

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 purchase orders provided that the relevant purchase order has not yet been settled. 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 5 August 2011

to the base prospectus dated
5 May 2011
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 “Supplement”) to the base prospectus dated 5 May 2011 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 5 May 2011 (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 as amended by 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”) under the German Securities Act (*Wertpapierprospektgesetz*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003. 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”) of the Grand Duchy of Luxembourg, the *Autoriteit Financiële Markten* of the Netherlands, the *Financial Services Authority* of the United Kingdom, the *Irish Financial Services Regulatory Authority* of Ireland, the *Finanzmarktaufsicht* of Austria and the *Kredittilsynet / Oslo Børs* of Norway with a certificate of approval attesting that the Supplement has been drawn up in accordance with the German Securities Prospectus Act 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.pfandbriefbank.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 this Supplement.

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

1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “1. SUMMARY OF RISK FACTORS – SUMMARY OF RISKS RELATING TO THE ISSUER AND HYPO REAL ESTATE GROUP”

On page 6 et seq. of the Original Base Prospectus the second paragraph in the Subsection “Risks relating to the Current of Crisis of Hypo Real Estate Group” shall be deleted and replaced as follows:

“Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group, which has been granted on 18 July 2011, the conditions that are imposed on Hypo Real Estate Group and the Issuer are definitive, but still need to be complied with in the future. There is a risk that if competitors of Hypo Real Estate Group take legal actions against the decision of the European Commission or if Hypo Real Estate Group does not meet the conditions that the case is reopened and, in the worst case, that the European Commission makes a negative decision.”

On page 6 et seq. of the Original Base Prospectus the seventh paragraph in the Subsection “Risks relating to the Current of Crisis of Hypo Real Estate Group” shall be deleted and replaced as follows:

- “■ The conditions imposed by the European Commission include, *inter alia*, restrictions not only to the growth of the Issuer as a whole, but also to the growth of the two business segments of the Issuer that each are subject to individual restrictions. As a consequence of the restrictions, the business model of the Issuer may not be sustainable in the future.”

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 THE ISSUER”

On page 14 of the Original Base Prospectus, the information contained in paragraphs 2 through 5 of the Subsection “Business Overview” shall be deleted and replaced as follows:

“It should be noted that following the approval of the European Commission of the state aid provided to Hypo Real Estate Group the business model is significantly restricted as a consequence of conditions imposed by the European Commission.

The previous segment Public Sector Finance will be divided into the sub-segments Public Budget Finance and Public Investment Finance. It is intended that the Public Budget Finance business is to be run down and the Public Investment Finance will remain. In the new segment Public Investment Finance, the Issuer’s public investment financing will exclusively comprise of medium- or long-term finance. The product catalogue is limited to financing investments relating to public institutions, municipal residential construction, utilities and waste disposal, essential infrastructure and health and old age. As regards the markets in which the Issuer may offer public investment finance services, only France, Germany, Italy and Spain (as core markets) and Austria, Belgium, Czech Republic, Denmark, Finland, Hungary, Luxembourg, Norway, Poland, Slovakia, Sweden, Switzerland, The Netherlands and the UK (as further markets) are permitted.

In the segment Real Estate Finance, the Issuer has to restrict new business to real estate finance with professional national and international real estate investors. As regards the markets in which the Issuer may be active in, only

France, Germany, Spain and the UK (as core markets) and Austria, Belgium, Czech Republic, Denmark, Finland, Hungary, Luxembourg, Norway, Poland, Slovakia, Sweden, Switzerland and The Netherlands (as further markets) are permitted.”

On page 15 of the Original Base Prospectus, the first two paragraphs of the Subsection “Trend Information” 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 is still subject to a potential review by the SoFFin. As at the date of the Supplement dated 5 August 2011, the Issuer has no reason to believe that the SoFFin disapproves, or further restricts, the Issuer’s business model as defined by the European Commission.”

