

SUPPLEMENT NO. 1



SPARKASSE KÖLNBONN

(Incorporated as a public law institution (rechtsfähige Anstalt des öffentlichen Rechts) under the laws of the State of North Rhine-Westphalia in the Federal Republic of Germany)

Euro 4,000,000,000 Debt Issuance Programme

This first prospectus supplement (the "**Supplement No. 1**") is supplemental to and must be read in conjunction with the Prospectus dated September 30, 2009 (the "**Original Prospectus**") in connection with the Euro 4,000,000,000 Debt Issuance Programme (the "**Programme**") of Sparkasse KölnBonn (the "**Issuer**").

Capitalised terms used herein and not otherwise defined in this Supplement No. 1 shall have the same meaning as in the Original Prospectus.

Application has been made to the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* for its approval of this Supplement No. 1. Approval by the BaFin means the positive act at the outcome of the scrutiny of the completeness of this Supplement No. 1 including the consistency of the information given and its comprehensibility. Pursuant to §§ 6(2), 16(1), 14(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz – WpPG*), this Supplement No. 1 has been filed with the BaFin as the competent authority.

In accordance with § 16(3) WpPG, investors who have already submitted purchase orders in relation to Notes issued under the Programme prior to the publication of this Supplement No. 1 are entitled to withdraw their orders within two days of this Supplement No. 1 having been published provided that no discharge has occurred. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.

Sparkasse KölnBonn

The date of this Supplement No. 1 is November 25, 2009

IMPORTANT NOTICE

This Supplement No. 1 is related to certain changes with regard to the following parts of the Original Prospectus: 1. “Part A.I. of the Prospectus – Summary of the Prospectus“; 2. “*Teil A.II. des Prospekts – Zusammenfassung des Prospekts*“; 3. “Part B of the Prospectus – Risk Factors“; and 4. “Part I of the Prospectus - Description of the Issuer“ as further described below.

This Supplement No. 1 will be published on the website of the Issuer (“www.sparkasse-koelnbonn.de”) and copies thereof will be available free of charge upon oral or written request, during normal business hours at the principle office of the Issuer.

No person is authorised to give any information or to make any representation regarding the Issuer or the Notes not contained in or not consistent with this Supplement No. 1 or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or by any of the Dealers.

This Supplement No. 1 should be read and construed with the Original Prospectus and with any other documents incorporated by reference and, in relation to any series of Notes, should be read and construed together with the relevant Final Terms.

The Dealers do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information in this Supplement No. 1. Each person receiving this Supplement No. 1 acknowledges that such person has not relied on the Dealers or any person affiliated with the Dealers in connection with its investigation of the accuracy of such information or its investment decision. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

This Supplement No. 1 does not constitute an offer of or an invitation by or on behalf of the Issuer or the Dealers to subscribe or purchase any of the Notes. Persons into whose possession the Supplement No. 1, the Original Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any restrictions on the sale, offering, subscription and purchase of the Notes. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Supplement No. 1, the Original Prospectus or any Final Terms and other offering material relating to the Notes, see section “Subscription and Sale” of the Original Prospectus. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may include Notes which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither the Original Prospectus, this Supplement No. 1 nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

RESPONSIBILITY STATEMENT

Sparkasse KölnBonn with its registered address at Hahnenstrasse 57, 50667 Cologne, Germany, assumes responsibility for the content of this Supplement No. 1 and declares that information contained in this Supplement No. 1 is to the best of its knowledge in accordance with the facts and that no material circumstances have been omitted.

