

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 3 August 2010

to the base prospectus dated
21 April 2010
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 21 April 2010 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 21 April 2010 (the “Original Base Prospectus”) in respect of the Programme. Unless otherwise stated or the context otherwise requires, terms defined in the Original Base Prospectus shall have the same meaning when used in the Supplement. As used herein, the term “Base Prospectus” means the Original Base Prospectus and the Supplement.

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

The Supplement has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* of the Federal Republic of Germany in its capacity as competent authority (the “Competent Authority”) 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, the *Kredittilsynet / Oslo Børs* of Norway and the *Commissione Nazionale per le Società e la Borsa* of Italy 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 the Supplement.

I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "I. SUMMARY"

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

On page 16 of the Original Base Prospectus, following the Paragraph "Strategic Reorganisation of Hypo Real Estate Group", the following Subsection shall be added:

"Recent Events

Hypo Real Estate Group has participated in an EU wide stress testing coordinated by the Committee of European Banking Supervisors (CEBS) the results of which have been published on 23 July 2010. Pursuant to the information relating to stress testing of German banks published by the Deutsche Bundesbank and BaFin, Hypo Real Estate Group does not meet the 6% tier 1 ratio required by CEBS in two scenarios which reflect particularly negative conditions for 2011. In all scenarios, Hypo Real Estate Group complies with the required regulatory minimum tier 1 ratio of 4%.

In this context it should be noted that most recently the following developments have occurred:

On 8 July 2010, the Executive Committee (*Leitungsausschuss*) of the FMSA formally founded the deconsolidated environment (*Abwicklungsanstalt*) in the form of a public law institution (*Anstalt des öffentlichen Rechts*) named "FMS Wertmanagement" pursuant to section 8a of the FMStFG. It should be noted that the foundation of this institution is only a first step in the establishment process and that there is no legally enforceable right upon transfer of assets to such institution: whether and to what extent the transfer will be approved is subject to the decision of the FMSA that has absolute discretion in this respect. Furthermore, the whole establishment process of a deconsolidated environment (*Abwicklungsanstalt*) continues to be subject to approval by the European Commission.

On 30 April 2010, within the recapitalisation framework HRE has applied for, SoFFin has approved additional capital contributions to Hypo Real Estate Holding with the result that as at the date of the Supplement dated 3 August 2010, the SoFFin has approved recapitalisation measures amounting to EUR 7.87 billion of which EUR 7.42 billion have been paid to Hypo Real Estate Group. Any further contribution will be subject to the prior approval of the European Commission and the whole restructuring plan continues to be subject to the final decision of the European Commission; furthermore, an additional recapitalisation depends on the decision of the FMSA how to conduct the transaction of the deconsolidated environment (*Abwicklungsanstalt*). Provided full recapitalisation has been granted, Hypo Real Estate Group would exceed the 6% tier 1 ratio for all scenarios used in the current stress test."

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

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

On page 33 of the Original Base Prospectus following the Paragraph “Strategische Neuausrichtung der Hypo Real Estate Group”, the following Subsection shall be added:

“Wichtige Ereignisse

Hypo Real Estate Group hat an einem europaweiten Stresstest teilgenommen, welcher von dem *Committee of European Banking Supervisors (CEBS)* koordiniert wurde und dessen Ergebnisse am 23. Juli 2010 veröffentlicht wurden. Auf Grundlage der Information, welche von der Deutschen Bundesbank und der BaFin bezüglich des Stresstests von deutschen Banken veröffentlicht wurden, unterschreitet die Hypo Real Estate Group die von CEBS geforderte Kernkapitalquote von 6% in zwei negativen Szenarien für das Jahr 2011. Die bankaufsichtrechtliche Vorgabe einer Kernkapitalquote von 4% hält die Hypo Real Estate Group in allen Szenarien ein.

In diesem Zusammenhang ist zu beachten, dass in jüngster Zeit die folgenden Ereignisse eingetreten sind:

Am 8. Juli 2010 hat der Leitungsausschuss der FMSA die Abwicklungsanstalt in der Rechtsform einer Anstalt des öffentlichen Rechts mit dem Namen „FMS Wertmanagement“ gemäß § 8a FMSStFG förmlich gegründet. Es ist zu beachten, dass die Gründung dieser Anstalt nur ein erster Schritt in dem Etablierungsprozess ist und kein rechtlich durchsetzbarer Anspruch auf Übertragung der Vermögenswerte auf diese Anstalt besteht: ob und in welchem Ausmaß die Übertragung gebilligt wird liegt im uneingeschränkten alleinigen Ermessen der FMSA. Zudem steht der gesamte Etablierungsprozess nach wie vor unter dem Genehmigungsvorbehalt der Europäischen Kommission.

