base Prospectus. The Issuer hereby declares that all information contained in this Base Prospectus is true and accurate to the knowledge of the Issuer and that no material circumstances have been omitted.

The Supplement has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* of the Federal Republic of Germany in its capacity as competent authority (the “Competent Authority”). Please note that the approval of the Base Prospectus by the Competent Authority is based on the scrutiny of the completeness of the Base Prospectus including the consistency and the comprehensibility only. Application has been made to the Competent Authority to provide the *Commission de Surveillance du Secteur Financier* (the “CSSF”) with a certificate of approval attesting that the Supplement has been drawn up in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and with a copy of the Supplement.

This Supplement has been filed with the Competent Authority and has been published together with the Original Base Prospectus on the website of the Issuer ([www.hyporealestate.com](http://www.hyporealestate.com)). Upon request (to be addressed to Deutsche Pfandbriefbank AG, Freisinger Straße 5, 85716 Unterschleißheim, Germany), the Issuer will provide, free of charge, a copy of this Supplement and of the Original Base Prospectus.

The Issuer announces the following new factors relating to the information included in the Original Base Prospectus.

## OVERALL AMENDMENTS

If reference is made in the Original Base Prospectus to “Base Prospectus”, then the respective reference includes all changes made by the Supplement.

### I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “I. SUMMARY”

#### 1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. SUMMARY OF THE DESCRIPTION OF THE ISSUER AND OF HYPO REAL ESTATE GROUP – SUMMARY OF THE DESCRIPTION OF THE ISSUER”

*On page 12 of the Original Base Prospectus, the following paragraph shall be added at the end of the Subsection “Trend Information”:*

“As further specified at the Extraordinary General Meeting of Shareholders of Hypo Real Estate Holding on 5 October 2009, Hypo Real Estate Group is reckoning with significant burdens on results over the next years, and hence, continuing losses. At the time of the First Supplement, Hypo Real Estate Group does not envisage a return to profitability before 2012. There are, predominantly, three factors that will continue to depress results: (i) impairments on receivables and securities, particularly with regard to real estate finance, as a result of the financial crisis and the economic slowdown; (ii) costs of liquidity support received; and (iii) costs incurred in connection with the strategic realignment and restructuring. Taking into account the losses realised so far, plus the expected losses for the remainder of this year and the following years, in Hypo Real Estate Group’s planning Hypo Real Estate Group has budgeted an aggregate additional capital requirement of approximately Euro 10 billion. This includes the two capital increases executed during the current year, in an aggregate amount of approximately Euro 3 billion. In summary, the continued existence of the group and its entities as a going concern crucially depends upon the continued availability of liquidity support and the additional capital support by the SoFFin.”

#### 2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. SUMMARY OF THE DESCRIPTION OF THE ISSUER AND OF HYPO REAL ESTATE GROUP – SUMMARY OF THE DESCRIPTION OF HYPO REAL ESTATE GROUP”

*On page 14 of the Original Base Prospectus, the information contained in the fifth paragraph of the Subsection “Measures for Stabilising Hypo Real Estate Group and Impact on the Issuer” shall be replaced as follows:*

“Following the acquisition of 8.7 per cent. of the shares of Hypo Real Estate Holding, a subsequent public offer and a capital increase, the SoFFin subscribed approximately 986.5 million of new shares on 8 June 2009, giving the SoFFin a majority stake of 90 per cent. in Hypo Real Estate Holding. Based on the issue price of Euro 3 per share Hypo Real Estate Holding raised funds amounting to approximately Euro 2.96 billion by this capital increase. After the registration of the implementation of the capital increase in the commercial register in Munich, Hypo Real Estate Holding’s registered share capital amounts to Euro 3,652,885,800, comprising 1,217,628,600 no-par value bearer shares (*auf den Inhaber lautende Stückaktien*).

