

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 Second Supplement (as defined herein) has been published shall have the right, exercisable within two working days after the publication of this Second 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 6 July 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 “Second 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, as supplemented on 16 May 2018 (the “First Supplement”) (the base prospectus dated 19 April 2018 together with the First Supplement, 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 Second Supplement. As used herein, the term “Base Prospectus” means the Original Base Prospectus as supplemented by the Second 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 Second 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 *Kreditilsynet / 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 Second Supplement has been drawn up in accordance with the German Securities Prospectus Act and with a copy of the Second Supplement.

This Second 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 Second Supplement and of the Original Base Prospectus.

This Second Supplement has been prepared in connection with a rating action by DBRS on 4 July 2018 and serves to update certain information in connection therewith.

OVERALL AMENDMENTS

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

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

On page 6 of the Original Base Prospectus in “Section B – Issuer” under “Element B.13 – Recent Developments” the following information shall be added at the end of the section:

“On 4 July 2018, DBRS placed the Long-Term Senior Unsecured Ratings of 6 German banks, including the Issuer, under “Review with negative implications”. The review has been initiated against the background of ongoing legislative changes in Germany in connection with the amendment of § 46f of the German Banking Act (*Kreditwesengesetz – KWG*), which are expected to enter into force by the end of July 2018.

Prior to that on 25 June 2018, DBRS had confirmed the ratings assigned to the Issuer and improved the rating trend to “positive” from “negative” in the light of the Issuer’s well-managed risk profile and its capitalization.”

On page 7 et seq. of the Original Base Prospectus the information in “Section B – Issuer” under “Element B.17 – Ratings” shall be deleted and replaced by the following information:

“As of the date of the Second Supplement dated 6 July 2018, the following mandated ratings have been assigned:

Standard & Poor’s

Long-Term Senior Unsecured	A-
Short-Term Senior Unsecured	A-2
Senior Subordinated	BBB-
Subordinated Debt	BB+

DBRS

Long-Term Senior Unsecured	BBB*
Short-Term Senior Unsecured	R-2 (high)
Subordinated Debt	BB (high)

Moody’s

Public Sector Pfandbriefe	Aa1
Mortgage Pfandbriefe	Aa1

*Other than S&P, DBRS does, at present, formally not differentiate between the Issuer’s senior preferred and senior non-preferred unsecured debt. In order to do so in the future, DBRS has placed the Issuer’s Long-term Senior Unsecured Debt Rating under “Review with negative implications” on 4 July 2018.

“

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

On page 22 of the Original Base Prospectus in “Abschnitt B – Emittent” under “Punkt B.13 – Aktuelle Entwicklungen”, the following information shall be added at the end of the section:

„Am 4. Juli 2018 setzte DBRS die Long-Term Senior Unsecured Ratings von sechs deutschen Banken, einschließlich der Emittentin, unter Überprüfung auf Herabstufung. Diese Überprüfung wurde vor dem Hintergrund der gerade in Vorbereitung befindlichen Gesetzesänderungen im Zusammenhang mit § 46f des Kreditwesengesetzes (KWG) eingeleitet, welche voraussichtlich Ende Juli 2018 in Kraft treten werden.“

Zuvor hatte DBRS am 25. Juni 2018 die der Emittentin erteilten Ratings bestätigt und den Ratingtrend auf positiv von negativ vor dem Hintergrund des gut geführten Risikoprofils sowie der Kapitalausstattung der Emittentin verbessert.“

On page 23 of the Original Base Prospectus the information in “Abschnitt B – Emittent” under “Punkt B.17 – Rating”, shall be deleted and replaced by the following information:

„Zum Datum des Zweiten Nachtrags vom 6. Juli 2018 wurden die folgenden mandatierten Ratings erteilt:

Standard & Poor’s

Long-Term Senior Unsecured	A-
Short-Term Senior Unsecured	A-2
Senior Subordinated	BBB-
Subordinated Debt	BB+

DBRS

Long-Term Senior Unsecured	BBB*
Short-Term Senior Unsecured	R-2 (high)
Subordinated Debt	BB (high)

Moody’s

Public Sector Pfandbriefe	Aa1
Mortgage Pfandbriefe	Aa1

* Im Gegensatz zu S&P differenziert DBRS gegenwärtig nicht formell zwischen den „senior preferred“ und den „senior non-preferred“ unsecured Verbindlichkeiten der Emittentin. Um dies künftig zu tun, hat DBRS das Long-Term Senior Unsecured Debt Rating der Emittentin am 4. Juli 2018 unter Überprüfung auf Herabstufung gesetzt.

