



Code of Conduct Hypo Real Estate Group

Table of Contents

03	A) Introduction
03	B) Compliance with Regulation / Legislation / Codes
04	C) Customer / Owner / Investor and Competitor Relations of Practice
05	D) Conflicts of Interest
08	E) Anti-Money Laundering
09	F) Market Abuse (Insider Dealing and Market Manipulation)
09	G) Confidentiality and Secrecy
10	H) Sustainability
10	I) Employee Relations
11	J) Implementation
11	K) Whistleblowing

Code of Conduct

A) Introduction

At Hypo Real Estate Group (hereinafter »Group«, meaning Hypo Real Estate Holding AG and all of its subsidiaries), we recognise the importance of maintaining the trust and confidence of our customers, our employees, our shareholders, our regulators and other stakeholders. We achieve this by acting fairly, reasonably and honestly with all of these groups and with the required levels of skill, professionalism and integrity. This forms the basis for the continued success of our business and the protection of our reputation which is one of our most valuable assets.

This document sets out the Group's Code of Conduct and Ethics which outlines the standards of behaviour expected of all staff, irrespective of the jurisdiction in which they operate. Each member of staff is expected to act in accordance with the standards and values as set out in this Code. The activities of the Group and its entire staff are governed by this Code together with the other internal policies and procedures which support and compliment this Code.

We expect all staff to follow the spirit as well as the letter of this Code. For the avoidance of doubt, the word 'Staff' includes, members of the Board of Directors, all senior management, officers and employees of Hypo Real Estate Group companies.

The regulations, policies and standards outlined in this Code are to be interpreted as the minimum standards to be applied to all Group entities and subsidiaries. Should additional or more stringent standards or regulations apply in any of the Group's subsidiaries or branches then these will be applied locally.

The Board of Directors of Hypo Real Estate Holding AG will regularly review this Code to ensure its effectiveness and continued relevance within the changing banking environment. The Board is committed to ensuring a strong »best practice« environment.

Should a situation arise where a member of staff becomes aware that they have inadvertently breached the standards outlined in this Code, he/she should immediately inform their line manager and the compliance officer. Each incident will be dealt with on a case by case basis. However, a deliberate breach of this Code or failure to disclose an inadvertent breach may have serious consequences leading to potential disciplinary action, which may include a termination of contract.

B) Compliance with Regulation / Legislation / Codes of Practice

All members of staff are required to abide by all relevant legislation, regulatory standards and codes of practice which affect Hypo Real Estate Group companies in the different jurisdictions in which they operate.

We are committed to dealing in an open and transparent manner with our regulators and ensure timely, full and fair disclosure of all our reporting obligations.

We expect that all members of staff act with honesty, integrity and in good faith at all times. This must be the primary principle which guides your actions and decisions. The main determinant of this will be whether you can justify your decisions and their consequences to Hypo Real Estate Group staff and stakeholders as noted in the introduction above.

A quick check list may help guide employees when making decisions in circumstances not covered by existing policy, procedures or precedents:

- I Are my actions fair and honest?
- I Are my actions legal?
- I Will my actions conflict with the interest of any of the Hypo Real Estate Group companies or their customers?
- I Will any of my actions result in the endangerment of any person's health, safety or life?
- I Will public perception of my actions possibly damage the good reputation of Hypo Real Estate Group?
- I Would Hypo Real Estate Group lose customers if this was known to them?

C) Customer / Owner / Investor and Competitor Relations

CUSTOMER RELATIONS

Our customers are the bedrock of our business. All members of staff must act with integrity and honesty at all times when dealing with our customers and all other parties with whom our company interacts. We are committed to dealing openly and professionally and providing a superior level of service for our customers. We continuously review our levels of service to our customers and upgrade the benchmarks for servicing them on an ongoing basis. We understand the term professionalism to include the required skills, knowledge and/or qualifications to undertake tasks in an efficient and competent manner.

We understand that we must protect the interests of our customers and ensure that we maintain customer confidentiality by safeguarding information on the customer themselves, their accounts and business. We maintain high levels of information and physical security for the protection of customers, staff, shareholders and all stakeholders and their records and data.

We treat our customers fairly in all aspects of our business transactions, including a high level of service and remedies for any complaints raised. We have a complaints procedure/process in place to ensure that any complaints are dealt with in an efficient, helpful and timely manner.

Hypo Real Estate Group will not support undertakings/businesses where we have reason to believe the customer is engaged in activities which we understand to be in breach of our ethical business standards or if we believe that they are acting illegally. We do not tolerate any staff members becoming involved in any forms of anti-competitive agreements, decisions or concerted practices.