On 5 October 2009, an Extraordinary General Meeting of Shareholders of Hypo Real Estate Holding has resolved upon the transfer of the shares of the remaining minority shareholders to the SoFFin against settlement payment in the amount of Euro 1.30 per share (squeeze-out). On 13 October 2009, the squeeze-out became effective upon registration in the commercial register of Hypo Real Estate Holding. Taking into account that the provisions relating to recapitalisation and the related modifications to the squeeze-out rules have been newly introduced into German law in the context of measures aiming at the stabilisation of financial markets it is not predictable how the German courts, potentially including the constitutional court, will decide on actions already initiated or to be initiated in the future by the minority shareholders against the squeeze-out resolution. Irrespective of the acquisition of complete ownership, the recapitalisation of Hypo Real Estate Group is still subject to the decision of

the SoFFin with regard to the total amounts, the structure and the timing of the capital contribution.”

*On page 14 et seq. of the Original Base Prospectus, the information contained in the last paragraph of the Subsection “Measures for Stabilising Hypo Real Estate Group and Impact on the Issuer” shall be replaced as follows:*

“The restructuring plan of Hypo Real Estate Group has been notified to the European Commission on 1 April 2009 in accordance with the EC Treaty’s state aid rules. On 7 May 2009, the European Commission has announced an “in-depth investigation” on the compatibility of the restructuring plan, including the state aid measures, with the EC Treaty. On 7 October 2009, this decision was published in a slightly amended version, in particular without business secrets, in the Official Journal of the European Union (2009/C240/07). In its final decision, the European Commission may impose certain conditions, e.g. relating to the reduction of the balance sheet. If the European Commission were to conclude in the final decision that certain state aid measures do not comply with the EC Treaty, it may decide that Germany shall abolish or alter such aid within a certain period, and/or order repayment.”

*On page 15 of the Original Base Prospectus, the information contained in the Subsection “Major Shareholders of Hypo Real Estate Holding” shall be replaced as follows:*

“Since 13 October 2009, Hypo Real Estate Holding is wholly-owned (100 per cent.) by the SoFFin.”

**II. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION “II. DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG”**

**1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. ZUSAMMENFASSUNG DER BESCHREIBUNG DER EMITTENTIN UND DER HYPO REAL ESTATE GROUP – ZUSAMMENFASSUNG DER BESCHREIBUNG DER EMITTENTIN”**

*On page 29 of the Original Base Prospectus, the following paragraph shall be added at the end of the Subsection “Trend Informationen”:*

“Wie auf der Außerordentlichen Hauptversammlung der Aktionäre der Hypo Real Estate Holding am 5. Oktober 2009 erneut bekräftigt, rechnet die Hypo Real Estate Group auch in den nächsten Jahren mit hohen Ergebnisbelastungen und insofern mit einer anhaltenden Verlustsituation. Zum Zeitpunkt des ersten Nachtrags (First Supplement) geht die Hypo Real Estate Group weiterhin nicht davon aus, dass sie vor 2012 wieder in die Gewinnzone zurückkehren kann. Es sind im Wesentlichen drei Faktoren, die das Geschäftsergebnis weiterhin belasten werden: (i) Abschreibungen auf Forderungen und Wertpapiere und zwar vor allem im Bereich Immobilienfinanzierung als Folge der Finanzkrise und des wirtschaftlichen Abschwungs; (ii) Aufwendungen für erhaltene Liquiditätsunterstützung; und (iii) Aufwendungen im Zusammenhang mit der strategischen Neuausrichtung und Restrukturierung. Auf der Grundlage der realisierten Verluste sowie der erwarteten Verluste für den Rest des Jahres 2009 und die Folgejahre geht die Hypo Real Estate Group bei ihrer Planung von einem Kapitalbedarf in Höhe von insgesamt rund 10 Milliarden Euro aus. Hier sind die beiden in diesem Jahr bereits vorgenommenen Kapitalerhöhungen in Höhe von insgesamt rund 3 Milliarden Euro eingeschlossen. Zusammenfassend ist festzuhalten, dass der Konzern und seine Einzelgesellschaften für die Sicherung ihres Fortbestands auf die Fortsetzung der Liquiditätsunterstützung und weitere Kapitalunterstützung durch den SoFFin dringend angewiesen sind.”

