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 Third Supplement (as defined herein) has been published shall have the right, exercisable within two working days after the publication of this Third 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 20 August 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 "Third 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") and on 6 July 2018 (the "Second Supplement") (the base prospectus dated 19 April 2018 together with the First Supplement and the Second 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 Third Supplement. As used herein, the term "Base Prospectus" means the Original Base Prospectus as supplemented by the Third 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 Third 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 *Kredittilsynet / 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 Third Supplement has been drawn up in accordance with the German Securities Prospectus Act and with a copy of the Third Supplement.

This Third 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 Third Supplement and of the Original Base Prospectus.

This Third Supplement has been prepared following the publication of the consolidated interim financial statements of the Issuer for the first six months of the financial year 2018 on 13 August 2018.

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, the Second Supplement and this Third 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.12 – Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer", the last three paragraphs shall be deleted and replaced by the following information:

"The following table sets forth selected financial information of Deutsche Pfandbriefbank extracted from the unaudited consolidated interim financial statements for the first half of the financial year 2018:

		First Half 2018 (IFRS 9)	**First Half 2017 (IAS 39)**
Operating performance according to IFRS			
Profit or loss before tax	in Euro million	122	103
Net income/loss	in Euro million	99	85
Balance sheet figures		**30.06.2018 (IFRS 9)**	**31.12.2017 (IAS 39)**
Total assets	in Euro billion	57.8	58
Equity	in Euro billion	3.2	2.9
Key regulatory ratios		**30.06.2018***	**31.12.2017**
CET1 ratio	in per cent.	19.4	17.6
Own funds ratio	in per cent.	26.3	22.2
Leverage ratio	in per cent.	5.3	4.5

The figures in this table are rounded.

*With the introduction of IFRS 9, the new rules governing the classification and measurement of financial assets and regarding the recognition of impairments have impacted regulatory capital. The Issuer has not applied the optional transitional provisions under IFRS 9.

Not applicable; there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements (31 December 2017).

Not applicable; there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since the end of the last financial period for which interim financial information has been published (30 June 2018)."

On page 6 of the Original Base Prospectus in "Section B – Issuer" under "Element B.13 – Recent Developments", the last two paragraphs shall be deleted and replaced by the following information:

"On 27 July 2018 DBRS concluded the "Review with negative implications" relating to the Issuer's Long-Term Senior Unsecured Rating initiated on 4 July 2018. Against the background of the legislative changes in Germany in connection with the amendments of § 46f of the German Banking Act (*Kreditwesengesetz* – KWG), which entered into force on 21 July 2018, the Issuer's senior unsecured debt, which constitutes non-preferred debt instruments, was downgraded by one notch to "BBB (low)".

On 4 July 2018, DBRS had placed the Long-Term Senior Unsecured Ratings of six German banks, including the

Issuer, under “Review with negative implications”. The review had been initiated against the background of legislative changes in Germany in connection with the amendment of § 46f KWG.

Prior to that, on 25 June 2018, DBRS had confirmed the ratings assigned to the Issuer and improved the rating trend from “negative” to “positive” 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 Third Supplement dated 20 August 2018, the following mandated ratings have been assigned:

Standard & Poor’s	
Long-Term “Preferred” Senior Unsecured Debt*	A-
Short-Term “Preferred” Senior Unsecured Debt*	A-2
“Non-Preferred” Senior Unsecured Debt**	BBB-
Subordinated Debt	BB+
DBRS	
Long-Term “Preferred” Senior Unsecured Debt*	BBB
Short-Term “Preferred” Senior Unsecured Debt*	R-2 (high)
“Non-Preferred” Senior Unsecured Debt**	BBB (low)
Subordinated Debt	BB (high)
Moody’s	
Public Sector Pfandbriefe	Aa1
Mortgage Pfandbriefe	Aa1

* S&P: defined as “Senior Unsecured Debt”; DBRS: defined as “Senior Debt”
** S&P: defined as “Senior Subordinated Debt”; DBRS: defined as “Senior Non-Preferred Debt”

“

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

On page 20 et seq. of the Original Base Prospectus in "Abschnitt B – Emittent" under "Punkt B.12 – Ausgewählte wesentliche historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten", the three last paragraphs shall be deleted and replaced by the following information:

"Die folgende Tabelle enthält ausgewählte Finanzinformationen zur Deutschen Pfandbriefbank, welche dem ungeprüften Konzernzwischenabschluss für das erste Halbjahr des Finanzjahres 2018 entnommen wurden:

