

SUPPLEMENT NO. 2

dated 1 September 2010

to the

BASE PROSPECTUS

of



DEXIA KOMMUNALBANK DEUTSCHLAND AG

dated 11 May 2010

Euro 20,000,000,000 Debt Issuance Programme

for the issue of Notes and Pfandbriefe

This Supplement No. 2 (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 2010 (the "**Prospectus**") and 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, supplement no. 1 to the Prospectus dated 2 July 2010 (the "**Supplement No. 1**") and all documents incorporated by reference in the Prospectus and this Supplement.

Copies of the Prospectus, Supplement No. 1 and this Supplement and all documents incorporated by reference in the Prospectus and this Supplement can be obtained free of charge from Dexia Kommunalbank Deutschland AG (Charlottenstrasse 82, 10969 Berlin, Germany or via the website of the Issuer (www.dexia.de)). In addition, copies of the Prospectus, Supplement No. 1 and this Supplement and all documents incorporated by reference in the Prospectus and this Supplement 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 or any statement incorporated by reference in this Supplement and (b) any other statement in or incorporated by reference in the Prospectus or Supplement No.1, 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 (as supplemented by Supplement No. 1) since the publication of the Prospectus (as supplemented by Supplement No. 1).

Dexia Kommunalbank Deutschland AG accepts sole responsibility for the information contained in this Supplement (including any information incorporated by reference 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 (including any information incorporated by reference 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.

A. Amendment of the section on page 150 of the Prospectus entitled "General Information"

The subsection on page 150 of the Prospectus entitled "General Information – Significant Change in the Financial Position of the Issuer" shall be replaced as follows:

There has occurred no significant change in the financial position of DKD since 30 June 2010, the end of the last period for which financial statements have been published by DKD.

B. Semi-Annual Report 2010 of Dexia Kommunalbank Deutschland AG

On 31 August 2010, the Semi-Annual Report 2010 of Dexia Kommunalbank Deutschland AG containing, *inter alia*, the non-consolidated interim financial statements of Dexia Kommunalbank Deutschland AG (neither audited nor reviewed) as of and for the six months period ended 30 June 2010, prepared pursuant to German Generally Accepted Accounting Principles, was published. A copy of the Semi-Annual Report 2010 has been filed with the Luxembourg *Commission de Surveillance du Secteur Financier* and, by virtue of this Supplement, the Semi-Annual Report 2010 is incorporated by reference in, and forms part of, this Supplement, to the extent set out in the "*Table of Documents Incorporated by Reference*" below, provided that any information not specifically set out in the "*Table of Documents Incorporated by Reference*" but included in the Semi-Annual Report 2010 incorporated by reference is given for information purposes only.

Table of Documents Incorporated by Reference

Document	Section Incorporated
Semi-Annual Report 2010 of Dexia Kommunalbank Deutschland AG (containing, <i>inter alia</i> , the non-consolidated interim financial statements of Dexia Kommunalbank Deutschland AG (neither audited nor reviewed) as of and for the six months period ended 30 June 2010, prepared pursuant to German Generally Accepted Accounting Principles), including:	
– Condensed Balance Sheet as of June 30, 2010 (<i>Verkürzte Bilanz zum 30. Juni 2010</i>)	Pages 26 – 27
– Condensed Income Statement for the period from January 1 to June 30, 2010 (<i>Verkürzte Gewinn- und Verlustrechnung für die Zeit vom 1. Januar bis 30. Juni 2010</i>)	Pages 30 – 31
– Condensed Notes to the interim financial statements (<i>Verkürzter Anhang</i>)	Page 32

The Semi-Annual Report 2010 of Dexia Kommunalbank Deutschland AG (and the information contained therein and incorporated by reference in this Supplement) is an English language translation of its binding German language counterpart.

C. 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 3 September 2010. 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.