3. 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 pages 16 et seq. of the Original Base Prospectus, the last three paragraphs contained in the Subsection “Measures for Stabilising Hypo Real Estate Group” shall be deleted and replaced as follows:

“On 18 July 2011, the European Commission approved the state aid provided to Hypo Real Estate Group by the Federal Republic of Germany. As anticipated, the European Commission has imposed a number of conditions for its approval, most of which Hypo Real Estate Group already complies with. Among others, the conditions include the restriction of the scope of activities of Hypo Real Estate Group. The Issuer is restricted to operation in the business segments of real estate finance and public investment finance, which is a sub segment of the public finance business, in Germany and other selected European countries. The banks within DEPFA group will not originate any new business until being re-privatised. The balance sheet total of the Issuer will substantially be reduced as a result of the conditions imposed by the European Commission. Further conditions include the restriction of making interest and profit participation payments for certain instruments as long as the capital contribution granted as a silent participation (*stille Einlage*) by SoFFin in the amount of EUR 1 billion in 2009 has not been redeemed and the fact that the Issuer may only render the servicing of the FMS Wertmanagement portfolio until end of September 2013.”

On pages 19 et seq. of the Original Base Prospectus, the information contained in the second paragraph of the Subsection “Trend Information relating to Hypo Real Estate Group” 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 and of Hypo Real Estate Group is still subject to a potential review by the SoFFin. As at the date of the Supplement dated 5 August 2011, the Issuer has no reason to believe that the SoFFin disapproves, or further restricts, the Issuer’s business model as defined by the European Commission.”

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

1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “1. ZUSAMMENFASSUNG DER RISIKOFAKTOREN – ZUSAMMENFASSUNG DER EMITTENTENBEZOGENEN RISIKOFAKTOREN UND DER RISIKEN IN BEZUG AUF DIE HYPO REAL ESTATE GROUP”

On page 27 et seq. of the Original Base Prospectus the second paragraph in the Subsection “Risiken in Bezug auf die derzeitige Krise der Hypo Real Estate Group” shall be deleted and replaced as follows:

“Nach der Genehmigung der an die Hypo Real Estate Group gewährten staatlichen Beihilfen durch die Europäische Kommission, welche am 18 Juli 2011 erfolgt ist, stehen die Auflagen, welche der Hypo Real Estate Group und der Emittentin auferlegt wurden, fest, müssen jedoch noch in der Zukunft umgesetzt werden. Es besteht das Risiko, dass wenn Wettbewerber der Hypo Real Estate Group rechtliche Schritte gegen die Entscheidung der Europäischen Kommission einleiten oder die Hypo Real Estate Group die Auflagen nicht erfüllt, das Verfahren wieder aufgenommen wird und im schlimmsten Fall die Europäischen Kommission eine negative Entscheidung trifft.”

On page 27 et seq. of the Original Base Prospectus the seventh paragraph in the Subsection “Risiken in Bezug auf die derzeitige Krise der Hypo Real Estate Group” shall be deleted and replaced as follows:

- “■ Die Auflagen, welche von der Europäischen Kommission auferlegt wurden, umfassen unter anderem Beschränkungen nicht nur in Bezug auf das Wachstum der Emittentin insgesamt, aber auch in Bezug auf das Wachstum der zwei Geschäftsbereiche der Emittentin, die jeweils gesonderten Beschränkungen unterliegen. Als Folge der Beschränkungen könnte das Geschäftsmodell der Emittentin in der Zukunft nicht überlebensfähig sein.”

2. 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 35 of the Original Base Prospectus, the information contained in paragraphs 2 through 5 of the Subsection “Geschäftsüberblick” shall be deleted and replaced as follows:

“Es ist zu beachten, dass das Geschäftsmodell der Hypo Real Estate Group nach der Genehmigung der staatlichen Beihilfen durch die Europäischen Kommission als Folge der durch die Europäische Kommission auferlegten Auflagen erheblich beschränkt ist.