		Erstes Halbjahr 2018 (IFRS 9)	Erstes Halbjahr 2017 (IAS 39)
Ergebniszahlen gemäß IFRS			
Ergebnis vor Steuern	in Mio. Euro	122	103
Ergebnis nach Steuern	in Mio. Euro	99	85
Bilanzzahlen		**30.06.2018 (IFRS 9)**	**31.12.2017 (IAS 39)**
Bilanzsumme	in Mrd. Euro	57,8	58
Bilanzielles Eigenkapital	in Mrd. Euro	3,2	2,9
Bankenaufsichtsrechtliche Kennzahlen		**30.06.2018***	**31.12.2017**
Harte Kernkapitalquote	in %	19,4	17,6
Eigenmittelquote	in %	26,3	22,2
Verschuldungsquote	in %	5,3	4,5

Die Zahlen in dieser Tabelle sind gerundet.

*Mit der Einführung von IFRS 9 wirken sich die neuen Regeln zur Klassifizierung und Bewertung von finanziellen Vermögenswerten und zur Bilanzierung von Wertminderungen auf das aufsichtsrechtliche Kapital aus. Die Emittentin wendet die optionalen IFRS 9-Übergangsregelungen nicht an.

Entfällt; seit dem Datum des Stichtages des letzten geprüften Konzernabschlusses (31. Dezember 2017) hat es keine wesentlichen negativen Veränderungen in den Aussichten der Emittentin gegeben.

Entfällt; seit dem Ende des Stichtages, für den Zwischenfinanzinformationen veröffentlicht wurden (30. Juni 2018), hat es keine wesentlichen Veränderungen in der Finanzlage der Emittentin und ihrer konsolidierten Tochtergesellschaften gegeben."

On page 22 of the Original Base Prospectus, in "Abschnitt B – Emittent" under "Punkt B.13 – Aktuelle Entwicklungen", the last two paragraphs shall be deleted and replaced by the following information:

„Am 27. Juli 2018 beendete DBRS den Überprüfungsprozess „Under Review with Negative Implications" bezüglich des Long-Term Senior Unsecured Ratings der Emittentin, der am 4. Juli 2018 begann. Vor dem Hintergrund der Gesetzesänderungen im Zusammenhang mit § 46f des Kreditwesengesetzes (KWG), welche am 21. Juli 2018 in Kraft getreten sind, wurden nicht besicherte, nicht nachrangige Verbindlichkeiten der Emittentin, bei denen es sich um nicht bevorrechtigte Schuldtitel handelt, um eine Stufe auf „BBB (low)" herabgestuft.

Am 4. Juli 2018 hatte DBRS die Long-Term Senior Unsecured Ratings von sechs deutschen Banken, einschließlich der Emittentin, unter Überprüfung auf Herabstufung gesetzt. Diese Überprüfung wurde vor dem Hintergrund der Gesetzesänderungen im Zusammenhang mit § 46f KWG eingeleitet.

Zuvor hatte DBRS am 25. Juni 2018 die der Emittentin erteilten Ratings bestätigt und den Ratingtrend von negativ auf positiv 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 Dritten Nachtrags vom 20. August 2018 wurden die folgenden mandatierten Ratings erteilt:

Standard & Poor's	
Long-Term "Preferred" Senior Unsecured Debt*	A-
Short-Term "Preferred" Senior Unsecured Debt*	A-2
"Non-Preferred" Senior Unsecured Debt**	BBB-
Subordinated Debt	BB+
DBRS	
Long-Term "Preferred" Senior Unsecured Debt*	BBB
Short-Term "Preferred" Senior Unsecured Debt*	R-2 (high)
"Non-Preferred" Senior Unsecured Debt**	BBB (low)
Subordinated Debt	BB (high)
Moody's	
Public Sector Pfandbriefe	Aa1
Mortgage Pfandbriefe	Aa1

* S&P: definiert als "Senior Unsecured Debt"; DBRS: definiert als "Senior Debt"
** S&P: definiert als "Senior Subordinated Debt"; DBRS: definiert als "Senior Non-Preferred Debt"

"

III. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION "III. RISK FACTORS"

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "1. RISKS RELATING TO THE ISSUER"

