

PLEASE NOTE THAT ONLY THE GERMAN LANGUAGE VERSION OF THE INVITATION TO THE 2017 ANNUAL SHAREHOLDER'S MEETING OF DEUTSCHE PFANDBRIEFBANK AG, AS PUBLISHED IN THE GERMAN FEDERAL GAZETTE (*BUNDESANZEIGER*), IS EFFECTIVE.

Deutsche Pfandbriefbank AG

Registered office Munich

ISIN DE0008019001

We hereby invite our shareholders to attend the Annual General Meeting of Deutsche Pfandbriefbank AG which will be held on Tuesday, 30 May 2017, at 10:00 a.m. (CEST) at the Hotel Hilton Munich Park, Am Tucherpark 7, 80538 Munich, Germany.

I. Agenda

- 1. Presentation of the adopted annual financial statement of Deutsche Pfandbriefbank AG, and the approved consolidated financial statements of Deutsche Pfandbriefbank Group, in each case as at 31 December 2016, as well as the management report of Deutsche Pfandbriefbank AG, and the Group management report of Deutsche Pfandbriefbank Group, including the explanatory report regarding the information in accordance with sections 289 (4) and 315 (4) of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), as well as the report of the Supervisory Board for the 2016 financial year**

The above-mentioned documents have been published at <http://www.pfandbriefbank.com/hauptversammlung/>. They will also be made available at the Annual General Meeting and further explained by the Management Board and – as far as the Supervisory Board's report is concerned – by the Chairman of the Supervisory Board.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Management Board. Therefore, the annual financial statements have been adopted in accordance with section 172 sentence 1 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Therefore, in accordance with the statutory provisions, no resolution of the Annual General Meeting is required with regard to this item on the agenda.

2. Appropriation of the distributable profit

The Management Board and the Supervisory Board propose to allocate €141,199,073.40 of the distributable profit (*Bilanzgewinn*) of €141,199,073.40 reported by Deutsche Pfandbriefbank AG for the 2016 financial year in its annual financial statements in accordance with the German Commercial Code (HGB), to pay a dividend of

€1.05 per no-par value share entitled to dividends,

and to allocate the remaining amount of €0.00 to other revenue reserves.

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This results in the following appropriation of distributable profit:

<i>Net profit:</i>	<i>€141,199,073.40</i>
<i>Distribution to shareholders:</i>	<i>€141,199,073.40</i>
<i>Allocation to other revenue reserves:</i>	<i>€0.00</i>

This proposal for a resolution takes into consideration that the Company is not holding any treasury shares at the time of convocation, and that therefore all shares in the Company are entitled to dividend payments and to vote.

In the event of a change in the number of shares entitled to dividend payments by the time a resolution is passed on the appropriation of distributable profits, the Management Board and Supervisory Board will submit an adjusted proposal for the appropriation of distributable profits. However, such a proposal will still provide for a distribution of €1.05 per no-par value share entitled to dividends, with a corresponding adjustment in the amount allocated to other revenue reserves.

According to section 58 (4) sentence 2 of the AktG, as amended effective 1 January 2017, the right to the dividend payment is due on the third business day following the Annual General Meeting, i.e. on Friday, 2 June 2017. An earlier due date is not permitted pursuant to section 58 (4) sentence 3 of the AktG.

3. Discharge of the members of the Management Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2016 financial year, for the members of the Management Board who were in office during that period.

4. Discharge of the members of the Supervisory Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2016 financial year, for the members of the Supervisory Board who were in office during that period.

5. Resolution on the appointment of the auditor for the annual financial statements and the consolidated financial statements, and the auditor for any review of interim financial information

The Supervisory Board, in each case based on the recommendation of its Audit Committee, proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as auditor for the annual financial statements (HGB) and the consolidated financial statements (IFRS) for the 2017 financial year, and as auditor for the review of any condensed set of interim financial statements and any interim Group management reports for the 2017 financial year, if and to the extent that they are subject to review.

The recommendation made by the Audit Committee to the Supervisory Board, as well as the proposal made by the Supervisory Board, are free from any undue influence by third parties. Furthermore, no arrangements were in place which could have restricted the selection of the auditor.

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II. Additional information

1. Total number of shares and voting rights

At the time of the convocation of the Annual General Meeting, the Company's share capital in the amount of €380,376,059.67 is divided into 134,475,308 no-par value shares, each entitling the shareholder to one vote.

If the Company, directly or indirectly, holds any treasury shares within the meaning of section 71d of the AktG, section 71b of the AktG prohibits the exercise of any rights arising from such shares. Hence, any treasury shares would not confer any voting or dividend rights in the Company's Annual General Meeting. At the time of the convocation of the Annual General Meeting, the Company is not holding any treasury shares and does neither intend to acquire any treasury shares, either directly or indirectly, until the Annual General Meeting.

