

SUPPLEMENT NO. 1

dated 20 June 2011

to the

BASE PROSPECTUS

of



DEXIA KOMMUNALBANK DEUTSCHLAND AG

dated 11 May 2011

Euro 20,000,000,000 Debt Issuance Programme

for the issue of Notes and Pfandbriefe

This Supplement No. 1 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") and Article 13 of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (*loi relative aux prospectus pour valeurs mobilières*; the "**Prospectus Act**") to the base prospectus of Dexia Kommunalbank Deutschland AG dated 11 May 2011 (the "**Prospectus**"), which has been prepared in connection with the Euro 20,000,000,000 Debt Issuance Programme for the issue of Notes and Pfandbriefe established by Dexia Kommunalbank Deutschland AG (the "**Issuer**" or "**DKD**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read and construed in conjunction with, the Prospectus and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, this Supplement and all documents incorporated by reference in the Prospectus can be obtained free of charge from the registered office of Dexia Kommunalbank Deutschland AG (Charlottenstraße 82, 10969 Berlin, Germany). In addition, copies of the Prospectus, this Supplement and all documents incorporated by reference in the Prospectus are obtainable from, and are viewable on, the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

Dexia Kommunalbank Deutschland AG accepts sole responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, Dexia Kommunalbank Deutschland AG confirms that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

During the extraordinary shareholders' meeting of DKD on 11 May 2011, it was decided to increase the subscribed capital of DKD by EUR 150.00 million to EUR 432.50 million and to issue 150.00 million new registered shares (*Namensaktien*) of a nominal value of EUR 1.00 each. DKD's sole shareholder, Dexia Crédit Local, Paris subscribed the new shares at an issue price of EUR 2.00 each. The increase in subscribed capital became effective with its registration in the commercial register on 15 June 2011. In connection with this capital increase the following amendments shall be made to the Prospectus:

A. Amendment of the section on page 5 of the Prospectus entitled "Summary"

The subsection on page 14 of the Prospectus entitled "Summary Regarding Dexia Kommunalbank Deutschland AG – Major Shareholders" shall be replaced as follows:

As a result of a capital increase in the first half of 2010, the subscribed capital of DKD amounted to EUR 282.50 million as of 31 December 2010.

During the extraordinary shareholders' meeting of DKD on 11 May 2011, it was decided to increase the subscribed capital of DKD by EUR 150.00 million to EUR 432.50 million and to issue 150.00 million new registered shares (*Namensaktien*) of a nominal value of EUR 1.00 each. DKD's sole shareholder, Dexia Crédit Local, Paris subscribed the new shares at an issue price of EUR 2.00 each. The increase in subscribed capital became effective with its registration in the commercial register on 15 June 2011.

As of 15 June 2011, the subscribed capital of DKD amounts to EUR 432.50 million and is divided into 432.50 million registered shares (*Namensaktien*) of EUR 1.00 each, which are fully paid up. 100 per cent. of DKD's shares are held by Dexia Crédit Local, Paris. 100 per cent. of Dexia Crédit Local is held by Dexia SA. DKD has no subsidiaries.

B. Amendment of the section on page 16 of the Prospectus entitled "German Translation of the Summary – Zusammenfassung"

The subsection on page 27 of the Prospectus entitled "Zusammenfassung der Informationen über die Dexia Kommunalbank Deutschland AG – Hauptaktionäre" shall be replaced as follows:

Zum 31. Dezember 2010 betrug das Grundkapital der DKD nach einer Kapitalerhöhung im ersten Halbjahr 2010 EUR 282,50 Millionen.

In der außerordentlichen Hauptversammlung der DKD vom 11. Mai 2011 wurde beschlossen, das Grundkapital der DKD um EUR 150,00 Millionen auf EUR 432,50 Millionen zu erhöhen und 150,00 Millionen neue Namensaktien mit einem Nennbetrag von je EUR 1,00 zu begeben. Der einzige Aktionär der DKD, die Dexia Crédit Local, Paris hat die neuen Aktien zu einem Ausgabepreis von EUR 2,00 je Aktie gezeichnet. Mit der Eintragung der Erhöhung des Grundkapitals in das Handelsregister am 15. Juni 2011 ist die Kapitalerhöhung wirksam vollzogen worden.

Damit beträgt das Grundkapital der DKD zum 15. Juni 2011 EUR 432,50 Millionen und setzt sich aus 432,50 Millionen voll eingezahlten Namensaktien zu je EUR 1,00 zusammen. Die Aktien der DKD werden zu 100% von der Dexia Crédit Local, Paris gehalten, deren Aktien wiederum zu 100% der Dexia SA gehören. Die DKD hat keine eigenen Tochtergesellschaften.

C. Amendment of the section on page 128 of the Prospectus entitled "Description of Dexia Kommunalbank Deutschland AG"

The subsection on page 130 of the Prospectus entitled "Major Shareholders" shall be replaced as follows:

As a result of a capital increase in the first half of 2010, the subscribed capital of DKD amounted to EUR 282.50 million as of 31 December 2010.

During the extraordinary shareholders' meeting of DKD on 11 May 2011, it was decided to increase the subscribed capital of DKD by EUR 150.00 million to EUR 432.50 million and to issue 150.00 million new registered shares (*Namensaktien*) of a nominal value of EUR 1.00 each. DKD's sole shareholder, Dexia

Crédit Local, Paris subscribed the new shares at an issue price of EUR 2.00 each. The increase in subscribed capital became effective with its registration in the commercial register on 15 June 2011.

As of 15 June 2011, the subscribed capital of DKD amounts to EUR 432.50 million and is divided into 432.50 million registered shares (*Namensaktien*) of EUR 1.00 each, which are fully paid up. 100 per cent. of DKD's shares are held by Dexia Crédit Local, Paris. 100 per cent. of Dexia Crédit Local is held by Dexia SA. DKD has no subsidiaries.

D. Withdrawal Right

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Article 13.2 of the Prospectus Act, respectively, as a result of the publication of this Supplement must exercise that right on or before 5.30 p.m. (Luxembourg time) on 22 June 2011. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to Dexia Kommunalbank Deutschland AG, Charlottenstraße 82, 10969 Berlin, Germany. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.