
Second Supplement dated
22 May 2020
to the base prospectus
dated 3 April 2020

Deutsche Pfandbriefbank AG

Munich, Federal Republic of Germany

as Issuer

Euro 50,000,000,000

Debt Issuance Programme (the “Programme”)

This second supplement (the “Second Supplement”) to the base prospectus dated 3 April 2020, as supplemented on 9 April 2020 (the “First Supplement”) (the base prospectus dated 3 April 2020 together with the First Supplement, the “Original Base Prospectus”), constitutes a supplement for the purposes of Article 23 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the “Prospectus Regulation”). The Second Supplement is prepared in connection with the Euro 50,000,000,000 Debt Issuance Programme (the “Programme”) of Deutsche Pfandbriefbank AG (the “Issuer”).

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 Second Supplement is supplemental to, and should only be read in conjunction with, the Original Base Prospectus.

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, to the best of its knowledge, in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

The Issuer has requested *Commission de Surveillance du Secteur Financier* (the “CSSF” or the “Competent Authority”) of the Grand Duchy of Luxembourg in its capacity as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*) (the “Luxembourg Prospectus Law”), to provide the *Bundesanstalt für Finanzdienstleistungsaufsicht* of the Federal Republic of Germany, the Autoriteit Financiële Markten of the Netherlands, the Financial Conduct Authority of the United Kingdom, the Central Bank of Ireland, the Finanzmarktaufsicht of Austria, the Finanstilsynet / 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 Prospectus Regulation (each a “Notification”).

The 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/dip.html>). Upon request (to be addressed to Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany), the Issuer will provide, free of charge, a copy of the Second Supplement and of the Original Base Prospectus.

The Second Supplement has been prepared following the publication of quarterly information for the three-month period ended 31 March 2020.

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 by this Second Supplement.

**I. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION “II. RISK FACTORS”**

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “1. RISKS RELATING TO THE ISSUER”

On page 9 et seq. of the Original Base Prospectus the risk factor “The Issuer is exposed to risks in relation to the conditions in the international financial markets and the global economy, including various tax policies, which may have a negative impact on the Issuer’s business conditions and opportunities. The corona pandemic is likely to have a negative impact on the Issuer’s financial condition and results of operation and any of the risks described in this Base Prospectus may be further increased as a result of the corona pandemic.” shall be deleted and replaced by the following two risk factors:

“The corona pandemic is likely to have a negative impact on the Issuer’s financial condition and results of operation and any of the risks described in this Base Prospectus may be further increased as a result of the corona pandemic.

There has been substantial worldwide publicity in recent years regarding certain potent influenza viruses and other disease epidemics. The rapid spread of the novel corona virus gives rise to macroeconomic risks which have already resulted in a significant deterioration of the political, socio-economic and financial situation globally, including a global and significant loss in stock exchange prices in the first and second quarters of 2020 as well as a rise in spreads, which might have a negative impact on the Issuer’s refinancing costs. The corona pandemic has already had (as can be seen from risk provisions and fair value adjustments made by the Issuer in 2020 as well as from the fact that the Issuer withdraw its guidance for the financial year 2020 due to severe uncertainty) and is likely to continue to have a negative impact on the Issuer’s business and may in particular affect the activity levels of clients of the Issuer and the market value of the assets that are financed by the Issuer, serve as collateral for the Issuer’s repayment claims and/or are included in the Issuer’s cover pool. This is especially due to the risk of high vacancies in commercial properties, such as hotels, retail centers, cancellation of trade fairs and exhibitions and potential payment difficulties or even bankruptcies of tenants, sponsors, guarantors and other providers of collateral, which may impair the solvency of clients of the Issuer and may lead to defaults of financings provided by the Issuer. Therefore, together with the risk of contagion in the financial sector, the corona pandemic is likely to have a negative impact on the Issuer’s financial condition and results of operation. The ultimate impact, the effects and the time period of any future spread are difficult to assess and quantify at this point in time. Investors should also note that, currently, national and local legislators impose, or consider imposing, measures to support companies and individuals suffering from the economic consequences of the corona pandemic. In this regard, inter alia, Germany, the US, Spain, Poland, Sweden, the Netherlands and the UK have already passed, or are currently enacting, such laws, and other legislators are in the process of doing so, or considering doing so, as well. Such measures include, for example, legislation that ensures that rental contracts may not be terminated for a certain period of time, typically three to six months, for non-payment of rent if such non-payment is due to corona related economic difficulties. Also, there may be moratoria on judicial or private foreclosures and evictions as well as a reduction in rental payments for a certain period of time in order to ease negative effects of corona for tenants and landowners. At as the date of this Base Prospectus, it is not possible to make an ultimate prediction on the effect of possible new laws for the financial industry and the economy as a whole or for the business of the Issuer in particular. However, it can be stated that implementing new legal requirements and related processes are generally associated with efforts and initial costs for the Issuer. These implementations may also result in permanently higher costs in the long term perspective and, as a consequence, new laws could have a material adverse effect on the Issuer’s financial condition. Any of the risks described in this Base Prospectus may be further increased as a result of the corona pandemic.