If any member of staff becomes aware of dealings with potential or existing clients who are involved in potentially illegal activities, this must be brought immediately to the attention of the Board member(s) and/or compliance officer responsible for that region/department. The Board member(s) responsible will review the particulars of each case and provide guidance as appropriate. This may include consultation with the remaining members of the credit committee after further investigation.

The list of illegal activities includes the following:

- | Money laundering;
- | Terrorist financing;
- | Drug trafficking;
- | Illegal arms trading;
- | Illegal movement of people/people trafficking;
- | Smuggling, i.e. illegal movement of goods;
- | Bribery of government or other officials;
- | Facilitation payments to suppliers, persons in authority;
- | Illegal or unauthorised acquiring or use of property including land;
- | Market abuse, i.e. market manipulation or insider dealing;
- | All forms of organised crime;
- | Pollution of the environment, includes excessive emissions, illegal dumping of waste materials and falsifying any records thereon; and
- | Illegal use of labour which includes forced and/or tied labour.

The above list is not exhaustive and Hypo Real Estate Group will disassociate itself from any illegal practices. We assure respect for human dignity in products offered, marketing and advertising; and respect the integrity of the culture of our customers.

OWNER/INVESTOR RELATIONS

Hypo Real Estate Group honours the trust our investors/owners place in us.

Therefore, we have responsibility to:

- | Apply professional and diligent management in order to secure a fair and competitive return on our owners' investment;
- | Disclose relevant information to owners/investors subject to legal requirements and competitive constraints;
- | Conserve, protect and increase the owners/investors assets; and
- | Respect owners/investors' requests, suggestions, complaints and formal resolutions.

COMPETITORS

Hypo Real Estate Group supports the concept of free, fair and ethical competition.

Consequently, Hypo Real Estate Group has the following policies in place:

- | The respect of both tangible and intellectual property rights;
- | Refusing to acquire commercial information by dishonest, illegal or unethical means;
- | Refraining from either seeking or participating in questionable payments, inducements, or favours to secure competitive advantages;
- | Avoidance of discussions with competitors of proprietary information, business plans or topics such as pricing and sales policies;
- | Ensuring all advertising and marketing material is fair, truthful, and not misleading and is in compliance with all the local legislative and regulatory requirements.

D) Conflicts of Interest

Hypo Real Estate Group endeavours to ensure that conflicts of interest are avoided or managed appropriately. Conflicts of interest take many forms. In respect of potential conflicts between clients, staff should refer to the Group's client conflict management procedures. A conflict of interest could also arise where a staff member's personal/private interests interfere, or appear to interfere with the interests of the Group or our customers. This could most commonly arise where a member of staff has an interests in or takes actions which may make it difficult to perform his/her duties objectively or independently, and which could have an adverse effect on the Group. Therefore, all staff must avoid where at all possible actual or apparent conflicts of interest.

Should any conflicts of interest arise, staff must report these to the compliance officer immediately, who will investigate such conflicts and determine any remedial action, if necessary involving the appropriate line managers. The staff involved may be asked to disassociate themselves from any involvement in a Group decision. Alternatively, it may be determined that it is sufficient, based on the facts of the situation, that staff can prove that any transactions or contact were on an arms length basis.

EMPLOYEE REAL ESTATE TRANSACTIONS

All staff members are prohibited from entering into any real estate transactions which may expectedly give rise to material conflicts of interest with regard to Hypo Real Estate Group's present and future business operations. In particular staff members are prohibited from entering into any real estate transactions with customers of Hypo Real Estate Group which are not conducted on standard commercial terms and on an arms-length basis. Employee transactions are understood to comprise all real estate transactions (e.g. sales and purchases, investments in companies) that the employee conducts outside the scope of her/his job duties for their own account and/ or for the account of third parties, in particular her/his spouse, parents or children. This prohibition extends to transactions conducted by third parties for account of or in the interest of an employee. In order to ensure compliance with the above-mentioned standard, staff members are required to notify in advance the compliance officer of any intended employee real estate transaction which could fall under the above prohibitions or give a likewise impression.

PERSONAL OR PRIVATE INTERESTS OF EMPLOYEES

If a staff member wishes to engage in outside business activities or wish to make a public address or write a publication on behalf of the Group, they must obtain permission from the line manager of their department.

Whilst staff are encouraged to participate actively in the communities in which they live and work, any involvement by members of staff in an outside activity or any external position held must not give rise to any real or apparent conflict with a customer's interests, must not adversely reflect on Hypo Real Estate Group and must not interfere with the staff members' job performance. The primary business duty of loyalty of all staff is to Hypo Real Estate Group. For this reason employment contracts include a clause on »exclusivity of services«.

