

Amendment to Program Information

Deutsche Pfandbriefbank AG

AMENDMENT TO PROGRAM INFORMATION

Type of Information:	Amendment to Program Information
Date of Announcement:	11 September 2014
Issuer Name:	Deutsche Pfandbriefbank AG (the " Issuer ")
Name and Title of Representative:	Wolfgang Groth, Member of the Management Board
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Address of Website for Announcement:	http://www.tse.or.jp/rules/probond/index.html
Information on initial Program Information:	
Date of Announcement:	27 June 2014
Scheduled Issuance Period:	28 June 2014 to 27 June 2015
Maximum Outstanding Issuance Amount:	JPY500 billion

This amendment is filed to update the information included in the Program Information dated 27 June 2014. This constitutes an integral part of the Program Information dated 27 June 2014 and shall be read together with it.

SECTIONS TO BE UPDATED/AMENDED

PART I. SECURITIES INFORMATION

I TERMS AND CONDITIONS OF PRIMARY OFFERING FOR SUBSCRIPTION TO PROFESSIONAL INVESTORS

I-1 Bonds to be newly Issued

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DEUTSCHE PFANDBRIEFBANK AG

DOCUMENTS INCORPORATED BY REFERENCE

II FINANCIAL CONDITIONS

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PART IV. INFORMATION ON GUARANTOR ETC OF THE COMPANY

I OUTLINE OF COMPANY

HYPO REAL ESTATE GROUP

The corresponding sections in the Program Information dated 27 June 2014 shall be updated as follows.

PART I. SECURITIES INFORMATION

I. TERMS AND CONDITIONS OF PRIMARY OFFERING FOR SUBSCRIPTION TO PROFESSIONAL INVESTORS

I-1 Bonds to be newly Issued

The information in the sub-section entitled "(2) Credit ratings for the Bonds" shall be deleted and replaced by the following information.

"The Issuer will obtain ratings with respect to the Bonds from Moody's Investors Service ("**Moody's**"), Standard & Poor's Ratings Services ("**Standard & Poor's**") and Fitch Ratings ("**Fitch**"). Such ratings will be set out in the applicable Specified Securities Information to be subsequently disclosed."

III. OTHER MATTERS

1. The second paragraph of this section shall be deleted and replaced by the following paragraph.

"In respect of this Program, a rating of (P)Baa2 was assigned from Moody's Deutschland GmbH on 23 June 2014, a rating of BBB was assigned from Standard & Poor's Credit Market Services Europe Limited on 23 June 2014 and a rating of A- was assigned from Fitch Ratings Ltd on 5 September 2014. Those rating firms have not been registered under Article 66-27 of the FIEA."

2. The fourth paragraph of this section shall be deleted and replaced by the following paragraph.

"Moody's has Moody's Japan K.K. (registration number: Commissioner of Financial Services Agency (kakuzuke) No. 2), Standard & Poor's has Standard & Poor's Ratings Japan K.K. (registration number: Commissioner of Financial Services Agency (kakuzuke) No. 5) and Fitch has Fitch Ratings Japan Limited (registration number: Commissioner of Financial Services Agency (kakuzuke) No. 7) within their respective groups as registered credit rating firms under Article 66-27 of the FIEL, and Moody's, Standard & Poor's and Fitch are specified affiliated corporations (as defined in Article 116-3, Paragraph 2 of the Cabinet Office Ordinance) of the respective registered credit rating firms above. The assumptions, significance and limitations of the credit ratings given by Moody's, Standard & Poor's and Fitch are made available on the respective websites of (i) Moody's Japan K.K., at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Related to Explanations of Unregistered Credit Ratings" in the column titled "Use of Ratings by Unregistered Firm" on the page appearing after clicking "Credit Rating Business" on Moody's website in the Japanese language (https://www.moody.com/pages/default_ja.aspx), (ii) Standard & Poor's Ratings Japan K.K., at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Information on Unregistered Ratings" (<http://www.standardandpoors.com/ratings/unregistered/jp/jp>) in the column titled "Library and Related to Regulation" on its website (<http://www.standardandpoors.com/home/jp/jp>), and (iii) Fitch Ratings Japan Ltd., at "Assumptions, Significance and Limitations of Credit Ratings" posted under "Overview of Policies etc for Credit Rating" in the "Regulatory Affairs" section in the column titled "About Fitch" on the left bar on its website (<http://www.fitchratings.co.jp>), respectively, which are made available for the public on the Internet."