1. CHANGE TO “PART A.I. OF THE PROSPECTUS – SUMMARY OF THE PROSPECTUS“

Change to the section “B. Summary of the “Risk Factors” – Risks Relating to the Issuer” of “Part A.I. of the Prospectus – Summary of the Prospectus”:

The following wording shall be added at the end of the section “Risks Relating to the Issuer” on page 19 of the Original Prospectus:

“Risks associated with the European Commission’s formal investigation into capitalisation measures of Sparkasse KölnBonn

On 4 November 2009, the European Commission opened, under the EC Treaty state aid rules, a formal investigation procedure with regard to silent participations in Sparkasse KölnBonn in an amount of EUR 350 million, made by “Zweckverband Sparkasse KölnBonn” – whose members are the cities of Cologne and Bonn – at the beginning of 2009, and with regard to profit participation capital, paid by Rheinische Sparkassen-Förderungsgesellschaft mbH in an amount of EUR 300 million at the end of 2008.

It cannot be excluded that the European Commission may take the view that there are elements of state aid associated with the recapitalisation measures and that it will hence require further restructuring measures which would affect the future business prospects of Sparkasse KölnBonn and/or require the payment of increased compensation by Sparkasse KölnBonn on the capital instruments. Each of such measures by the European Commission could adversely affect the perception of Sparkasse KölnBonn’s creditworthiness and, hence, the ratings afforded to Notes issued hereunder. Any adverse change of such perception or ratings could result in a reduction on value of Notes issued by Sparkasse KölnBonn.”

2. CHANGE TO “TEIL A.II. DES PROSPEKTS – ZUSAMMENFASSUNG DES PROSPEKTS“

Change to the section “B. Zusammenfassung der “Risikofaktoren” – II. Risiken im Zusammenhang mit der Emittentin” of “Teil A.II. des Prospekts – Zusammenfassung des Prospekts”:

The following wording shall be added at the end of the section “II. Risiken im Zusammenhang mit der Emittentin” on page 43 of the Original Prospectus:

“Risiken im Zusammenhang mit dem förmlichen Hauptprüfungsverfahren der Europäischen Kommission bezüglich Kapitalisierungsmaßnahmen der Sparkasse KölnBonn

Die Europäische Kommission eröffnete am 4. November 2009 auf der Grundlage europarechtlicher Beihilfenvorschriften ein formelles Hauptprüfungsverfahren hinsichtlich der Gewährung einer Stillen Einlage für die Sparkasse KölnBonn in Höhe von EUR 350 Millionen durch den Zweckverband Sparkasse KölnBonn (deren Mitglieder die Städte Köln und Bonn sind) Anfang 2009 und hinsichtlich der Zeichnung von Genussscheinen durch die Rheinische Sparkassen-Förderungsgesellschaft mbH in Höhe von EUR 300 Millionen Ende 2008.

Es kann nicht ausgeschlossen werden, dass die Europäische Kommission zu der Ansicht kommt, dass die Rekapitalisierungsmaßnahmen zum Teil als staatliche Beihilfe eingestuft werden und deshalb weitere Umstrukturierungsmaßnahmen erforderlich sind, die die zukünftigen Geschäftsaussichten der Sparkasse KölnBonn beeinflussen und/oder deshalb die Sparkasse KölnBonn verpflichtet wird, erhöhte Kompensationszahlungen in Bezug auf die Instrumente vorzunehmen. Jede dieser Maßnahmen der Europäischen Kommission könnte die Wahrnehmung der Kreditwürdigkeit der Sparkasse KölnBonn und somit auch das Rating der unter dem Programm begebenen Schuldverschreibungen negativ beeinflussen. Jede nachteilige Veränderung einer solchen Wahrnehmung oder eines Ratings könnte zu einer Verringerung des Wertes der von der Sparkasse KölnBonn begebenen Schuldverschreibungen führen.“

3. CHANGE TO “PART B OF THE PROSPECTUS – RISK FACTORS“

Change to the section “2. Risks Relating to the Issuer” of “Part B of the Prospectus – Risk Factors”:

The following wording shall be added at the end of the section “2. Risks Relating to the Issuer” on page 66 of the Original Prospectus:

“Risks associated with the European Commission’s formal investigation into capitalisation measures of Sparkasse KölnBonn

On 4 November 2009, the European Commission opened, under the EC Treaty state aid rules, a formal investigation procedure with regard to silent participations in Sparkasse KölnBonn in an amount of EUR 350 million, made by "Zweckverband Sparkasse KölnBonn" – whose members are the cities of Cologne and Bonn – at the beginning of 2009, and with regard to profit participation capital, paid by Rheinische Sparkassen-Förderungsgesellschaft mbH in an amount of EUR 300 million at the end of 2008.