While employees may, over time, develop good business relations with customers, they must always remember that the interest of the Group and its customers take priority over the interest of the employees.

PERSONAL FINANCES

Consistent with professional banking practice it is very important that all staff keep their personal finances in good order at all times. Each employee of the Group must be aware of and comply with any additional specific regulations as they apply to their company/business unit.

PERSONAL ACCOUNT DEALING

Employee transactions/dealings in investments may not be directed against the interests of customers or against the interests of the Group. In the event of a conflict of interest, this interest must be disclosed immediately to the line manager and the employee should obtain the written approval of the compliance officer. Also, transactions which give the impression of being dishonest or are likely to undermine the credibility of the Group or its any staff members are not permitted.

POLITICAL DONATIONS

In dealings with representatives of the government and public authorities, we undertake to avoid all acts which could unlawfully influence their decisions. In particular we must refrain from offering officials gifts of money or other favours or benefits which could be construed as undue influence a bribe or form of corrupt practice. Any form of political donation is generally not wanted in the Group.

Each member of the Group must comply with the regulations of the local jurisdiction.

GIFTS AND ENTERTAINMENT POLICY

Any gifts received in the course of business, with a monetary value in excess of the locally agreed set limits, must be reported to the staff members' line manager and compliance officer. All employees must seek prior approval from their local authorising officer (entertainment), before they may accept any invitation which is above the locally set limits. It is the responsibility of each employee in the Group to be aware of and comply with any additional specific regulations as they apply to their company / business unit.

In general staff members must not solicit or accept gifts, sponsorships, hospitality or service which could compromise, or give the appearance of compromising, their position or any business decision taken by or on behalf of the Group. Gifts may not be accepted unless they are given in an open and transparent manner.

INDUCEMENTS AND BENEFITS

Staff must not solicit or accept from any person or offer or give to any person any benefit or inducement which is likely to conflict with their duty to the Group or any of its customers, suppliers or stakeholders. Benefit or inducement includes

- | credit or any other financial advantage,
- | any opportunity to make, receive or increase any gain or revenue,
- | any opportunity to avoid or reduce any loss or expense, or
- | money, other property or gift, any service, facility, system or information.

Several Practical examples of potential inducements and benefits:

- | Employees holidays being paid, either fully or in part (i.e. air, car, hotel, accommodation), by a customer or connected entity;
- | A developer, who is customer of the Group, sells a property to an employee obviously below the market price;
- | A customer lends money to an employee;
- | A developer, who is customer of the Group, offers to work in the home of an employee free of charge;
- | A company, having completed work for the Group, does not issue an invoice or issues a fictitious invoice which is obviously too low for the work completed for the benefit of an employee;
- | An employee accepts a commission payment from a customer in respect of introducing business to the Group;
- | Invitation by a customer to an employee, where the costs are fully covered by the customer, to an event outside the country where there are a significant number of fringe events taking place; and
- | A customer engages an employee as a consultant, offering significant financial inducements / payments, as the employee is in a strategic position of influence within the Group.

Any activities which are not transparent or which are an attempt at circumventing rules and regulations, or providing hidden inducements or benefits, are strictly prohibited. In particular, staff must not accept or solicit any inducement or benefit for relatives or other third parties. This includes any benefits and inducements which are offered by a third party at the insistence of a customer of the Group.

Bribes – No staff member of the Group may, directly or indirectly, offer bribes. Every demand for a bribe, whether in business or privately, must be refused and reported immediately to the staff members line manager. We do not engage in transactions in which we have grounds to suspect that bribes are involved.

Facilitation payments – We expect that neither employees of the Group nor employees of our business partners or third parties involved in the business transaction in any way, make payments to or perform other services for public authorities to accelerate or facilitate administrative processes. If employees are approached for such payments or have knowledge of such payments, this must be reported immediately to the respective line manager.

This policy also applies to our suppliers, customers, strategic partners, government agents and all public agencies and all our stakeholders.

Suppliers and Subcontractors – We seek fairness and truthfulness in all our activities, including pricing, licensing and rights to sell. We foster long-term stability in the supplier relationships in return for value, quality, competitiveness and reliability. We pay suppliers on time and in accordance with agreed terms of trade and seek, encourage and prefer suppliers and subcontractors whose employment practices do not contravene our own ethical standards.

Should any employee be unsure about a situation which may possibly involve benefits or inducements, they should contact their line manager or the compliance officer to discuss the facts of the situation. In this way any suspicion of improper behaviour can be avoided.