**2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. ZUSAMMENFASSUNG DER BESCHREIBUNG DER EMITTENTIN UND DER HYPO REAL ESTATE GROUP – ZUSAMMENFASSUNG DER BESCHREIBUNG DER HYPO REAL ESTATE GROUP”**

*On page 31 of the Original Base Prospectus, the information contained in the fifth paragraph of the Subsection “Maßnahmen zur Stabilisierung der Hypo Real Estate Group und Auswirkungen auf die Emittentin” shall be replaced as follows:*

“Nach dem Erwerb von 8,7 % der Aktien der Hypo Real Estate Holding, einem nachfolgenden öffentlichen Angebot und einer Kapitalerhöhung, hat der SoFFin am 8. Juni 2009 rund 986.5 Millionen neue Aktien gezeichnet, wodurch der SoFFin einen Mehrheitsanteil von 90 % an der Hypo Real Estate Holding erreicht hat. Basierend auf dem Ausgabepreis von Euro 3 pro Aktie hat die Hypo Real Estate Holding durch diese Kapitalerhöhung Geldmittel im Wert von ungefähr Euro 2,96 Milliarden erhalten. Nach der Eintragung der Durchführung der Kapitalerhöhung im Handelsregister in München beträgt das Grundkapital der Hypo Real Estate Holding Euro 3.652.885.800 und teilt sich in 1.217.628.600 auf den Inhaber lautende Stückaktien auf.

Am 5. Oktober 2009 hat eine Außerordentliche Hauptversammlung der Aktionäre der Hypo Real Estate Holding die Übertragung der Aktien der verbliebenen Minderheitsaktionäre an den SoFFin gegen Zahlung (Squeeze-out) in Höhe von Euro 1,30 pro Aktie beschlossen. Am 13. Oktober 2009 wurde der Squeeze-out mit der Eintragung in das Handelsregister der Hypo Real Estate Holding wirksam. Im Hinblick darauf, dass die Vorschriften zur Rekapitalisierung und die mit diesen zusammenhängenden Modifizierungen der Squeeze-out Vorschriften im Zusammenhang mit Maßnahmen zur Stabilisierung des Finanzmarkts neu in das deutsche Recht eingeführt wurden, ist nicht absehbar, wie die deutschen Gerichte, gegebenenfalls einschließlich des Verfassungsgerichts, über Klagen gegen den Squeeze-out Beschluss entscheiden werden, die durch Minderheitsaktionäre entweder bereits eingereicht wurden oder in der Zukunft noch eingereicht werden. Auch nach dem Vollzug der Übernahme des vollständigen Eigentums, steht die Rekapitalisierung der Hypo Real Estate Group sowohl im Hinblick auf die Gesamtsumme, auf die Struktur als auch auf den Zeitpunkt der Kapitalunterstützung noch unter dem Vorbehalt der Entscheidung durch den SoFFin.”

*On page 31 of the Original Base Prospectus, the information contained in the last paragraph of the Subsection “Maßnahmen zur Stabilisierung der Hypo Real Estate Group und Auswirkungen auf die Emittentin” shall be replaced as follows:*

“In Übereinstimmung mit den EG-Beihilferegeln wurde der Restrukturierungsplan bezüglich der Hypo Real Estate Group an die Europäische Kommission am 1. April 2009 notifiziert. Am 7. Mai 2009 hat die Europäische

Kommission ein “förmliches Prüfverfahren” zur Vereinbarkeit des Restrukturierungsplans sowie der staatlichen Beihilfen mit dem EG-Vertrag eingeleitet. Am 7. Oktober 2009 wurde diese Entscheidung in einer leicht veränderten Fassung, insbesondere ohne Geschäftsgeheimnisse, im Amtsblatt der Europäischen Union (2009/C240/07) veröffentlicht. In ihrer abschließenden Entscheidung kann die Europäische Kommission bestimmte Auflagen verhängen, z.B. dass die Bilanzsumme zu reduzieren ist. Falls die Europäische Kommission zu dem Ergebnis kommt, dass die staatlichen Beihilfen nicht mit dem EG-Vertrag übereinstimmen, kann es sein, dass sie Deutschland verpflichtet, diese Beihilfen innerhalb einer bestimmten Frist aufzuheben oder umzugestalten, bzw. die Rückzahlung anordnen.”