“

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

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

On page 65 of the Original Base Prospectus in the subsection “Recent Events” the following information shall be added at the end of the subsection:

“Rating actions

On 4 July 2018, DBRS placed the Long-Term Senior Unsecured Ratings of 6 German banks, including the Issuer, under “Review with negative implications”. The review has been initiated against the background of ongoing legislative changes in Germany in connection with the amendment of § 46f of the German Banking Act (*Kreditwesengesetz – KWG*), which are expected to enter into force by the end of July 2018 (for more information see section “XIV. GENERAL DESCRIPTION OF THE PROGRAMME”, “4. Ratings”).

Prior to that on 25 June 2018, DBRS had confirmed the ratings assigned to the Issuer and improved the rating trend to “positive” from “negative” in the light of the Issuer’s well-managed risk profile and its capitalization.”

**IV. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION “XIV. GENERAL DESCRIPTION OF THE PROGRAMME”**

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “4. RATINGS”

On page 432 et seq. of the Original Base Prospectus the information in the section “4. Ratings” shall be deleted and replaced by the following information:

“As of the date of this Second Supplement dated 6 July 2018, the following mandated ratings have been assigned to the Programme and/or the Issuer’s debt instruments, as applicable. The ratings were issued by Standard & Poor’s Credit Market Services Europe Limited (Zweigniederlassung Deutschland) (“**S&P**”), DBRS Ratings Limited (“**DBRS**”) and Moody’s Deutschland GmbH (“**Moody’s**”). The current ratings of the Issuer are published on its website <https://www.pfandbriefbank.com/en/investors/ratings.html>.

S&P		
Long-Term Senior Unsecured		A-
Short-Term Senior Unsecured		A-2
Senior Subordinated		BBB-
Subordinated Debt		BB+
DBRS		
Long-Term Senior Unsecured		BBB*
Short-Term Senior Unsecured		R-2 (high)
Subordinated Debt		BB (high)
Moody’s		
Public Sector Pfandbriefe		Aa1
Mortgage Pfandbriefe		Aa1

* Other than S&P, DBRS does, at present, formally not differentiate between the Issuer’s senior preferred and senior non-preferred unsecured debt. In order to do so in the future, DBRS has placed the Issuer’s Long-term Senior Unsecured Debt Rating under “Review with negative implications” on 4 July 2018.

S&P:

On 11 October 2017, S&P affirmed the ratings on the Issuer against the background of a change in the economic risk trend for Germany’s banking system to stable from negative. The negative outlook on the Issuer’s ratings now mainly relates to the assessment of the rating factor “capital & earnings”.

On 16 May 2017, S&P extended the timeline for finalizing its Bank Capital Methodology. The publication of the changes to S&P’s Bank Capital Methodology on 20 July 2017 did not have a direct impact on the Issuer’s ratings.

On 28 March 2017, S&P resolved the credit watches that had been assigned to the Issuer’s unsecured ratings in December 2016. This rating action had been taken in connection with the envisaged review of certain long-term debt instruments, including Senior Notes under the Programme, which will in the case of insolvency and thus in a bail-in scenario on or after 1 January 2017 be satisfied only after other senior debt obligations have been satisfied (for details see section III.2 “Risks relating to the Notes – *In connection with the Bank Recovery and Resolution Directive which has been implemented in the Federal Republic of Germany by the Restructuring and Resolution Act with effect as of 1 January 2015, there is the risk that due to the resolution tools contained therein and the related absorption of losses, Holders of Notes, and particularly Holders of Subordinated Notes, may face the risk to fully lose their invested capital and related rights.*”). As a result and due to a significantly increased additional loss-absorbing capacity (**ALAC**) buffer by including senior subordinated debt to the agency’s calculation, the long-term issuer credit rating of the Issuer was raised by 2 notches from “BBB” to “A-“. At the same time, the long-term issue ratings on the Issuer’s instruments that the agency continues to assess as “senior unsecured”, were also raised by 2 notches from “BBB” to “A-“ in line with the issuer credit rating. The short-term issuer rating, which is also applicable to short-term “senior unsecured” issues, remained at “A-2”. Furthermore, the long-term issue ratings on the Issuer’s instruments that were reclassified as “senior subordinated” by the agency were lowered by 1 notch from “BBB” to “BBB-“. The Issuer’s subordinated debt rating remained unchanged at “BB+”. The ratings now carry a negative outlook. As a rationale for the negative outlook S&P cited the negative economic risk