On page 47 of the Original Base Prospectus the information in the first paragraph of the risk factor "Holders of the Notes are exposed to risks in connection with requirements of the Issuer to maintain a certain threshold eligible bail-in able debt. It is to be noted that as part of a legislative package pursuant to which the TLAC Standard shall be implemented into European binding law, the European legislator is currently revising and significantly extending the scope of eligibility criteria for liabilities in order to qualify as eligible liabilities in the future." shall be deleted and replaced by the following information:

"The BRRD and the related Commission Delegated Regulation (EU) No. 2016/1450 of 23 May 2016 prescribe that banks shall, upon respective request by the competent resolution authority, hold a Minimum Requirement for own funds and Eligible Liabilities (MREL) and specify the criteria relating to the methodology for setting MREL. The level of capital and eligible liabilities required under MREL is set by the resolution authority for each bank (and/or group) individually based on certain criteria including systemic importance and taking into account the relevant bank's resolution strategy. Under the law applicable on the date of this Base Prospectus, eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including by contractual provisions). As of the date of this Base Prospectus, there is a binding requirement for the Issuer which was calculated by the Single Resolution Board (SRB) as a percentage of total liabilities and own funds ("**TLOF**") as of 31 December 2016. The requirement translates into a ratio of less than 8 per cent. of TLOF and less than 29 per cent. of the RWA, both per 31 December 2016. As of 30 June 2018, such eligible items of the Issuer consist of about 55 per cent. senior non-preferred debt, 4.7 per cent. Tier 2 capital, 0.2 per cent. further subordinated debt not qualifying as Tier 2 capital, 2.1 per cent. Additional Tier 1 capital and 19.4 per cent. CET 1 capital in relation to the RWA, respectively."

IV. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION "IV. DEUTSCHE PFANDBRIEFBANK AG"

1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "2. INFORMATION ABOUT THE ISSUER"

On page 65 of the Original Base Prospectus, the information in the subsection "Recent Events" under the header "Rating Actions" shall be deleted and replaced by the following information:

"On 27 July 2018 DBRS concluded the "Review with negative implications" relating to the Issuer's Long-Term Senior Unsecured Rating initiated on 4 July 2018. Against the background of the legislative changes in Germany in connection with the amendments of § 46f of the German Banking Act (*Kreditwesengesetz* – KWG), which entered into force on 21 July 2018, the Issuer's senior unsecured debt, which constitutes non-preferred debt instruments, was downgraded by one notch to "BBB (low)" (for more information see section "XIV. GENERAL DESCRIPTION OF THE PROGRAMME", "4. Ratings").

On 4 July 2018, DBRS had placed the Long-Term Senior Unsecured Ratings of six German banks, including the Issuer, under "Review with negative implications". The review had been initiated against the background of legislative changes in Germany in connection with the amendment of § 46f KWG.

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

2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "5. TREND INFORMATION"

On page 68 of the Original Base Prospectus, the information in the section "5. Trend Information" shall be deleted and replaced by the following information:

"There has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements (31 December 2017)."

3. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "8. HISTORICAL FINANCIAL INFORMATION"

On page 70 of the Original Base Prospectus, the following paragraph shall be added after the subsection "Auditing of Historical Financial Information":

"**Interim and other Financial Information**
On 13 August 2018, the Issuer has published consolidated interim financial statements for the first half of the financial year 2018 including the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows (condensed), the notes (condensed) and the review report (the "Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2018"). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2018 is incorporated by reference (see Section XIV.9 "Incorporation by Reference"). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2018 has been prepared on the basis of IFRS applicable in the EU, but not with IFRS as a whole promulgated by the International Accounting Standards Board ("**IASB**"). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2018 is unaudited and has been subject to a review by the statutory auditors (*prüferische Durchsicht*) only. The statutory auditors of the Issuer have issued an unqualified review report (*Bescheinigung über die prüferische Durchsicht*)."

On page 71 of the Original Base Prospectus, the information contained in the subsection "Significant Change in Issuer's Financial Position" shall be deleted and replaced as follows:

"There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since the end of the last financial period for which interim financial information has been published (30 June 2018)."

V. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "XIV. GENERAL DESCRIPTION OF THE PROGRAMME"

1. 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 Third Supplement dated 20 August 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 "Preferred" Senior Unsecured Debt*	A-
	Short-Term "Preferred" Senior Unsecured Debt*	A-2
	"Non-Preferred" Senior Unsecured Debt**	BBB-
	Subordinated Debt	BB+
DBRS		
	Long-Term "Preferred" Senior Unsecured Debt*	BBB
	Short-Term "Preferred" Senior Unsecured Debt*	R-2 (high)
	"Non-Preferred" Senior Unsecured Debt**	BBB (low)
	Subordinated Debt	BB (high)
Moody's		
	Public Sector Pfandbriefe	Aa1
	Mortgage Pfandbriefe	Aa1

* S&P: defined as "Senior Unsecured Debt"; DBRS: defined as "Senior Debt"
** S&P: defined as "Senior Subordinated Debt"; DBRS: defined as "Senior Non-Preferred Debt"

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 27 July 2018 DBRS concluded the "Review with negative implications" relating to the Issuer's Long-Term Senior Unsecured Rating initiated on 4 July 2018. Against the background of the legislative changes in Germany in connection with the amendments of § 46f of the German Banking Act (*Kreditwesengesetz* – KWG), which entered into force on 21 July 2018, the Issuer's senior unsecured debt, which constitutes non-preferred debt instruments, was downgraded by one notch to "BBB (low)" and renamed as "Senior Non-Preferred Debt". At the same time a new "Senior Debt" rating of "BBB" has been assigned, referring to instruments constituting preferred debt instruments. Both ratings carry a positive trend.

On 4 July 2018, DBRS had placed the Long-Term Senior Unsecured Ratings of six German banks, including the Issuer, under "Review with negative implications". The review had been initiated against the background of legislative changes in Germany in connection with the amendment of § 46f KWG.

Prior to that, on 25 June 2018, DBRS had confirmed the ratings assigned to the Issuer and improved the rating trend from "negative" to "positive" 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."

2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "9. INCORPORATION BY REFERENCE"

On page 436 of the Original Base Prospectus, the following item shall be added at the end of the list of the documents incorporated by reference into the Original Base Prospectus:

"• Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2018 published on the website of the Issuer (www.pfandbriefbank.com (see https://www.pfandbriefbank.com/en/investors/financial-reports.html) on 13 August 2018."

On page 438 of the Original Base Prospectus, the following information shall be added at the end of the table of the subsection "Table of Incorporated Sections":

"70	IV.8. Deutsche Pfandbriefbank AG - Historical Financial Information	**Deutsche Pfandbriefbank Consolidated Financial Information First Half 2018** • Internal Capital Adequacy Assessment Process (ICAAP) (extract from Group Interim Management Report – Risk and Opportunity Report) (pages 25 to 30) • Income Statement (page 33) • Statement of Comprehensive Income (page 34) • Statement of Financial Position (pages 35 to 36) • Statement of Changes in Equity (page 37) • Statement of Cash Flows (condensed) (page 37) • Notes (condensed) (pages 38 to 74) • Review Report (page 76)"

3. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "10. IMPORTANT NOTICE ABOUT THIS BASE PROSPECTUS"

On page 441 of the Original Base Prospectus, the following information shall be added at the end of the second-last paragraph of the subsection "Alternative Performance Measures" in relation to "Return on Equity":

"For the first half of 2018, the return on equity before tax amounts to 8.2 per cent.[1] (compared to 7.4 per cent. for the first half of the financial year 2017) and the return on equity after tax amounts to 6.7 per cent.[2] (compared to 6.1 per cent. for the first half of the financial year 2017)."

[1] Profit before tax less accrued AT1-coupon amounts to Euro 233 million for the first half of 2018 divided by the average equity excluding accumulated other comprehensive income ("**OCI**") from cash flow hedge accounting, financial assets at fair value through OCI (IAS 39: Available-for-sale financial assets reserve) and AT1 capital (Euro 2,846 million for the first half of 2018). Such average equity is calculated by dividing the sum of the respective equity values less accumulated OCI from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital as at 1 January 2018 which equals the corresponding equity value as at 31 December 2017 including the effects from the adoption of IFRS 9 (Euro 2,967 million minus Euro 121 million being Euro 2,846 million), as at 31 March 2018 (Euro 2,996 million minus Euro 108 million being Euro 2,888 million) and as at 30 June 2018 (Euro 3,195 million minus Euro 392 million being Euro 2,803 million), in total by the relevant number of reporting dates, i.e. three.

[2] Net income amounts to Euro 190 million for the first half of 2018 divided by the average equity less accumulated OCI from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital. For the calculation of the average equity less accumulated OCI from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital see preceding footnote.