*On page 32 of the Original Base Prospectus, the information contained in the Subsection “Hauptaktionäre der Hypo Real Estate Holding” shall be replaced as follows:*

“Seit dem 13. Oktober 2009 befindet sich die Hypo Real Estate Holding im vollständigen Eigentum des SoFFin.”

**III. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION “III. RISK FACTORS”**

**SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “1. RISKS RELATING TO THE ISSUER AND HYPO REAL ESTATE GROUP - RISKS RELATING TO CURRENT CRISIS OF HYPO REAL ESTATE GROUP - RISK OF DEPENDENCY ON LIQUIDITY SUPPORT AND ON RECAPITALISATION”**

*On page 41 et seq. of the Original Base Prospectus, the third and fourth paragraph in the Subsection “Risk of Dependency on Liquidity Support and on Recapitalisation” shall be replaced as follows:*

“A precondition for the intended recapitalisation of Hypo Real Group is the acquisition of the complete ownership over Hypo Real Estate Holding and, thus, over the Issuer as the wholly-owned subsidiary of Hypo Real Estate Holding by either the SoFFin or the Federal Government. Taking into account that as a legal requirement guarantees granted by the SoFFin are as a matter of principle subject to the availability of an adequate core capital of the applicant, the acquisition of the complete ownership as a condition for the recapitalisation might also have an impact on the guarantee facility provided to the Issuer by the SoFFin. The recapitalisation and the squeeze-out are based on legal measures that have been newly introduced into German law in order to stabilise financial markets. At the date of the Base Prospectus it is not predictable how the German courts, potentially including the constitutional court, will decide on actions already initiated or to be initiated in the future by the minority shareholders whose rights are affected by those measures.

The restructuring plan of Hypo Real Estate Group has been notified to the European Commission on 1 April 2009 in accordance with the EC Treaty’s state aid rules. On 7 May 2009, the European Commission has announced an “in-depth investigation” on the compatibility of the restructuring plan, including the state aid measures, with the EC Treaty. On 7 October 2009, this decision was published in a slightly amended version, in particular without business secrets, in the Official Journal of the European Union (2009/C240/07). Outcome of this procedure could be that, if the restructuring plan is approved in principle, that the approval is subject to certain conditions, e.g. relating to the reduction of the balance sheet. In a worst case scenario, the European Commission might decide that certain state aid measures granted to Hypo Real Estate Group do not comply with the EC Treaty and consequently, Germany might be obliged to abolish or alter such aid within a certain period, and/or order repayment.”

**IV. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION “IV. DEUTSCHE PFANDBRIEFBANK AG”**

**SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “5. TREND INFORMATION - UNCERTAINTIES RELATING TO FUTURE DEVELOPMENTS”**

*On page 57 of the Original Base Prospectus, the following paragraphs shall be added at the end of the Subsection “Trend Information - Uncertainties relating to Future Developments”:*

“As further specified at the Extraordinary General Meeting of Shareholders of Hypo Real Estate Holding on 5 October 2009, Hypo Real Estate Group is reckoning with significant burdens on results over the next years, and hence, continuing losses. At the time of the First Supplement, Hypo Real Estate Group does not envisage a return to profitability before 2012. There are, predominantly, three factors that will continue to depress results:

- Firstly, impairments on receivables and securities, particularly with regard to real estate finance, as a result of the financial crisis and the economic slowdown. In this respect, Hypo Real Estate Group’s planning for the years 2009 to 2011 projects aggregate impairment charges on receivables of approximately Euro 4.9 billion of which over 80 per cent. is attributable to Real Estate Finance, and the remainder to Infrastructure Finance and Public Finance. The figures quoted for the period up until the end of 2011 include the Euro 1.1 billion in additional provisions for losses on loans and advances in the real estate finance portfolio recognised during the first half of 2009. In addition, Hypo Real Estate Group envisages impairments of around Euro 0.9 billion to burden the net result from financial investments during the same period.
- The second factor relates to the costs of liquidity support received: Hypo Real Estate Group has budgeted total expenses of Euro 1.5 billion up until the end of 2011 for this item. Net commission income was burdened by as much as Euro 257 million in guarantee fees during the first six months of this year.
- The third factor is costs incurred in connection with the strategic realignment and restructuring. Hypo Real Estate Group has budgeted approximately Euro 200 million for this purpose up until the end of 2011, having already recognised Euro 225 million in provisions in 2008.