PART II. CORPORATE INFORMATION

I OUTLINE OF COMPANY

SELECTED HISTORICAL KEY FINANCIAL INFORMATION

The information in this section shall be deleted and replaced by the following information:

"The following table sets forth selected financial information of the Issuer extracted from the audited consolidated financial statements for the financial years ended 31 December 2012 and 2013:

		2013	2012
Operating performance according to IFRS			
Pre-tax profit/loss	in Euro million	165	124
Net income/loss	in Euro million	160	69
Balance sheet figures		31.12.2013	31.12.2012
Total assets	in Euro billion	74.6	97.1
Equity (excluding revaluation reserve)	in Euro billion	3.4	3.3
Equity	in Euro billion	3.5	3.3

The following table sets forth selected financial information of the Issuer extracted from the unaudited consolidated interim financial statements for the first half of the financial year 2014:

		First Half 2014	First Half 2013
Operating performance according to IFRS			
Pre-tax profit/loss	in Euro million	83	60
Net income/loss	in Euro million	74	41
Balance sheet figures		30.06.2014	31.12.2013
Total assets	in Euro billion	77.8	74.6
Equity (excluding revaluation reserve)	in Euro billion	3.5	3.4
Equity	in Euro billion	3.6	3.5

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements (31 December 2013).

Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group, the business model of the Issuer has been reviewed by the Stabilisation Fund (*Sonderfonds Finanzmarktstabilisierung* – the "**SoFFin**"), the German Financial Markets Stabilization Agency (*Bundesanstalt für Finanzmarktstabilisierung* – the "**FMSA**") and the German Ministry of Finance (*Bundesfinanzministerium*). Together with these stakeholders, the Issuer is currently evaluating the options for its reprivatization, which may have an impact on its current business model.

There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since the end of the last financial period for which interim financial information has been published (30 June 2014)."

DEUTSCHE PFANDBRIEFBANK AG

5. TREND INFORMATION

The second paragraph of this sub-section shall be deleted and replaced as follows:

"Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group, the business model of the Issuer has been reviewed by theSoFFin, the FMSA and the German Ministry of Finance (*Bundesfinanzministerium*). Together with these stakeholders, the Issuer is currently evaluating the options for its reprivatization, which may have an impact on its current business model."

6. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

1. The information in the sub-section entitled "The Management Board" shall be deleted and replaced by the following information.

"In accordance with the Articles of Association, the Management Board consists of two or more members. The Supervisory Board determines the number of the members of the Management Board and appoints the members of the Management Board. The Management Board represents the Issuer and is responsible for its management.

As at the date of this Amendment to Program Information, members of the Management Board of the Issuer are:

<u>Name and Position</u>	<u>Other Mandates</u>
Andreas Arndt Member of the Management Board (Chief Financial Officer)	Member of the Management Board of Hypo Real Estate Holding AG, Munich, Germany
Wolfgang Groth Member of the Management Board (Group Treasurer)	Member of the Management Board of Hypo Real Estate Holding AG, Munich, Germany Non-Executive Director of DEPFA BANK plc., Dublin, Ireland Non-Executive Director of DEPFA ACS Bank, Dublin, Ireland Non-Executive Director of Hypo Public Finance Bank plc., Dublin, Ireland
Andreas Schenk Member of the Management Board (Chief Risk Officer)	Member of the Management Board of Hypo Real Estate Holding AG, Munich, Germany
Dr. Bernhard Scholz Member of the Management Board (Real Estate Finance and Public Sector Finance)	Member of the Management Board of Hypo Real Estate Holding AG, Munich, Germany

The business address of the Management Board of the Issuer is Freisinger Str. 5, 85716 Unterschleißheim, Germany."

2. The information in the sub-section entitled "The Supervisory Board" shall be deleted and replaced by the following information.

"In accordance with the Articles of Association, the Supervisory Board consists of nine members of whom six are elected by the General Meeting of Shareholders and three are elected by the employees in accordance with the German One Third-Participation Act (*Drittelbeteiligungsgesetz*).

As at the date of this Amendment to Program Information, members of the Supervisory Board of the Issuer are:

<u>Name and Position</u>	<u>Other Mandates</u>
Dr. Günther Bräunig Chairman of the Supervisory Board (Member of the Management Board of KfW)	Chairman of the Supervisory Board of Hypo Real Estate Holding AG, Munich, Germany Member of the Strategic Committee of AFT – Agence France Trésor, Paris, France Chairman of the Advisory Council of True Sale International GmbH, Frankfurt/Main, Germany
Dagmar P. Kollmann Deputy Chairperson of the Supervisory Board (Entrepreneur)	Deputy Chairperson of the Supervisory Board of Hypo Real Estate Holding AG, Munich, Germany Member of the Supervisory Board of Bank Gutmann Aktiengesellschaft, Vienna, Austria Member of the Advisory Board of Landeskreditbank Baden-Württemberg – Förderbank (L-Bank), Karlsruhe/Stuttgart, Germany Member of the Supervisory Board of KfW IPEX-Bank GmbH, Frankfurt, Germany Member of the Supervisory Board of Deutsche Telekom AG, Bonn, Germany Member of the Supervisory Board of Unibail-Rodamco SE, Paris, France (since 23.04.2014)
Dr. Christian Gebauer Rochholz ^{**)} (Employee Representative)	None
Georg Kordick ^{**)} (Employee Representative)	None
Joachim Plesser (Retired member of the Management Board of Eurohypo Aktiengesellschaft)	Member of the Supervisory Board of Commerz Real Investmentgesellschaft mbH, Wiesbaden, Germany Member of the Supervisory Board of DIC Beteiligungs AG, Frankfurt/Main, Germany Chairman of the Supervisory Board of Pandion AG, Köln, Germany Member of the Supervisory Board of Hypo Real Estate Holding AG, Munich, Germany Member of the council of Accumulata Immobilien-Development GmbH, Munich, Germany
Dr. Ludger Schuknecht (Head of the Department responsible for Fundamental Issues of Finance Policy and Economics (<i>Abteilung Finanzpolitische und volkswirtschaftliche Grundsatzfragen</i>) at the Federal Ministry of Finance, Berlin)	Member of the Supervisory Board of Hypo Real Estate Holding AG, Munich, Germany Member of the Supervisory Board of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn/Eschborn, Germany
Heike Theißen ^{**)} (Employee Representative)	None

Dr. Hedda von Wedel

(Retired President of the Member of the Supervisory Board of Hypo Real
Bundesrechnungshof) Estate Holding AG, Munich, Germany

Dr. Jeromin Zettelmeyer

(Head of the Economic Policy Department Member of the Supervisory Board of Hypo Real
(Abteilung Wirtschaftspolitik) at the Federal Estate Holding AG, Munich, Germany
Ministry for Economic Affairs and Energy)

*) Dr. Bernd Thiemann will resign as member of the Supervisory Board after the conclusion of the Annual General Meeting of Shareholders which is planned in August.

**) Employee representative according to the One Third-Participation Act (*Drittelbeteiligungsgesetz*).

The business address of the Supervisory Board of the Issuer is Freisinger Str. 5, 85716 Unterschleißheim, Germany."

8. HISTORICAL FINANCIAL INFORMATION

1. The information in the sub-section entitled "Interim and other Financial Information" shall be deleted and replaced as follows:

"As of 30 June 2014, the Issuer has published consolidated interim financial statements including the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity (condensed), the statement of cash flows (condensed), the notes (condensed) and the review report (the "**Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2014**"). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2014 is incorporated by reference (see "DOCUMENTS INCORPORATED BY REFERENCE" below) ¹. The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2014 has been prepared on the basis of IFRS.

The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2014 is unaudited and has been subject to a review by the statutory auditors (prüferische Durchsicht) only. The statutory auditors of the Issuer have issued an unqualified review report (Bescheinigung nach prüferischer Durchsicht)."

2. The information in the sub-section entitled "Legal and Arbitration Proceedings" shall be supplemented by replacing the third paragraph as follows:

"The profit participation certificates issued by the predecessor institutions participated in significant losses due to the net losses for the period incurred since 2008, and to the Issuer's net accumulated losses since this time. These reduced the amounts repaid and, as a result, no interest was paid. Individual plaintiffs therefore initiated legal proceedings, contesting in particular various individual clauses relating to loss participation and replenishment following loss participation. The key questions in this connection are which capital components must be used to calculate loss participation and whether replenishment is required if the Issuer records a net gain for the period or a net retained profit. The contested profit participation certificates had an aggregate principal amount of Euro 260 million (of which proceedings involving a principal amount of Euro 12.5 million were pending). The plaintiffs' repayment claims may increase up to the full amount or in part as a result of these actions. On 31 July 2014, the Munich District Court (*Landgericht*) took an adverse decision from the perspective of the Issuer by confirming these claims. The decision is not final and legally binding yet."

¹ A phrase stating "included in Appendix IV to the Base Prospectus (pages I-1 to I-39)" is changed to "incorporated by reference (see "DOCUMENTS INCORPORATED BY REFERENCE" below)".

3. The sub-section entitled "Significant Change in Issuer's Financial Position or Trading Position" shall be deleted and replaced as follows:

"Significant Change in Issuer's Financial Position

There has been no significant change in the financial position of the Issuer since the end of the last financial period for which interim financial information has been published (30 June 2014)."