Am 30. April 2010 hat der SoFFin innerhalb des von der Hypo Real Estate Group beantragten Rekapitalisierungsrahmens eine weitere Kapitalisierung der Hypo Real Estate Holding bewilligt mit dem Ergebnis, dass zum Datum der Erstellung des Nachtrags vom 3. August 2010 der SoFFin Rekapitalisierungsmaßnahmen von insgesamt EUR 7,87 Milliarden bewilligt hat, von denen EUR 7,42 Milliarden an die Hypo Real Estate Group gezahlt wurden. Weitere Maßnahmen sind vorbehaltlich der Genehmigung der Europäischen Kommission und der gesamte Restrukturierungsplan steht weiterhin unter dem Vorbehalt der finalen Entscheidung der Europäischen Kommission; des weiteren hängt eine weitere Rekapitalisierung von der Entscheidung der FMSA bezüglich der Durchführung der Transaktion der Abwicklungsanstalt ab. Bei vollständiger Rekapitalisierung würde die Hypo Real Estate Group eine Kernkapitalquote von 6% in allen Szenarien des aktuellen Stresstests übertreffen.“

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

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “2. INFORMATION ABOUT THE ISSUER”

On page 54 of the Original Base Prospectus, following the Paragraph “Strategic Reorganisation of Hypo Real Estate Group an Impact on the Issuer”, the following Subsection shall be added:

“Recent Events

Hypo Real Estate Group has participated in an EU wide stress testing coordinated by the Committee of European Banking Supervisors (CEBS) the results of which have been published on 23 July 2010 (for details and most recent developments in this respect see Section V.2 “Information About Hypo Real Estate Group – Recent Events”).”

IV. 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 71 of the Original Base Prospectus, following the Paragraph “Strategic Reorganisation of Hypo Real Estate Group”, the following Subsection shall be added:

“Recent Events

Hypo Real Estate Group has participated in an EU wide stress testing coordinated by the Committee of European Banking Supervisors (CEBS) the results of which have been published on 23 July 2010. Pursuant to the information relating to stress testing of German banks published by the Deutsche Bundesbank and BaFin, Hypo Real Estate Group does not meet the 6% tier 1 ratio required by CEBS in two scenarios which reflect particularly negative conditions for 2011. In all scenarios, Hypo Real Estate Group complies with the required regulatory minimum tier 1 ratio of 4%.

The stress testing outcomes for year end 2011 are not surprising from the perspective of the SoFFin and of Hypo Real Estate Group as the test does not take the restructuring measures relating to Hypo Real Estate Group into account that have been identified and/or decided, but not yet implemented. In addition to the information on restructuring measures given in other sections of the Base Prospectus, most recently the following developments have occurred:

- On 8 July 2010, the Executive Committee (*Leitungsausschuss*) of the FMSA formally founded the deconsolidated environment (*Abwicklungsanstalt*) pursuant to section 8a of the FMStFG. The name of this public law institution (*Anstalt des öffentlichen Rechts*) will be “FMS Wertmanagement”. Board members of the deconsolidated environment (*Abwicklungsanstalt*) as well as its supervisory board, consisting of 6 members, have also been appointed. The transfer of risk positions and non-strategic assets worth up to EUR 210 billion continues to be scheduled to take place during the second half of 2010, once all necessary approvals have been obtained from the responsible corporate bodies and institutions (for details see Section V.2 “Information about Hypo Real Estate Group – Measures for Stabilising Hypo Real Estate Group – Deconsolidation and Non-Strategic Portfolios”). It should be noted that the foundation is only a first step in the establishment process and that there is no legally enforceable right upon transfer of assets to such institution: whether and to what extent the transfer will be approved is subject to the decision of the FMSA that has absolute discretion in this respect. Furthermore, the whole establishment process of a deconsolidated environment (*Abwicklungsanstalt*) continues to be subject to approval by the European Commission.
- Moreover, Hypo Real Estate Group applied to SoFFin for a recapitalisation in an aggregate amount of EUR 10 billion (for details on individual recapitalisation measures see Section V.2 “Information about Hypo Real Estate Group – Measures for Stabilising Hypo Real Estate Group – Further Capitalisation of Hypo Real Estate Group”). On 30 April 2010, within this framework SoFFin has approved additional capital contributions in the amount of EUR 1.85 billion to Hypo Real Estate Holding against which the European Commission did not raise objections (see decision dated 19 May 2010 as published in the Official Journal of the European Union (2010/C190/03)). As a consequence, as at the date of the Supplement dated 3 August 2010, the SoFFin has approved recapitalisation measures amounting to EUR 7.87 billion of which EUR 7.42 billion have been paid to Hypo Real Estate Group. Any further contribution will be subject to the prior approval of the European Commission and the whole restructuring plan continues to be subject to the final decision of the European Commission (see Section V.2 “Information about Hypo Real Estate Group – Measures for Stabilising Hypo Real Estate Group – Notification of the Restructuring Plan to the European Commission”); furthermore, an additional recapitalisation depends on the decision of the FMSA how to conduct the transaction of the deconsolidated environment (*Abwicklungsanstalt*). Provided full recapitalisation has been granted, Hypo Real Estate Group would exceed the 6% tier 1 ratio for all scenarios used in the current stress test.”

Signatories on behalf of Deutsche Pfandbriefbank AG

Munich, as of 3 August 2010

gez. Dr. Heiner Bendfeld
Chief Legal Counsel

gez. Dr. Gottfried von Aulock
Legal Counsel