The Issuer is exposed to risks in relation to the conditions in the international financial markets and the global economy, including various tax policies, which may have a negative impact on the Issuer’s business conditions and opportunities.

Macro-economic developments may have a negative impact on the business conditions and opportunities of the Issuer.

Since 2007, international capital markets have been affected by ongoing turbulences which were accompanied by high market volatility and reduced liquidity. The disruptions have resulted in a sweeping reduction of available financing and have led to some financial institutions, including the Issuer, being subject to financial distress (see above under “*The Issuer is exposed to liquidity risks, i.e. the risk of being unable to meet its liquidity requirements in full or in time, in particular in case of unmatched assets and liabilities and/or a disruption of funding markets, which may negatively affect its ability to fulfil its due obligations.*”).

This has led to recessions throughout numerous countries in Europe and around the world, weak economic growth and a considerable increase in insolvencies across different business sectors compared to pre-crisis levels. The ensuing sovereign debt crisis had an even greater impact on the overall banking sector and, in particular, on banks that were active in public budget financing. The rating downgrades of many European countries, such as Greece, Portugal, Italy, Spain, Ireland and Cyprus, and the United States were reflected in volatility on the financial markets (for details on how the sovereign debt crisis affects the Issuer see under “*The Issuer has been and will continue to be directly affected by the European sovereign debt crisis, and it may be required to take impairments on its exposures to sovereign debt and other financial instruments which benefit from state guarantees or similar instruments*” below).

Historically low interest rates across financial markets have, among other things, led to a noticeable euphoria among market participants giving rise to concerns that market participants underestimate the likelihood and severity of risks, such as a break-up of the Eurozone, an escalation of geopolitical tension, severe disruptions of currency exchange rates or a decline in confidence in the ability of the ECB to safeguard financial stability or a decline in confidence in the ability of the member states of the EU to achieve the required rebalancing and adjustment required in their economies. Concerns regarding the role of the ECB may be further exacerbated as a consequence of the most recent decision of the German Federal Constitutional Court (*Bundesverfassungsgericht*) which called the legality of the ECB’s public sector purchase programme into question. The low interest rates at which ECB has been and currently still is providing liquidity to the market might lead to an inflation of asset values and/or an increase of currency depreciation, but also lead to a further spread tightening which could affect revenues and profitability of real estate lenders. Furthermore, a sudden change in the ECB’s policies could undermine market confidence and destabilise the financial markets. All these risks endanger the financial stability which, if they materialise, could have a material adverse effect on the Issuer’s business, liquidity, financial position, net assets and results of operations.

On a global level the development in global interest rates in the future remains unpredictable. In October 2019, the U.S. Federal Reserve raised its target rate for the federal funds rate from a range of 1.50 per cent. to 1.75 per cent.