DOCUMENTS INCORPORATED BY REFERENCE

The following new item shall be inserted after the third item in this sub-section:

- "- Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2014 which is appended as Appendix IV to the Issuer's Base Prospectus dated 7 May 2014 relating to Euro 50,000,000,000 Debt Issuance Programme which is available at the Issuer's website: http://www.pfandbriefbank.com/fileadmin/user_upload/downloads/investor_relations/issuance_programs/DIP_2014_Base_Prospectus.pdf. by the Issuer's Third Supplement dated 15 August 2014 which is available at the Issuer's website: https://www.pfandbriefbank.com/fileadmin/user_upload/downloads/investor_relations/issuance_programs/DIP_2014_Supplement_3_1408.pdf."

II FINANCIAL CONDITIONS

3. Other

The information in the sub-section entitled "(1) Other financials" shall be supplemented by inserting the following information as the third paragraph:

"The Issuer's consolidated interim financial statements for the first half year ended 30 June 2014, prepared in accordance with IFRS, in relation to the Consolidated Statements of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statement of Cash Flows and Notes for the financial period from 1 January to 30 June 2014 are incorporated in this Program Information by reference as stated in I "OUTLINE OF COMPANY – DOCUMENTS INCORPORATED BY REFERENCE" above."

PART IV. INFORMATION ON GUARANTOR ETC OF THE COMPANY

I OUTLINE OF COMPANY

HYPO REAL ESTATE GROUP

2. INFORMATION ABOUT HYPO REAL ESTATE GROUP

The information in the sub-section entitled "Strategic Reorganisation and Corporate Strategy of Hypo Real Estate Group" shall be supplemented by deleting and replacing the last paragraph as follows:

"In connection with the planned transfer of DEPFA Group to FMS Wertmanagement, the Issuer has transferred its subsidiary DEPFA Finance N.V, Amsterdam, to DEPFA with effect as of 18 July 2014. Subsequent to this, the Issuer will partially repay a loan which was provided to it by DEPFA Finance N.V. for an amount below par and reduce a corresponding hedging swap entered into between the Issuer and DEPFA at market value. The repayment of the loan and the reduction of the swap will result in a total book profit of the Issuer."

5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF HYPO REAL ESTATE HOLDING

The information in the sub-section entitled "The Supervisory Board" shall be deleted and replaced by the following information.

"According to the Articles of Association, the Supervisory Board consists of six members. As at the date of this Amendment to Program Information, members of the Supervisory Board of Hypo Real Estate Holding are:

<u>Name and Position</u>	<u>Other Mandates</u>
Dr. Günther Bräunig Chairman of the Supervisory Board (Member of the Management Board of KfW)	Chairman of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich, Germany Member of the Conseil d'Orientation of OSEO, Paris, France Chairman of the Advisory Council of True Sale International GmbH, Frankfurt/Main, Germany
Dagmar P. Kollmann Deputy Chairperson of the Supervisory Board (Chairman of the Partners Committee of Kollmann GmbH)	Deputy Chairperson of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich Member of the Supervisory Board of Bank Gutmann Aktiengesellschaft, Vienna, Austria Member of the Advisory Board of Landeskreditbank Baden-Württemberg – Förderbank (L-Bank), Karlsruhe/Stuttgart, Germany Member of the Supervisory Board of KfW IPEX-Bank GmbH, Frankfurt, Germany Member of the Supervisory Board of Deutsche Telekom AG, Bonn, Germany Member of the Supervisory Board of Unibail-Rodamco SE, Paris, France (since 23.04.2014)
Joachim Plessner (Retired member of the Management Board of Eurohypo Aktiengesellschaft)	Member of the Supervisory Board of Commerz Real Investmentgesellschaft mbH, Wiesbaden, Germany

Member of the Supervisory Board of DIC Beteiligungs AG, Frankfurt/Main, Germany
 Chairman of the Supervisory Board of Pandion AG, Köln, Germany
 Member of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich, Germany
 Member of the council of Accumulata Immobilien-Development GmbH, Munich, Germany

Dr. Ludger Schuknecht

(Head of the Department responsible for Fundamental Issues of Finance Policy and Economics (*Abteilung Finanzpolitische und volkswirtschaftliche Grundsatzfragen*) at the Federal Ministry of Finance, Berlin)

Member of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich, Germany
 Member of the Supervisory Board of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn/Eschborn, Germany

Dr. Hedda von Wedel

(Retired President of the Bundesrechnungshof)

Member of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich, Germany

Dr. Jeromin Zettelmeyer

(Head of the Economic Policy Department (*Abteilung Wirtschaftspolitik*) at the Federal Ministry for Economic Affairs and Energy)

Member of the Supervisory Board of Deutsche Pfandbriefbank AG, Munich, Germany

*) The mandate of all members of the Supervisory Board will expire after the conclusion of the Annual General Meeting of Shareholders which is planned in August. Dr. Bernd Thiemann will not seek re-election.

The business address of the Supervisory Board of the Issuer is Freisinger Str. 5, 85716 Unterschleissheim, Germany."