Taking into account the losses realised so far, plus the expected losses for the remainder of this year and the following years, in Hypo Real Estate Group’s planning Hypo Real Estate Group has budgeted an aggregate additional capital requirement of approximately Euro 10 billion. This includes the two capital increases executed during the current year, in an aggregate amount of approximately Euro 3 billion. In order to comply with minimum regulatory capital requirements and with the capitalisation standards required by rating agencies and the market, Hypo Real Estate Group considers the additional capital requirement of Euro 7 billion to be not only appropriate, but necessary.

In summary, the continued existence of the group and its entities as a going concern crucially depends upon the continued availability of liquidity support and the additional capital support by the SoFFin.”

**V. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION “V. HYPO REAL ESTATE GROUP“**

**1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. INFORMATION ABOUT HYPO REAL ESTATE GROUP – MEASURES FOR STABILISING HYPO REAL ESTATE GROUP”**

*On page 65 of the Original Base Prospectus, the information contained in the Subsection “Takeover of Hypo Real Estate Holding by the SoFFin” shall be replaced as follows:*

“Following the initial acquisition of 8.7 per cent. of the shares of Hypo Real Estate Holding, SoFFin made a public takeover offer on 17 April 2009, aiming at the acquisition of the entire outstanding shares of Hypo Real Estate Holding at a price of Euro 1.39 per share. As of the end of the acceptance period for the offer on 4 May 2009, the total number of shares held by SoFFin increased to 109,321,660 shares, representing a stake of 47.31 per cent. At the Extraordinary General Meeting, which took place on 2 June 2009, the shareholders of Hypo Real Estate Holding approved the proposal to increase the registered share capital by Euro 5,639,282,040 through the issuance of up to 1,879,760,680 new no-par value bearer shares, under exclusion of the subscription rights of the other shareholders. On 8 June 2009, the SoFFin subscribed approximately 986.5 million of new shares, giving the SoFFin a majority stake of 90 per cent. in Hypo Real Estate Holding. Based on the issue price of Euro 3 per share Hypo Real Estate Holding raised funds amounting to approximately Euro 2.96 billion by this capital increase which have been used for the further deconsolidation of Hypo Real Estate Group and of the Issuer. After the registration of the implementation of the capital increase in the commercial register in Munich, Hypo Real Estate Holding’s registered share capital amounts to Euro 3,652,885,800, comprising 1,217,628,600 no-par value bearer shares (*auf den Inhaber lautende Stückaktien*).

On 5 October 2009, an Extraordinary General Meeting of Shareholders of Hypo Real Estate Holding resolved upon the transfer of the shares of the remaining minority shareholders to the SoFFin against settlement payment in the amount of Euro 1.30 per share (squeeze-out). On 13 October 2009, the squeeze-out became effective upon registration in the commercial register of Hypo Real Estate Holding. Taking into account that the provisions relating to recapitalisation and the related modifications to the squeeze-out rules have been newly introduced into German law in the context of measures aiming at the stabilisation of financial markets it is not predictable how the German courts, potentially including the constitutional court, will decide on actions already initiated or to be initiated in the future by the minority shareholders against the squeeze-out resolution (see also Section V.7 “Historical Financial Information of Hypo Real Estate Group – Legal and Arbitration Proceedings”). Irrespective of the acquisition of complete ownership, the recapitalisation of Hypo Real Estate Group is still subject to the decision of the SoFFin with regard to the total amounts, the structure and the timing of the capital contribution.”