DISCLOSURE OF BUSINESS INTERESTS

If the spouse/partner or a relative of the employee holds an interest in or is partner in a company which is a customer of the Group, the employee must disclose this relationship to their line manager and the compliance officer to ensure that any lending/credit or other business decisions made by the Group will not be made by/involve that particular employee.

E) Anti-Money Laundering

An integral part of our anti-money laundering procedures is ensuring that we know the true identity of our customers. It is ultimately the responsibility of the senior manager/relationship manager in the responsible department to ensure that they have satisfied all »Know Your Customer« requirements including being satisfied as to the source of the underlying wealth of their customers

The anti- money laundering procedures of the Group revolve around three concepts:

1. Thorough customer 'due diligence' i.e. Know Your Customer;
2. Staff awareness and training. All new staff as part of their induction training are made aware of their money laundering obligations. Periodic refresher training is provided to existing staff as required; and
3. Internal reporting procedures: Staff must report suspicions of money laundering directly to the Money Laundering Reporting Officer, who will, where appropriate, report the matter to the responsible authorities.

Staff should refer to the Group's Anti-money laundering manuals for further information.

F) Market Abuse (Insider Dealing and Market Manipulation)

It is strictly against the Group's policies for any member of staff to engage in market abuse activities. Should this occur, the member of staff will be subject to immediate disciplinary action which may result in dismissal.

INSIDER DEALING

Information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments may not be passed on. All members of staff must comply with any additional codes on Insider Dealing as they apply in the local jurisdiction.

MARKET MANIPULATION

Transactions or orders to trade

- | which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of financial instruments, or
- | which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level must not be undertaken
- | unless the person who entered into the transactions or issued the orders to trade establishes that his or her reasons for so doing are legitimate and that these transactions or orders to trade conform to accepted market practices on the regulated market concerned.

Furthermore, transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance as well as dissemination of information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to financial instruments must not be disseminated.

G) Confidentiality and Secrecy

At no time, whether during or after termination of employment must employees reveal to anyone outside Hypo Real Estate Group any confidential information concerning the business of the Group or its clients or customers which may have come to their knowledge in connection with or in pursuance of employment with the Group, or seek to exploit directly or indirectly any such secrets or confidential information gained during the course of employment with the Group. Employees are prohibited from entering into any business arrangements/transactions with customers either directly or through third parties, i.e. spouse/partner, friends, insurance agencies, brokers, etc., if they are doing so with the benefit of confidential information about the customer, and if they are using that information as a bargaining tool or to take commercial advantage of the confidential information. Within legal, regulatory and internal limitations we openly communicate and share information between departments and business units.

In addition we must comply with the data protection and privacy legislation and policy of the Group. This concerns any personal information by which a private individual could be identified. We are in a position of trust when handling personal data and we ensure that such data is only used for the purpose for which it was collected.

Our data protection procedures/policy dictates that no member of staff may ever disclose personal data to third parties who have no right to access it.

Staff may not release information to third parties other than in the following circumstances:

- I Where the party concerned has given permission to do so;
- I Where Hypo Real Estate Group is legally compelled to do so;
- I Where there is a duty to disclose, e.g. in court or in other circumstances of a related nature;
- I Where services are properly outsourced

Each staff member has a clause in their employment contract which covers this area of confidentiality and secrecy. Any breach of this policy will lead to immediate disciplinary action.

H) Sustainability

RESPONSIBILITY FOR THE ENVIRONMENT

Hypo Real Estate Group is committed to doing business in an environmentally responsible manner and identifying environmental risks that may arise out of the Group's operations. The Group recognises that certain resources are finite and must be used responsibly. The Group aims to be as economical as possible in its use of energy and raw materials. We are aware that sustainable, responsible business practice does not only have a positive impact on the environment, but it also provides economic benefits.

Hypo Real Estate Group is a commercial organisation that aims to provide adequate returns for its shareholders. Criteria for credit and investment decisions are primarily economic and respect the wishes of clients. They also take into account a range of social and environmental considerations.

Responsibility for environmental concerns lies with the senior management. The task is actively carried out by a responsible officer in the Group Corporate Office. Even though we do not publish an environmental report it is our declared aim to minimise our consumption of energy and raw materials in all business segments and locations.

SOCIAL RESPONSIBILITY

The social responsibility we have as a commercial enterprise plays an important part in Hypo Real Estate Group. A major emphasis is placed on sustainable business. Our conduct with staff members as well as the conduct of staff members should comply with ethical values. Our employees can rely – in particular with regard to our high demands – on our support for their occupational, professional and personal development.

We take seriously our role as part of the community we form part of. We support, for example, cultural projects and initiatives through our foundations.

