

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 4 July 2016

to the base prospectus dated  
11 April 2016  
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 11 April 2016 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 11 April 2016 as supplemented on 24 May 2016 (the “First Supplement”) (the First Supplement together with the base prospectus dated 11 April 2016, 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 *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 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](http://www.pfandbriefbank.com) (see <https://www.pfandbriefbank.com/debt-instruments/emissionsprogramme/dip-programm.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 following the referendum on the United Kingdom's membership in the European Union held on 23 June 2016 which resulted in a vote in favour of the withdrawal of the United Kingdom from the European Union.

## 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 8 of the Original Base Prospectus the information contained in “Section B – Issuer” under “Element B.16 – Major shareholders” shall be deleted and replaced as follows:*

“The German Securities Trading Act (*Wertpapierhandelsgesetz*) requires investors in publicly-traded corporations whose direct or indirect investments in shares or options to acquire shares reach certain thresholds to notify both the corporation and the BaFin of such change immediately, however at the latest within four trading days. The minimum disclosure threshold is 3 per cent. of the corporation’s issued voting share capital.

As at the date of the Second Supplement dated 4 July 2016, there are to the Issuer’s knowledge and pursuant to the notifications the Issuer has received five shareholders holding, directly or indirectly, more than 3 and less than 5 per cent. and one shareholder holding, directly or indirectly, more than 5 per cent. and less than 10 per cent. of the Issuer’s shares and one shareholder, being the Federal Republic of Germany via the German Financial Markets Stabilization Agency (*Bundesanstalt für Finanzmarktstabilisierung*) and Hypo Real Estate Holding, holding indirectly, more than 10 per cent. of the Issuer’s shares (in each case only counting direct or indirect holdings in shares, i.e. disregarding options to acquire shares).”

*On page 14 of the Original Base Prospectus after the sixteenth paragraph in “Section D – Risks” under “Element D.2 – Key information on the key risks that are specific to the Issuer” the following new paragraph shall be inserted:*

“The prospective 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 “II. DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG”**

*On page 21 et seq. of the Original Base Prospectus the information contained in “Abschnitt B – Emittent” under “Punkt B.16 – Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse”, shall be deleted and replaced as follows:*

„Nach dem deutschen Wertpapierhandelsgesetz (*WpHG*) haben Investoren von börsennotierten Gesellschaften, deren direkte oder indirekte Beteiligungen in Aktien oder Optionsrechten zu Erwerb von Aktien bestimmte Schwellenwerte erreichen, sowohl der Gesellschaft als auch der BaFin solche Veränderungen unverzüglich, spätestens jedoch innerhalb von vier Handelstagen mitzuteilen. Die Mindestschwelle im Hinblick auf die Mitteilung liegt bei 3% des stimmberechtigten Stammkapitals an einer Gesellschaft.

Zum Datum des 2. Nachtrags vom 4. Juli 2016 gibt es nach Kenntnis der Emittentin und infolge der Mitteilungen, die die Emittentin erhalten hat, fünf Anteilseigner, welche direkt oder indirekt mehr als 3% und weniger als 5% halten, sowie einen Anteilseigner, der direkt oder indirekt, mehr als 5% und weniger als 10% der Aktien der Emittentin hält und einen Anteilseigner, die indirekte Beteiligung der Bundesrepublik Deutschland über den Finanzmarktstabilisierungsfonds und die Hypo Real Estate Holding, der indirekt mehr als 10% der Aktien der Emittentin hält (es wird jeweils nur das direkte oder indirekte Halten der Aktien gezählt, d.h. ohne Berücksichtigung der Optionsrechte zum Erwerb von Aktien).“

*On page 28 of the Original Base Prospectus after the tenth paragraph in “Abschnitt D – Risiken” under “Punkt D.2 – Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind”, the following new paragraph shall be inserted:*

„Der voraussichtliche Austritt Großbritanniens aus der Europäischen Union könnte sich auf die wirtschaftlichen Bedingungen in Großbritannien, Europa und weltweit und insbesondere die Immobilienmärkte sowohl in Großbritannien als auch der Europäischen Union nachteilig auswirken und somit negative Auswirkungen auf die finanzielle Situation der Emittentin und ihre Fähigkeit, Zahlungen unter den Schuldverschreibungen zu leisten, haben.“

### III. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “III. RISK FACTORS”

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

*On page 32 et seq. of the Original Base Prospectus, the information contained in the risk factor “The Issuer is exposed to market risks, in particular risks associated with volatility in credit spreads, interest rates and foreign currency exchange rates which may have a negative effect on the Issuer's assets, financial position and results of operation.” shall be deleted and replaced by the following information:*

“The Issuer is exposed to market risks associated with volatility in credit spreads, interest rates, foreign currency exchange rates and other volatilities leading to changes in the present value of, and/or net income arising from, positions even though the Issuer does not have any significant trading book positions. Market risk is defined as the risk of loss of value resulting from the fluctuation of market prices of financial instruments.