Das vorherige Public Sector Finance Segment wird in die Bereiche Public Budget Finance und Public Investment Finance aufgeteilt. Es ist beabsichtigt, dass das Public Budget Finance Geschäft heruntergefahren und der Bereich Public Investment Finance übrig bleiben wird. Im neuen Segment Public Investment Finance wird die Emittentin öffentliche Investitionsfinanzierungen ausschließlich in Form von mittel- oder langfristigen Finanzierungen tätigen. Das Produktangebot ist begrenzt auf die Finanzierung von Investitionen in Bezug auf öffentliche Einrichtungen, kommunalen Wohnungsbau, Energie und Abfallbeseitigung, zentrale Infrastruktur sowie Gesundheit und Altersvorsorge. Als Märkte, in denen die Emittentin Public Investment Finance Dienstleistungen anbieten darf, sind nur Frankreich, Deutschland, Italien und Spanien (als Kernmärkte) und Österreich, Belgien, Tschechien, Dänemark, Finnland, Ungarn, Luxemburg, Norwegen, Polen, Slowakei, Schweden, Schweiz, Niederlande und Großbritannien (als weitere Märkte) gestattet.

Im Segment Real Estate Finance muss die Emittentin ihr Geschäft auf professionelle nationale und internationale Immobilieninvestoren beschränken. Hinsichtlich der Märkte, in welchen die Emittentin aktiv sein darf, sind nur Frankreich, Deutschland, Spanien und Großbritannien (als Kernmärkte) sowie Österreich, Belgien, Tschechien, Dänemark, Finnland, Ungarn, Luxemburg, Norwegen, Polen, Slowakei, Schweden, Schweiz und Niederlande (als weitere Märkte) gestattet.”

On page 36 of the Original Base Prospectus, the first two paragraphs of the Subsection “Trend Information” shall be deleted and replaced as follows:

“Nach der Genehmigung der an die Hypo Real Estate Group gewährten staatlichen Beihilfen durch die Europäische Kommission, steht das Geschäftsmodell der Emittentin noch unter dem Vorbehalt der möglichen Überprüfung durch den SoFFin. Zum Datum des Nachtrags vom 5. August 2011 hat die Emittentin jedoch keinen

Grund zur Annahme, dass der SoFFin das Geschäftsmodell der Emittentin (in der durch die Europäische Kommission festgesetzten Art) nicht genehmigen oder weiter einschränken würde.”

3. 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 pages 37 et seq. of the Original Base Prospectus, the last three paragraphs contained in the Subsection “Maßnahmen zur Stabilisierung der Hypo Real Estate Group” shall be deleted and replaced as follows:

“Am 18 Juli 2011 hat die Europäische Kommission die der Hypo Real Estate Group durch die Bundesrepublik Deutschland gewährte staatliche Beihilfe genehmigt. Wie erwartet hat die Europäische Kommission eine Reihe von Auflagen an die Genehmigung geknüpft, von denen die meisten bereits von der Hypo Real Estate Group erfüllt werden. Unter anderem besteht eine Auflage darin, dass der Geschäftsumfang der Hypo Real Estate Group zu begrenzen ist. Die Emittentin ist beschränkt auf die Geschäftsbereiche Real Estate Finance und Public Investment Finance, ein Teilbereich des Segments Public Sector Finance, in Deutschland und anderen ausgewählten europäischen Ländern. Die Banken innerhalb der DEPFA Gruppe werden bis zur Reprivatisierung kein neues Geschäft mehr generieren. Die gesamte Bilanz der Emittentin wird erheblich aufgrund der Auflagen der Europäischen Kommission reduziert werden. Weitere Auflagen betreffen Zins- und Gewinnbeteiligungszahlungen für bestimmte Instrumente, solange das von der SoFFin im Jahr 2009 als stille Einlage gewährte Kapital von einer Milliarde Euro nicht zurückgezahlt worden ist, sowie den Umstand, dass die Emittentin Dienstleistungen für das FMS Wertmanagement Portfolio nur bis Ende September 2013 erbringen darf.”

On page 41 of the Original Base Prospectus, the information contained in the second paragraph of the Subsection “Trend Information in Bezug auf die Hypo Real Estate Group” shall be deleted and replaced as follows:

“Nach der Genehmigung der an die Hypo Real Estate Group gewährten staatlichen Beihilfen durch die Europäische Kommission steht das Geschäftsmodell der Emittentin und der Hypo Real Estate Group noch unter dem Vorbehalt einer möglichen Überprüfung durch den SoFFin. Zum Datum des Nachtrags vom 5. August 2011 hat die Emittentin jedoch keinen Grund zur Annahme, dass der SoFFin das Geschäftsmodell der Emittentin (in der durch die Europäische Kommission festgesetzten Art) nicht genehmigen oder weiter einschränken würde.”