trend to their assessment of the German banking system and its potential impact and the risk that the issuer may fail to sustain the agencies' currently strong assessment of its "capital & earnings".

DBRS

On 4 July 2018, DBRS placed the Long-Term Senior Unsecured Ratings of 6 German banks, including the Issuer, under "Review with negative implications". The review has been initiated against the background of ongoing legislative changes in Germany in connection with the amendment of § 46f of the German Banking Act (*Kreditwesengesetz* – KWG), which are expected to enter into force by the end of July 2018. Potential rating downgrades of Senior Non-Preferred Debt Instruments are expected to be limited to one notch. Furthermore, DBRS expects to assign a new Senior Debt Rating for Senior Preferred Debt Instruments. The agency aims to conclude the review by the end of July, respectively when the new legislation is finalized.

Prior to that on 25 June 2018, DBRS had confirmed the ratings assigned to the Issuer and improved the rating trend to "positive" from "negative" in the light of the Issuer's well-managed risk profile and its capitalization.

Moody's

The ratings of the Pfandbriefe assigned by Moody's have remained unchanged since 14 December 2012 (Public Sector Pfandbriefe) and 11 November 2015 (Mortgage Pfandbriefe) respectively.

If above reference is made to the "long-term" rating then this expresses an opinion of the ability of the Issuer to honor long-term senior unsecured financial obligations and contracts; if reference is made to "short-term" ratings then this expresses an opinion of the ability of the Issuer to honor short-term financial obligations

The ratings have the following meanings:

S&P: A*: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB*: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitment on the obligation.

BB*: An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

A-2: A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

* Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

DBRS: **BBB*:** Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

BB*: Speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

R-2 (high):** Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events.

* Note: All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is

in the middle of the category.

** Note: The R-1 and R-2 rating categories are further denoted by the subcategories “(high)”, “(middle)”, and “(low)”.

Moody’s: Aa*: Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

*Note: Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Notes issued under the Programme may be rated or unrated. The ratings above do not immediately apply to any individual notes issued under the Programme and no assurance can be given that the rating assigned to Notes issued under the Programme will have the same rating as the rating contained in the Base Prospectus. Following termination of a rating mandate, the Issuer will no longer apply for such ratings to be assigned to Notes to be issued under the Programme. In case the Notes are expected to be rated, such rating will be disclosed in the relevant Final Terms within Part II, item 5 “Additional Information - Rating”.

A rating, solicited or unsolicited, is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Ratings are based on current information furnished to the rating agencies by the Issuer and information obtained by the rating agencies from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of the Issuer and/or of the Notes, as the case may be, before purchasing the Notes. Rating agencies may change their methodology at any time. A change in the rating methodology may have an impact on the rating of Notes issued or to be issued under this Programme. For the evaluation and usage of ratings, please refer to the Rating Agencies’ pertinent criteria and explanations, and the relevant terms of use are to be considered. Ratings cannot serve as a substitute for personal analysis (see section III.1 “Risks relating to the Issuer – *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.*”).

As at the date of this Base Prospectus, S&P, DBRS and Moody’s (together in this paragraph, the “**Rating Agencies**”) are established in the European Union and are registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the “**CRA Regulation**”) and are included in the list of registered credit rating agencies under CRA Regulation published on the website of the European Securities and Markets Authority (“**ESMA**”) at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.”