2. Preconditions for the participation in the Annual General Meeting and for the exercise of voting rights

a) Registration

All shareholders who have registered for the Annual General Meeting by no later than Tuesday, 23 May 2017, 24:00 hours (CEST) while providing proof of their share ownership, are entitled, pursuant to Article 14 of the Articles of Association, to participate in the Annual General Meeting and to exercise their voting rights either in person or through authorised representatives.

Proof of such share ownership must be provided in form of a confirmation from the custodian bank. This proof must refer to the existence of share ownership as of 21 days prior to the Annual General Meeting (record date), i.e. Tuesday, 9 May 2017, 0:00 hours (CEST).

The record date is the decisive cut-off date for the determination of the shareholder status regarding the participation in the Annual General Meeting and the exercise of voting rights. According to section 123 (4) sentence 5 of the AktG, only those shareholders who have provided proof of their shareholder status will be deemed a shareholder vis-à-vis the Company for the purposes of attending the Annual General Meeting or exercising their voting rights.

Both the registration and the proof of shareholding must be submitted in text form (*Textform*) in German or English language i) to the address of Deutsche Pfandbriefbank AG, c/o Deutsche Bank AG, Securities Production, General Meetings, Postbox 20 01 07, 60605 Frankfurt am Main, or ii) to the fax number +49-69-12012-86045, or iii) to the e-mail address wp.hv@db-is.com. The time of receipt of the registration in the Company's mailroom is decisive for meeting the deadline.

Shares will not be barred or blocked due to the registration for the Annual General Meeting. Thus, shareholders can continue to freely dispose of their shares even after registration.

Following receipt of registration and proof of their shareholdings, admission tickets for the Annual General Meeting will be forwarded to the eligible shareholders. We kindly ask

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shareholders wanting to attend the Annual General Meeting or to exercise their voting rights by appointing authorised representatives or by means of postal vote – to request their admission tickets from their custodian bank in a timely manner. In such cases, the required registration and shareholding proof will be submitted directly by the custodian bank. Therefore, shareholders who have requested the admission ticket from their custodian bank in a timely manner will not need to take any further action.

b) Authorised representatives

Shareholders may either exercise their voting rights personally or by using an authorised representative – for example, a credit institution or a shareholders' association willing to exercise the voting rights at the Annual General Meeting. Please note that, also in such cases, the registration must be carried out in a timely manner and in accordance with formal requirements. Details of the authorisation process are provided in section II. 3. a) to c) of this invitation.

c) Postal vote

Furthermore, shareholders may exercise their voting rights by means of a postal vote without attending the Annual General Meeting in person, or by appointing an authorised representative. Please note that also in such a case a timely registration in due form is required. The same formal requirements apply, including the timely registration. Details on the postal voting procedure are provided in section II. 3. a) and d) of this invitation.

3. Voting procedure

a.) General

Once duly registered, you may attend the Annual General Meeting in person and exercise your voting rights personally. You may also exercise your voting rights through an authorised representative, a proxy or by postal vote.

b) Voting through an authorised representative

Shareholders who wish to exercise their voting rights at the Annual General Meeting through an authorised representative rather than personally must ensure that they grant an adequate power of attorney to the authorised representative prior to voting. In this case, shareholders must consider the following:

If neither a credit institution nor another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example a shareholders' association) is authorised, the power of attorney must be issued either in text form i) vis-à-vis the Company at any of the addresses set forth above under section II. 2. a) of this invitation for registration purposes, or ii) directly to the authorised representative (in which case, proof of such authorisation is required to be provided to the Company in text form).

The same applies if a shareholder wishes to revoke a power of attorney. The personal attendance of a shareholder will automatically be considered a revocation of any authorisations or instructions previously granted or given to authorised representatives.

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Shareholders and their authorised representatives must submit the proof of authorisation, or of the revocation of the power of attorney no later than Monday, 29 May 2017, 18:00 hours (CEST) to the Company at any of the addresses set forth above under section II. 2. a) of this invitation for registration purposes. On the day of the Annual General Meeting, such proof can be submitted at the entrance/exit point to the Annual General Meeting until the end of the general debate.

If a credit institution, a shareholders' association or another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG has been authorised, text form is not required. According to applicable law, in such cases the power of attorney must be issued to a specific representative, and the authorised institution or person is required to keep verifiable records of the power of attorney. Furthermore, the declaration of the power of attorney must be complete, and may contain only statements relating to the exercise of the voting rights. Therefore, if you wish to authorise a credit institution, a shareholders' association or any other person or institution of equivalent standing under sections 135 (8), (10) and 125 (5) of the AktG to act as an authorised representative, please consult with them as to the formal requirements of such a power of attorney. However, any infringement of these and certain other requirements stated in section 135 of the AktG regarding the authorisation of a credit institution, a shareholders' association or another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG does not, pursuant to section 135 (7) of the AktG, affect the validity of the votes cast.