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

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “RISKS RELATING TO THE CURRENT CRISIS OF HYPO REAL ESTATE GROUP”

On pages 50 et seq. of the Original Base Prospectus the information contained in the subsection “Risk of Dependency on the Outcome of the European Commission’s Final Decision on Hypo Real Estate Group’s Restructuring Plan” shall be deleted and replaced as follows:

“Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group, which has been granted on 18 July 2011, the conditions that are imposed on Hypo Real Estate Group and the Issuer are definitive, but still need to be complied with in the future. There is a risk that competitors of Hypo Real Estate Group may take legal actions against the decision of the European Commission which could lead to a reopening of the case and, in the worst case, to a negative decision by the European Commission. If Hypo Real Estate Group does not meet the conditions, further conditions may be imposed by the European Commission, which could also lead to a reopening of the case before the European Commission and, in the worst case, to a negative decision by the European Commission (for further risks related to the conditions imposed by the European Commission see under “Risks relating to Future Developments” below).”

On page 52 of the Original Base Prospectus the first bullet contained in the subsection “Risks relating to Future Developments” shall be deleted and replaced as follows.

- “■ The conditions imposed by the European Commission include, *inter alia*, restrictions not only to the growth of the Issuer as a whole, but also to the growth of the two business segments of the Issuer that each are subject to individual restrictions. As a consequence, the business model of the Issuer may not be sustainable in the future due to restrictions to certain countries, clients and financing models, leaving not enough business potential in order to meet client demand and, thus, being less attractive for clients in comparison to banks that can operate without similar restrictions.”

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

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “3. BUSINESS OVERVIEW”

On page 64 of the Original Base Prospectus the second paragraph and the Subsections “Public Sector Finance” and “Real Estate Finance” shall be deleted and replaced as follows:

“It should be noted that following the approval of the European Commission of the state aid provided to Hypo Real Estate Group (for details see Section V.2 “Information about Hypo Real Estate Group – Notification of the Restructuring Plan to the European Commission”) the business model is significantly restricted as a consequence of conditions imposed by the European Commission as further specified below. In particular, the conditions imposed by the European Commission include, *inter alia*, restrictions not only to the growth of the Issuer as a whole, but also to the growth of the two business segments of the Issuer that each are subject to individual restrictions whereas pursuant to the current planning the restrictions on growth of the Issuer imposed by the European Commission will not be reached until the end of 2015.

Public Investment Finance (previously part of Public Sector Finance)

The previous segment Public Sector Finance will be divided into the sub-segments Public Budget Finance and Public Investment Finance. It is intended that the Public Budget Finance business, i.e. financing of central and regional governments as well as municipalities which are for the general and non-allocated household budget and which are therefore not allocated for a specific purpose with an asset and/or investment character, is to be run down. Public Investment Finance, e.g. financing of public infrastructure, basic social services or general standards of living, will remain.

In the new segment Public Investment Finance, the Issuer’s public investment financing will exclusively comprise of medium- or long-term finance, including any closely related services, granted for public projects that serve either the provision of services of general interest or the safeguarding of productivity potential. The product catalogue is limited to financing investments relating to public institutions (administrative and special-purpose institutions, educational and cultural establishments as well as sports facilities), municipal residential construction (social housing, residential construction companies, student dormitories, utilities and waste disposal (power generation, water procurement and supply, waste water disposal and treatment, waste disposal and recovery), essential infrastructure (networks and facilities for road, waterway, rail and air traffic, motor and equipment pools in local and long-distance transport as well as equipment and facilities for reconnaissance and defence purposes) and health and old age (medical health and care facilities as well as administrative and insurance institutions).

With regard to its public sector customers, the Issuer has to restrict its activities to (i) finance contracts directly concluded with a debtor under public law which is recognised as being eligible for cover pool (*deckungsfähig*) pursuant to the German Pfandbrief Act (*Pfandbriefgesetz*), the financing of which must be earmarked for a concrete specific purpose on the basis of the product catalogue referred to above; (ii) finance granted to companies with a public or private legal form that are funded publicly or privately, which finance is secured by a public guarantee within the meaning of the German Pfandbrief Act (transportation companies and utilities, public services, special-purpose associations, management companies, non-profit organisations, associations), finance granted to special-purpose companies secured by a public guarantee within the meaning of the German Pfandbrief Act (special-purpose entities for public private partnership (PPP)/ public finance initiative (PFI) projects and investment companies for buildings and equipment, capital goods covered by an export credit guarantee /export credit agency (ECA)).

