

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 First Supplement (as defined herein) has been published shall have the right, exercisable within two working days after the publication of this First Supplement, to withdraw their purchase or subscription orders, provided that the new factor arose before the final closing of the offer to the public and the delivery of the securities. A withdrawal, if any, is to be addressed to Deutsche Pfandbriefbank AG, Freisinger Straße 5, 85716 Unterschleißheim, Germany provided that the relevant agreement to purchase or subscribe has been entered into with Deutsche Pfandbriefbank AG or to the relevant bank or savings bank or any other distributor with whom the relevant agreement to purchase or subscribe has been entered into. No grounds must be stated for the withdrawal, which must be made in text form. The timely dispatch of the withdrawal is sufficient to comply with the deadline.

Supplement pursuant to article 16 para. 1 of the German Securities Prospectus Act
dated 16 May 2018

to the base prospectus dated
19 April 2018
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 “First Supplement”) to the base prospectus dated 19 April 2018 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 19 April 2018 (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 First Supplement. As used herein, the term “Base Prospectus” means the Original Base Prospectus as supplemented by the First Supplement.

The Issuer accepts responsibility for the information contained in or incorporated by reference 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 First 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 Prospectus Act (*Wertpapierprospektgesetz*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, into German law. 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 will be 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 Conduct Authority* of the United Kingdom, the *Irish Financial Services Regulatory Authority* of Ireland, the *Finanzmarktaufsicht* of Austria, the *Kredit-tilsynet / Oslo Børs* of Norway, the *Commissione Nazionale per le Società e la Borsa* of Italy and the *Comisión Nacional del Mercado de Valores* of the Kingdom of Spain with a certificate of approval attesting that the First Supplement has been drawn up in accordance with the German Securities Prospectus Act and with a copy of the First Supplement.

This First 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 (see <https://www.pfandbriefbank.com/en/investors/debt-investors/issuance-programmes.html>). 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 the First Supplement and of the Original Base Prospectus.

This First Supplement has been prepared in connection with announcements published by Hypo Real Estate Holding GmbH on 15 May 2018 pursuant to which it has sold 16.5 per cent. of the Issuer's shares.

OVERALL AMENDMENTS

If reference is made in the Original Base Prospectus to "Base Prospectus", then the respective reference includes all changes made by this First Supplement.

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

On page 7 of the Original Base Prospectus in "Section B – Issuer" under "Element B.16 – Major Shareholders" the following information shall be added after the second paragraph:

"On 15 May 2018, Hypo Real Estate Holding GmbH has published announcements pursuant to which it has sold 16.5 per cent. of the Issuer's shares. After the settlement of such sale Hypo Real Estate Holding GmbH will still hold 3.5 per cent. of the Issuer's shares pursuant to a lock-up agreement until at least 14 November 2018. Pursuant to the announcements, Hypo Real Estate Holding GmbH has entered into an agreement with one investor who has committed itself to acquire 4.5 per cent. of the Issuer's shares."

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

On page 23 of the Original Base Prospectus in “Abschnitt B – Emittent” under “Punkt B.16 – Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse”, the following information shall be added after the second paragraph:

“Am 15. Mai 2018 hat die Hypo Real Estate Holding GmbH Bekanntmachungen veröffentlicht, wonach sie 16,5 % der Aktien der Emittentin veräußert hat. Nach Vollzug der Veräußerung wird die Hypo Real Estate Holding GmbH weiterhin 3,5 % der Aktien der Emittentin aufgrund einer Lock-Up Vereinbarung bis mindestens zum 14. November 2018 halten. Gemäß der Bekanntmachungen hat die Hypo Real Estate Holding GmbH mit einem Investor eine Vereinbarung getroffen, wonach sich dieser Investor verpflichtet, 4,5% der Aktien der Emittentin zu erwerben.”

**III. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION “III. RISKS RELATING TO THE ISSUER”**

On page 40 of the Original Base Prospectus, the fourth paragraph in the risk factor “The Issuer bears the risk of downgrading of the ratings assigned to it, its Pfandbriefe and its other debt instruments including subordinated instruments which may have a negative effect on the Issuer’s funding opportunities, on triggers and termination rights within derivatives and other contracts and on access to suitable hedge counterparties and thus on the Issuer’s business, liquidity situation and its development in assets, financial position and earnings.” shall be deleted and replaced by the following paragraph:

“Furthermore, changes to specific rating drivers with regard to the Issuer, its debt instruments and/or the Notes may affect a rating agency’s assessment. Against this background the continued positive development of the Issuer and its rating drivers in line with the rating agencies’ expectations is of major relevance. Specific rating drivers include, but are not limited to, underlying assessments and certain assumptions with regards to the economic risk of the German banking system, the regional split of the Issuer’s lending activities, business model, earnings, capitalisation, liquidity and risk profile, the systemic relevance of the Issuer and/or the Pfandbrief and its available buffers to protect senior debt in a bail-in scenario, potential effects resulting from the British referendum to leave the EU as well as the termination or the further reduction of the Federal Republic of Germany’s indirect minority shareholding in the Issuer. Pursuant to announcements published by Hypo Real Estate Holding GmbH on 15 May 2018, it has sold 16.5 per cent. of the Issuer’s shares and, thus, the Federal Republic of Germany’s indirect minority shareholding in the Issuer is reduced to 3.5 per cent.”

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

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “7. MAJOR SHAREHOLDERS”

On page 70 of the Original Base Prospectus, in the section “7. MAJOR SHAREHOLDERS” the following information shall be added after the second paragraph:

“On 15 May 2018, Hypo Real Estate Holding GmbH has published announcements pursuant to which it has sold 16.5 per cent. of the Issuer’s shares. After the settlement of such sale Hypo Real Estate Holding GmbH will still hold 3.5 per cent. of the Issuer’s shares pursuant to a lock-up agreement until at least 14 November 2018. Pursuant to the announcements, Hypo Real Estate Holding GmbH has entered into an agreement with one investor who has committed itself to acquire 4.5 per cent. of the Issuer’s shares.”