In the event that a shareholder appoints more than one person as authorised representative, section 134 (3) sentence 2 of the AktG entitles the Company to reject one or several of these persons.

c) Voting by proxy

Shareholders may also opt to be represented by staff members of the Company appointed by the Company (so-called Company Proxies) at the Annual General Meeting. In this case, shareholders must consider the following:

Company Proxies may only vote on agenda items for which they have received explicit instructions regarding the exercise of the voting right. Said Company Proxies are under an obligation to cast their votes in line with the instructions given. Company Proxies will not exercise voting rights for which they have not received instructions.

Please note that the Company Proxies i) will not accept any instructions to speak, to raise objections against Annual General Meeting resolutions or to ask questions or submit motions, and ii) that they will only be available for the voting on such motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) of the AktG or of shareholders pursuant to section 124 (1) of the AktG were either included in this invitation to the Annual General Meeting or announced subsequently, or which are made public in accordance with sections 126 and 127 of the AktG.

CONVENIENCE TRANSLATION

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Powers of attorney and instructions for Company Proxies may be issued, amended or revoked in text form until Monday, 29 May 2017, 18:00 hours (CEST) at the latest i) to Deutsche Pfandbriefbank AG, Hauptversammlung 2017, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, or ii) under the fax number +49-89-21027-289, or iii) under the e-mail address inhaberaktien@linkmarketservices.de. The time of receipt of the power of attorney, instruction, amendment, or revocation in the Company's mailroom is decisive for meeting the deadline. On the day of the Annual General Meeting, powers of attorney and instructions may be issued, amended or revoked in text form to the Company Proxies at the entrance/exit point to the Annual General Meeting until the end of the general debate. Shareholders entitled to attend the Annual General Meeting, or their authorised representatives will receive a corresponding form at the entrance point of the Annual General Meeting.

The personal attendance of a shareholder or of an authorised third party will automatically be considered a revocation of any authorisations or instructions previously granted or given to Company Proxies.

Instructions issued to Company Proxies regarding item no. 2 on the agenda will remain valid even if the proposal for the appropriation of distributable profits is adjusted as a consequence of a change in the number of shares entitled to dividend payments.

If separate votes are held on an agenda item instead of collective voting, the instructions given to the Company Proxy on this item will apply accordingly to each item of the separate votes.

d) Postal vote

For shareholders to exercise their voting rights via postal voting, they must consider the following:

Postal votes may be sent in, amended or revoked in text form until Monday, 29 May 2017, 18:00 hours (CEST) at the latest i) to the address Deutsche Pfandbriefbank AG, Hauptversammlung 2017, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, or ii) under the fax number +49-89-21027-289, or iii) under the e-mail address inhaberaktien@linkmarketservices.de. The time of receipt of the postal vote, amendment, or revocation in the Company's mailroom is decisive for meeting the deadline.

Please note that shareholders using the postal vote will only be able to vote on such motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) of the AktG or of shareholders pursuant to section 124 (1) of the AktG were either included in this invitation to the Annual General Meeting or announced subsequently, or which are made available in accordance with sections 126 and 127 of the AktG.

Authorised representatives, including authorised credit institutions or other persons or institutions of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example shareholders' associations), may also use the postal vote.

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The personal attendance of a shareholder or of an authorised third party at the Annual General Meeting will automatically be considered a revocation of any previously submitted postal votes.

Should Company Proxies receive powers of attorney/instructions, and postal votes are also submitted, postal votes will always be given priority.

Postal votes regarding item no. 2 on the agenda will remain valid even if the proposal for the appropriation of distributable profits is adjusted as a consequence of a change in the number of shares entitled to dividend payments.

If separate votes are held on an agenda item instead of collective voting, the submitted postal vote will apply accordingly to each item of the separate votes.

e) Forms for granting power of attorney and postal vote

Shareholders may appoint an authorised representative, or vote by postal vote using the form enclosed with the admission ticket, but also by any other method respecting the formal requirements. An authorisation and postal voting form that may be used universally is available for download at <http://www.pfandbriefbank.com/hauptversammlung/>. This form will also be forwarded to you free of charge upon request.

If you wish to directly authorise a credit institution or any other person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example a shareholders' association), please consult with them as to the formal requirements of such a power of attorney.

4. Shareholders' rights

Shareholders' rights, before and during the Annual General Meeting, include – among others – the following rights. More information regarding such rights is available on our website <http://www.pfandbriefbank.com/hauptversammlung/>.

a) Additions to the agenda

Pursuant to section 122 (2) of the AktG, shareholders whose combined shareholdings add up to a twentieth of the share capital, or reach the nominal amount of €500,000.00 of the Company's share capital (corresponding to 176,767 shares), may request that certain items be included in the agenda and communicated. Each new agenda item must be accompanied by an explanation or a proposal.