As regards the markets in which the Issuer may offer public investment finance services, only France, Germany, Italy and Spain (as core markets) and Austria, Belgium, Czech Republic, Denmark, Finland, Hungary, Luxembourg, Norway, Poland, Slovakia, Sweden, Switzerland, The Netherlands and the UK (as further markets) are permitted.

As at 31 December 2010, new business of the Issuer in the previous public sector finance segment amounted to Euro 1 billion. As of 31 December 2010, measured on the basis of exposures the public sector financing portfolio amounted to Euro 55.5 billion (compared to Euro 60 billion as of 31 December 2009). The decline of the exposure in a net value of Euro 4.5 billion is mainly attributable to the transfer of assets and liabilities to FMS Wertmanagement. For further details on the credit portfolio and the exposure of the Issuer see Deutsche Pfandbriefbank Consolidated Financial Information 2010, on pages F-39 et seq. (Risk Report – Credit Risk – Credit Portfolio). Taking into account that the Public Budget Finance business will be phased-out, there is room

for new business in the area of Real Estate Finance and Public Investment Finance despite the conditions imposed by the European Commission.

Real Estate Finance

In the segment Real Estate Finance, the Issuer has to restrict new business to real estate finance with professional national and international real estate investors (i.e. real estate companies, institutional investors, real estate funds and in addition to these, in Germany, small and medium enterprises (SMEs) and professional customers with a regional focus). As regards the markets in which the Issuer may be active in, only France, Germany, Spain and the UK (as core markets) and Austria, Belgium, Czech Republic, Denmark, Finland, Hungary, Luxembourg, Norway, Poland, Slovakia, Sweden, Switzerland and The Netherlands (as further markets) are permitted. For further details on the credit portfolio and the exposure of the Issuer as of 31 December 2010 see Deutsche Pfandbriefbank Consolidated Financial Information 2010, on pages F-39 et seq. (Risk Report – Credit Risk – Credit Portfolio).

It should be noted that with respect to both segments, Public Investment Finance and Real Estate Finance, in case that an existing asset does not comply with the new business criteria imposed by the European Commission, it may still be held and managed by the Issuer. However, its restructuring, renewal or prolongation is only permitted to the extent to which this may be necessary (i) to safeguard its value or (ii) to efficiently manage the cover pools.”

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “5. TREND INFORMATION”

On page 66 of the Original Base Prospectus the information contained in the subsection “Conditions for the Continuance of the Issuer” shall be deleted and replaced as follows:

“Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group (for details see Section V.2 “Information about Hypo Real Estate Group – Notification of the Restructuring Plan to the European Commission”), the business model of the Issuer is still subject to a potential review by the SoFFin. As at the date of the Supplement dated 5 August 2011, the Issuer has no reason to believe that the SoFFin disapproves, or further restricts, the Issuer’s business model as defined by the European Commission.

In terms of the capitalisation of Hypo Real Estate Group and of the Issuer, it should be noted that Hypo Real Estate Group has participated in an EU wide stress testing on a voluntary basis coordinated by the European Banking Authority (EBA) the results of which have been published on 15 July 2011. The relevant examinations were carried out at the level of Hypo Real Estate Group, and, thus, include the Issuer. Pursuant to this stress testing, the capitalisation of Hypo Real Estate Group exceeds the minimum requirements stipulated by EBA for all scenarios under the current stress test for European banks. Even when applying tougher stress factors under the so-called “adverse scenario”, projecting a two-year stress period through the end of 2012, the analysis shows that Hypo Real Estate Group would still have a core tier 1 ratio of 10 per cent., well in excess of the minimum level of 5 per cent. In this respect it should be noted that an additional EUR 1.59 billion reduction in Hypo Real Estate Group’s equity was already taken into account for the purposes of the stress test, even though FMSA has not imposed the payment condition yet (for details relating to the payment condition in the amount of EUR 1.59 billion see below under “Uncertainties relating to Future Developments”). It should be noted that the stress testing is applicable to Hypo Real Estate Group only, and does not allow an assessment of the Issuer on a stand-alone basis.”