Further uncertainties in particular exist regarding the future policy of the U.S. Federal Reserve caused by the presidential administration in the United States. While future developments in the United States might contribute to the instability in international financial markets in general and might favour banks in the United States there is also the risk that the Issuer’s business activities, especially business activities in the United States, will be negatively affected thereof.

Due to the high level of interdependence between financial institutions, liquidity problems of one institution or a default of such institution may negatively affect other financial institutions which are currently considered to be solvent. Even the doubted, or perceived lack of, creditworthiness of a counterparty may already lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts. Such risks could have a material adverse effect on the Issuer’s ability to raise new funding as well as on its business, liquidity, financial position, net assets and results of operations.

The referendum on Brexit and its implementation already had, and may continue to have, significant impacts on the European and global financial markets and is expected to lead to a decline in the economic growth in the UK, and potentially also the EU and globally. For details see the risk factor “*The withdrawal of the UK from the EU could adversely affect the economic conditions in the UK, Europe and globally and in particular the real estate markets in both the UK and the EU and, thus, may have a negative impact on the financial condition of the Issuer and its ability to make payments under the Notes*”.

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

1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “5. TREND INFORMATION”

On page 35 of the Original Base Prospectus the second paragraph in this section shall be deleted and the following paragraph shall be added at the end of the section:

“There has been no significant change in the financial performance of the Issuer and its consolidated subsidiaries since the end of the last financial period for which interim financial information has been published (31 March 2020) to the date of this Second Supplement.”

2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “8. HISTORICAL FINANCIAL INFORMATION”

On page 37 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 May 2020, the Issuer has published consolidated quarterly information for the three-month period ended 31 March 2020 (the “Deutsche Pfandbriefbank consolidated quarterly information for the three-month period ended 31 March 2020”).

The Deutsche Pfandbriefbank consolidated quarterly information for the three-month period ended 31 March 2020 (see Section XII.9 “Incorporation by Reference”). The Deutsche Pfandbriefbank consolidated quarterly information for the three-month period ended 31 March 2020 has been prepared on the basis of IFRS, as adopted by the EU. The Deutsche Pfandbriefbank consolidated quarterly information for the three-month period ended 31 March 2020 is neither audited nor reviewed.”

On page 38 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 (31 March 2020).”

**III. SUPPLEMENTAL INFORMATION
RELATING TO THE SECTION “XII. GENERAL INFORMATION”**

SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “9. INCORPORATION BY REFERENCE”

On page 446 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 quarterly information for the three-month period ended 31 March 2020 published on the website of the Issuer (www.pfandbriefbank.com) (see https://www.pfandbriefbank.com/fileadmin/user_upload/downloads/investor_relations/reports/Quarterly_Information_Q1_2020_secured.pdf) on 13 May 2020.”

On page 447 of the Original Base Prospectus, the following information shall be added at the end of the table of the subsection “Table of Incorporated Sections”:

“37	III.8. Deutsche Pfandbriefbank AG - Historical Financial Information	Deutsche Pfandbriefbank consolidated quarterly information for the three-month period ended 31 March 2020 <ul style="list-style-type: none">• Developments in Earnings (page 5 to 6)• Development in Assets and Financial Position (pages 7 to 9)• Segment Reporting (page 10)• Report on Post-balance Sheet Date Events (page 11)• Breakdown of Maturities by Remaining Term (page 12)
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To the extent that there is any inconsistency between any statement in the Second Supplement and any other statement in or incorporated in the Original Base Prospectus, the statements in the Second Supplement will prevail.

In accordance with Article 23 paragraph 2 of the Prospectus Regulation, where the Base Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for the Notes to be issued under this Programme before this Second Supplement is published have the right, exercisable within two working days after the publication of the Second Supplement, until 26 May 2020, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. Investors wishing to exercise their right of withdrawal may contact the Issuer.