Such a request must be addressed, in writing, to the Management Board of Deutsche Pfandbriefbank AG, Freisinger Str. 5, 85716 Unterschleissheim, Germany. The Company must receive such a request no later than Saturday, 29 April 2017, 24:00 hours (CEST). Applicants must prove that they have held the shares for at least 90 days before the request is received, and that they will hold the shares until the Management Board decides on the request.

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For the calculation of the shareholding period, section 70 of the AktG applies. Furthermore, section 121 (7) of the AktG shall apply *mutatis mutandis*. As such, the day of receipt of the request shall not be included in the calculation of the deadline. Postponing to or bringing forward from a Sunday, Saturday or a public holiday to a preceding or following business day is not permissible. Sections 187 to 193 of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB) shall not apply analogously.

Amendments to the agenda that require communication (unless they were already communicated with the convocation) will be published, without undue delay following receipt of the request, in the German Federal Gazette and will be forwarded to such other media for publication that can be assumed to distribute information throughout the entire European Union. In addition, they will also be published on our website <http://www.pfandbriefbank.com/hauptversammlung/>, and communicated to the shareholders in accordance with section 125 (1) sentence 3 of the AktG.

b) Counter-proposals; nominations

Each shareholder is entitled to lodge counter-proposals in response to resolutions proposed on the items on the agenda.

If the counter-proposals are to be made available by the Company prior to the Annual General Meeting, they must be sent to the Company no later than 14 days prior to the Annual General Meeting, i.e. by Monday, 15 May 2017, 24:00 hours (CEST), either i) by post, to the address Deutsche Pfandbriefbank AG, Investor Relations, Attn. Mr Michael Heuber, Freisinger Straße 5, 85716 Unterschleissheim, Germany, or ii) via fax to +49-89-2880-10319. Counter-proposals sent to other addresses need not be made available.

The time of receipt of a counter-proposal in the Company's mailroom is decisive for meeting the deadline.

In the case that one of the exclusions in accordance with section 126 (2) of the AktG applies, a counter-proposal need not be made available. Substantiations of a counter-proposal not need be made accessible where they exceed 5,000 characters in total.

Subject to section 126 (2), (3) of the AktG, shareholders' counter-proposals that are to be made available will be published at <http://www.pfandbriefbank.com/hauptversammlung/> together with the shareholder's name and an explanatory remark as well as any related statements by the management.

The right of every shareholder to table counter-proposals or submit nominations regarding the various items of the agenda at the Annual General Meeting without having sent them to the Company previously shall remain unaffected. Please note that even those counter-proposals or nominations submitted to the Company in good time will only be taken into consideration at the Annual General Meeting if they are made or presented orally.

According to section 127 of the AktG, these rules also apply, *mutatis mutandis*, to shareholder nominations for the appointment of members of the Supervisory Board or of auditors. Such nominations must also be sent exclusively to the addresses specified above under section

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II. 4. b) i) or section II. 4. b) ii). Such nominations need not be justified. In addition to the grounds defined in section 126 (2) of the AktG, a nomination need not be made available by the Management Board inter alia if the nomination does not contain name, executed profession and residence of the candidate. Nominations for the election of Supervisory Board members do not need to be made available if they do not include details on the membership of the proposed candidates for election to the Supervisory Board in other statutory supervisory boards within the meaning of section 125 (1) sentence 5 of the AktG.

c) Right to disclosure

In accordance with section 131 (1) of the AktG, every shareholder may request that the Management Board provide information on the Company's affairs at the Annual General Meeting to the extent that such information is necessary to make a reasonable assessment of an agenda item, and provided that no privilege of non-disclosure pursuant to the grounds defined in section 131 (3) of the AktG applies. The Management Board's disclosure obligation also relates to the legal and commercial relationships between the Company and its affiliated companies. The duty of disclosure also includes information on the position of Deutsche Pfandbriefbank Group and of the companies included in the consolidated financial statements of Deutsche Pfandbriefbank AG.

5. Information and documents on the AGM; website

This convocation of the Annual General Meeting, including the legally required information and explanations, as well as the documents to be made available (pursuant to section 124a of the AktG), can be accessed at and downloaded from our website, on <http://www.pfandbriefbank.com/hauptversammlung/>. All documents required to be made available to the Annual General Meeting by law will also be available for inspection at the Annual General Meeting.

The voting results will be published on the same website following the Annual General Meeting.

6. AGM broadcasting; video and audio recording

The Annual General Meeting will neither be transmitted by video nor by audio broadcast. However, video and audio recordings will be made of speeches given by the Management Board.

Unterschleissheim, April 2017

Deutsche Pfandbriefbank AG

The Management Board