*On page 66 of the Original Base Prospectus, the information contained in the Subsection “Notification of the Restructuring Plan to the European Commission” shall be replaced as follows:*

“The restructuring plan of Hypo Real Estate Group has been notified to the European Commission on 1 April 2009 in accordance with the EC Treaty’s state aid rules. On 7 May 2009, the European Commission has announced an “in-depth investigation” on the compatibility of the restructuring plan, including the state aid measures, with the EC Treaty. On 7 October 2009, this decision was published in a slightly amended version, in particular without business secrets, in the Official Journal of the European Union (2009/C240/07). In its final decision, the European Commission may impose certain conditions, e.g. relating to the reduction of the balance sheet. If the European Commission were to conclude in the final decision that certain state aid measures do not comply with the EC Treaty, it may decide that Germany shall abolish or alter such aid within a certain period, and/or order repayment.”

**2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “6. MAYOR SHAREHOLDERS OF HYPO REAL ESTATE HOLDING”**

*On page 69 of the Original Base Prospectus, the information contained in the first paragraph of the Section “Mayor Shareholders of Hypo Real Estate Holding” shall be replaced as follows:*

“As of the date of this Base Prospectus, Hypo Real Estate Holding’s share capital amounts to Euro 3,652,885,800 consisting of 1,217,628,600 ordinary bearer shares (notional no-par shares). Since 13 October 2009, Hypo Real Estate Holding is wholly-owned (100 per cent.) by the SoFFin (for details see Section V.2 “Information about Hypo Real Estate Group – Measures for Stabilising Hypo Real Estate Group – Takeover of Hypo Real Estate Holding by the SoFFin”).”



### **3. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “7. HISTORICAL FINANCIAL INFORMATION OF HYPO REAL ESTATE GROUP - LEGAL AND ARBITRATION PROCEEDINGS”**

*On page 70 et seq. of the Original Base Prospectus, the fourth paragraph of the Section “Legal and Arbitration Proceedings” shall be replaced as follows:*

“Claims are being made on the grounds of alleged misconduct regarding information in connection with the CDO impairment requirement and the ad-hoc press release dated 15 January 2008 on the one hand and also – to a certain extent – the liquidity situation of DEPFA on the other. In total, 90 lawsuits for a total of around Euro 316.8 million (thereof claims for damages of around Euro 303 million) against Hypo Real Estate Holding are pending. 20 conciliatory proceedings for a total of around Euro 17.3 million have been initiated; these proceedings will probably also become legal proceedings. Further lawsuits for a total of around Euro 600 million are also threatened – in verbal or written form. This results in a total value in dispute of around Euro 934 million. It is alleged that Hypo Real Estate Holding was aware at an earlier date of the impairments in connection with US-CDO which it announced on 15 January 2008. It is also alleged that Hypo Real Estate Holding deliberately provided incorrect information in public with regard to the liquidity of DEPFA. Four lawsuits have been withdrawn – in certain cases subsequent to corresponding information provided by the courts. Only in one case a verdict of the first instance exists. The verdict granted the plaintiff about 40 per cent. of the original claim. An appeal has been submitted. Some of the plaintiffs have submitted application for carrying out a collective action (*Musterverfahren*), of which admissibility could be doubtful.”

*On page 71 of the Original Base Prospectus, the following paragraph shall be added at the end of the Section “Legal and Arbitration Proceedings”:*

“Minority shareholders have filed law suits against the squeeze-out resolution approved at the Extraordinary General Meeting of Shareholders on 5 October 2009. Taking into account that the provisions relating to recapitalisation and the related modifications to the squeeze-out rules have been newly introduced into German law in the context of measures aiming at the stabilisation of financial markets it is not predictable how the German courts, potentially including the constitutional court, will decide on actions already initiated or to be initiated in the future by the minority shareholders against the squeeze-out resolution. In case a law suit against the squeeze-out resolution should be successful, the SoFFin will be obliged to re-transfer the shares to the minority shareholders against reimbursement of the settlement payment. Furthermore, in case of a successful law suit it can not be excluded that minority shareholders have a claim for damages against Hypo Real Estate Holding.”

Signatories on behalf of Deutsche Pfandbriefbank AG

Munich, as of 13 October 2009

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gez. Martina Horn  
Director

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gez. Stefan Krick  
Managing Director