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

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. INFORMATION ABOUT HYPO REAL ESTATE GROUP”

On page 75 of the Original Base Prospectus at the end of the Subsection “Measures for Stabilising Hypo Real Estate Group – Notification of the Restructuring Plan to the European Commission” the information contained in the third and fourth paragraph shall be deleted and replaced as follows:

“On 18 July 2011, the European Commission approved the state aid provided to Hypo Real Estate Group by the Federal Republic of Germany. As anticipated, the European Commission has imposed a number of conditions for its approval, most of which Hypo Real Estate Group already complies with:

- The European Commission has restricted the scope of business activities of Hypo Real Estate Group. The Issuer is restricted to operating in the business segments of real estate finance and public investment finance which is a sub-segment of the public finance business, in Germany and other selected European countries (for details see Section IV.3 “Business Overview”). In addition, the European Commission has restricted the growth of interest-bearing assets, and has set certain conditions in order to secure profitability of new business, and in order to prevent from competitive distortion. As planned and in accordance with the conditions imposed by the European Commission, the banks within the DEPFA Group will not originate any new business until being re-privatised.
- The conditions imposed by the European Commission will lead to a substantial reduction of the balance sheet total of the Issuer when compared with the situation at the end of 2008, when the consolidated balance sheet total (in accordance with IFRS) of Hypo Real Estate Group stood at around EUR 420 billion. Over time, the balance sheet total is set to further decline due to the phase-out of public-sector budget finance, however, the reduction will be offset by new business.
- Furthermore, the European Commission has imposed certain conditions upon the Federal Republic of Germany regarding the medium-term reprivatisation of the Issuer, and of the entities (or assets) of the DEPFA Group.
- For the time being and until further notification, Hypo Real Estate Group may make interest and profit-participation payments for certain instruments to third parties outside the Group only under certain conditions. In relation to profit related instruments (other than those granted by SoFFin), the European Commission has set the condition that the capital contribution granted as a silent participation (*stille Einlage*) by SoFFin in the amount of EUR 1 billion in 2009 (for details see Note 21 on page F-83 of the Deutsche Pfandbriefbank Consolidated Financial Information 2010) has to be redeemed, before the Issuer makes interest and profit participation payments for those instruments.
- These conditions apply to a series of equity linked capital instruments which were in place at 30 September 2010 and which were not provided by the SoFFin. As a result of further conditions, no distributable profits will accrue in the DEPFA Group until reprivatisation.
- Finally, as regards the servicing of the FMS Wertmanagement portfolio which the Issuer and other subsidiaries of Hypo Real Estate Group jointly perform, the Issuer may only render these services throughout the term of the current contract which will expire end of September 2013, whilst DEPFA Group entities will be permitted to continue servicing the portfolio beyond this deadline.”

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “4. TREND INFORMATION RELATING TO HYPO REAL ESTATE GROUP”

On page 77 of the Original Base Prospectus the Section „4. Trend Information relating to Hypo Real Estate Group“ shall be amended by replacing the information contained in the third paragraph with the following paragraphs:

“Following the approval of the European Commission of the state aid provided to Hypo Real Estate Group (for details see Section V.2 “Information about Hypo Real Estate Group – Notification of the Restructuring Plan to the European Commission”), the business model of the Issuer and Hypo Real Estate Group is still subject to a potential review by the SoFFin. As at the date of the Supplement dated 5 August 2011, the Issuer has no reason to

believe that the SoFFin disapproves, or further restricts, the Issuer's business model as defined by the European Commission.

In terms of the capitalisation of Hypo Real Estate Group and of the Issuer, it should be noted that Hypo Real Estate Group has participated in an EU wide stress testing coordinated by the European Banking Authority (EBA) the results of which have been published on 15 July 2011 (for details see Section IV.5 "Trend Information")."

Signatories on behalf of Deutsche Pfandbriefbank AG

Munich, as of 5 August 2011

gez. Stefan Krick
Managing Director

gez. Martina Horn
Director