All entities of Hypo Real Estate Group support social projects and educational institutions.

I) Employee Relations

The Group respects all people regardless of their age, gender, race, background, skills, orientation or religion. The Group respects their dignity, rights and their private lives. We ensure that staff are treated with fairness, dignity and respect at all times.

We do not tolerate any forms of unjust treatment or discrimination of staff.

All members of staff are encouraged to voice their genuine concerns about matters at work should the need arise, without any fear of recrimination or other adverse consequences for themselves. We foster a culture of openness with and involve staff in the decision making processes within the bounds of reasonableness and confidentiality.

J) Implementation

Each member of staff is responsible for ensuring that they are familiar with the terms and contents of this Code and following the standards outlined therein.

Each employee of the Group must be aware of and comply with any additional specific regulations as they apply to their company/business unit.

Any deliberate infringement of the terms of this Code or failure to disclose an inadvertent breach will have serious consequences and will lead to disciplinary action, which may include a termination of contract. If a staff member becomes aware that they have inadvertently breached the standards outlined in this Code, he/she should immediately inform their line manager and the compliance officer. Each incident will be dealt with on a case by case basis.

K) Whistleblowing

All organisations face the risk of staff perpetrating malpractice, fraud or some other illegal actions. Any behaviour of this nature is taken very seriously by the Group. Such wrongdoing includes, but is not confined to:

- I conduct likely to prejudice the standing of the Group,
- I breaches of the internal rules and regulations of the Group,
- I criminal offences or breaches of civil law (tort and breaches of contract),
- I endangerment of the health and safety of any person,
- I and the deliberate concealment of any wrongdoing.

Hypo Real Estate Group actively encourages a culture of openness. In line with good practice it is the Group's policy that any employee may make a notification, if this is done in good faith, having an honest and reasonable suspicion about the wrongdoing.

If an employee has a wrongdoing concern she/he should inform their immediate line manager, the Head of Department or executive Director, who will then inform the compliance officer immediately upon receipt of a notification. Alternatively, she/he may approach any compliance officer or the Group Compliance Officer directly.

The investigation will be conducted by the compliance officer with the objective of establishing whether wrongdoing has occurred. The compliance officer will communicate the findings of the investigation to the reporting person, the individual(s) under investigation, the Head of Internal Audit, the Chief Executive Officer, or the Managing Director(s) of the Business Unit and, if necessary, any external authorities who need to consider whether action should be taken on the basis of the findings.

As there could be disciplinary consequences for those involved, the Human Resources Department must be informed as soon as it has been determined that an investigation is to be conducted.

Any whistleblowing notifications will be treated in a confidential manner and the reporting employee's identity will only be revealed if it is appropriate. However, it may not be possible to resolve the issue without the identity being revealed. The Group will not tolerate any victimisation of whistleblowers.

The Internal Audit Department may test the provisions of this Code as part of their departmental/functional reviews. Any deviations from the Code will be reported to the appropriate management responsible.

Contact Persons (Compliance Officers):

Hypo Real Estate Holding AG und Group	Reiner Barthuber (+49-89-203007-201)
Hypo Real Estate Bank AG	Reiner Barthuber (+49-89-203007-201)
European Platform	Bärbel Schinabeck (+49-89-2880-10854)
HRECC New York	Watkin Samuel (+44-20-7743-7652)
HREC Japan	Edwin Rivas (+1-212-671-6367)
HREC Hong Kong	Kozue Ozaki (+81-3-5288-5874)
HREC Singapore	Kennis Chung (+852-3413-8356)
DEPFA Bank plc. and ACS Bank	Michael Deeny (+353-1-792-2082)
DEPFA Bank plc, Branch NY	Thomas Savino (+1-212-9054-4636)
DEPFA plc., London Branch	Kshama Karin Pandey (+44-207-290-8426)
DEPFA plc., Asia / Tokio Branch	Satoshi Tanaka (+81-3-5402-9058)
DEPFA plc., Asia / Hong Kong Branch	Kennis Chung (+852-3413-8356)
Hypo Public Finance Bank	Michael Deeny (+353-1-792-2082)
Hypo Pfandbrief Bank International S.A.	Klaus Soellner (+352 2641 4703)
DEPFA Deutsche Pfandbriefbank AG	Birte Bargmann (+49-6196-9990-2886)
Hypo Real Estate Systems GmbH	Bärbel Schinabeck (+49-89-2880-10854)

Hypo Real Estate Group
Unsöldstraße 2
80538 München
Telefon +49 (0) 89 20 30 07-0
Telefax +49 (0) 89 20 30 07-772
www.hyporealestate.com
info@hyporealestate.com