It cannot be excluded that the European Commission may take the view that there are elements of state aid associated with the recapitalisation measures and that it will hence require further restructuring measures which would affect the future business prospects of Sparkasse KölnBonn and/or require the payment of increased compensation by Sparkasse KölnBonn on the capital instruments. Each of such measures by the European Commission could adversely affect the perception of Sparkasse KölnBonn’s creditworthiness and, hence, the ratings afforded to Notes issued hereunder. Any adverse change of such perception or ratings could result in a reduction on value of Notes issued by Sparkasse KölnBonn.”

4. CHANGE TO “PART I OF THE PROSPECTUS - DESCRIPTION OF THE ISSUER“

Change to the section “Recent Developments” of “Part I of the Prospectus – Description of the Issuer”:

Sub-section “Request for information from the European Commission (silent participation / profit participation capital) of section “Recent Developments” on page 306 of the Original Prospectus shall be deleted and replaced by the following wording:

“European Commission opens formal investigation into capitalisation measures (silent participation / profit participation capital)

On 4 November 2009, the European Commission opened, under the EC Treaty state aid rules, a formal investigation procedure with regard to silent participations in Sparkasse KölnBonn in an amount of EUR 350 million, made by "Zweckverband Sparkasse KölnBonn" – whose members are the cities of Cologne and Bonn – at the beginning of 2009, and with regard to profit participation capital, paid by Rheinische Sparkassen-Förderungsgesellschaft mbH in an amount of EUR 300 million at the end of 2008. The purpose of the investigation is to determine whether the above-mentioned measures constitute state aid. If the European Commission were to come to the conclusion that they do, it would evaluate how the long-term viability of Sparkasse KölnBonn can be ensured, and possibly, whether adequate compensatory measures have been taken to offset any distortion of competition. For this purpose, the European Commission has requested Sparkasse KölnBonn to submit a restructuring plan. The opening of an investigation is common for state interventions in the banking sector, especially where it is disputed whether a measure constitutes state aid. Such an investigation ensures legal certainty for stakeholders and gives interested third parties the possibility to submit comments on the measures. It does not prejudice the outcome of the procedure.

In the opinion of Sparkasse KölnBonn, the silent participation and the profit participation capital were structured on normal market terms ("at arm's length") and therefore do not constitute state aid. The rates of interest applying to the silent participation provided to Sparkasse KölnBonn were determined on the basis of a fairness opinion given by a major German private bank. In addition, Sparkasse KölnBonn is of the view that the package of measures already implemented to improve its profitability (including the reduction of non-core business activities, a distinct focus on retail and commercial client business, as well as decisive cost-control measures) will ensure its long-term viability. Sparkasse KölnBonn is therefore of the view that – even if the European Commission were to find elements of state aid in the capitalisation measures implemented at the end of 2008 and at the beginning of 2009 - it has devised and implemented restructuring measures as would be required by the European Commission.

Sparkasse KölnBonn intends to co-operate fully with the European Commission in order to advance the investigation as quickly as possible and will inform the public in accordance with legal requirements in the event of any new material developments.”

SIGNATORIES

Signed on behalf of the Issuer on November 25, 2009:

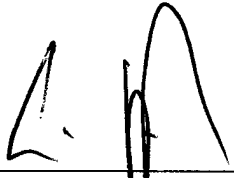
Sparkasse KölnBonn

By:



DR. ULRICH GRISCHEL

By:



ULRICH VOIGT

ADDRESS LIST

REGISTERED AND HEAD OFFICE OF THE ISSUER

Sparkasse KölnBonn
Hahnenstrasse 57
D-50667 Cologne