In this case, the credit spread is likely to widen which would lead to a fall of such instrument's market price and have a negative effect on the assets of the Issuer. Particular market risks also arise from the interest rate environment and potential changes to it. While historically low interest rates reduce the value of existing liabilities of the Issuer and lower cost of new funding at the same time, asset portfolios held by the Issuer may be impacted the opposite way. Existing liquidity reserve investments may increase in market value but returns earned on new liquidity reserve investments may be lower – thus negatively affecting future income. Furthermore, while low interest rates may increase the value of existing deposits to our customers, changed terms and conditions may deter customers from saving money through deposits under the Issuer's “pbb direkt” brand (and reduce the attractiveness of the Issuer's debt investments in general) – thus reducing the effectiveness of these funding sources to the Issuer. The Issuer's margins may also be affected by a continued low interest rate environment which is putting pressure on deposit net interest margins throughout the industry. Furthermore, in the event of sudden large or frequent increases in interest rates, the Issuer may not be able to reprice its rates in time, which may negatively affect margins and overall revenue in the short term. This risk exists in particular if the maturities of the Issuer's assets on one hand and its liabilities on the other hand do not match, in particular if no, insufficient or ineffective hedging arrangements have been made. Unpredictable currency exchange rate fluctuations also represent a notable market risk to the Issuer. For example, the discontinuation of the Swiss Franc cap versus the Euro in 2015 and the referendum on the Brexit on 23 June 2016 (for details see below) had significant repercussions on the financial sector including the Issuer. Future unexpected fluctuations (be they associated with similar developments such as the continuing discussion about the Brexit and the stability of the EU or other developments may continue to have a negative impact inter alia on foreign currency exchange rates, interest rates and/or credit spreads) may also have a direct effect on the Issuer. The Issuer strives toward limiting its exposure to market risks by way of hedging arrangements. However, the Issuer's hedging strategy may prove insufficient or ineffective and is also exposed to counterparty risks.

The transactions of the Issuer are furthermore exposed to basis risk (risk from changes in basis spreads), volatility risk (risk from changes of implied volatility) and concentration risk (risk of additional losses due to one-sided portfolio mix; accounted for by using correlations between risk factors when determining value at risk).

After the referendum on the UK's (“UK”) membership in the European Union (“EU”) on 23 June 2016 which resulted in a vote in favour of the withdrawal of the UK from the EU (“Brexit”), the pound sterling depreciated and overall fluctuations in currency exchange rates, interest rates and credit spreads increased and may continue to increase. For details see the risk factor “*The prospective 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.*”

*On page 34 of the Original Base Prospectus, at the end of the risk factor “The Issuer is exposed to real estate risk in relation to the valuation of its real estate loan portfolio and a potential decline of the value of the underlying real estate portfolio.” the following new paragraph shall be inserted:*

“After the referendum on the Brexit which resulted in a vote in favour of the withdrawal of the UK from the EU, there is an increased risk in relation to the valuation of certain real estate assets in the UK and the EU. For details see the risk factor “*The prospective 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”.*

*On page 36 et seq. of the Original Base Prospectus, between the sixth and seventh paragraph of the risk factor “The Issuer bears the risk of downgrading of the ratings assigned to it, its Pfandbriefe and its other debt instruments including subordinated instruments which may have a negative effect on the Issuer’s funding opportunities, on triggers and termination rights within derivatives and other contracts and on access to suitable hedge counter-parties and thus on the Issuer’s business, liquidity situation and its development in assets, financial position and earnings. In case the Federal Republic of Germany sells or reduces its indirect holding in the Issuer, there is a risk of the occurrence of a rating downgrade” the following new paragraph shall be inserted:*

*“The prospective withdrawal of the UK from the EU might have negative implications for the rating drivers and subsequently the ratings of the Issuer or the Notes and Pfandbriefe issued or to be issued under this Programme”.*

*On page 37 of the Original Base Prospectus, at the end of the risk factor “The Issuer is exposed to risks in relation to the conditions in the international financial markets and the global economy which may have a negative impact on the Issuer’s business conditions and opportunities.” the following new paragraph shall be inserted:*

*“The referendum on the Brexit which resulted in a vote in favour of the withdrawal of the UK from the EU 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 prospective 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”.*

*On page 39 of the Original Base Prospectus, at the end of the subsection “General Risks Relating to the Issuer and the Industry in which the Issuer Operates” the following new risk factor shall be inserted:*

***“The prospective 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.***

A referendum on the UK's membership in the EU was held on 23 June 2016 and resulted in a vote in favour of the withdrawal of the UK from the EU (“Brexit”). The Brexit can however only be formally implemented by a notification to the EU under Article 50 of the Treaty on European Union. The UK will remain a member state until it reaches an agreement in relation to the withdrawal from the EU or, if earlier, the expiration of a two year period following the notification of the European Council of its intention to withdraw. At the time of the Second Supplement dated 4 July 2016 it is unclear when the notification will be submitted to the European Council and what type of agreement will be concluded between the UK and the EU, and in particular, if the UK will continue to have access to the single market of the EU. It is possible that the withdrawal process may last significantly longer than the two year period envisaged by the European Treaty. The prospective withdrawal of the UK from the EU may introduce potentially significant new uncertainties and instability in the UK and the EU and may further increase market volatility, in particular volatility of the pound sterling and other currency exchange rates, interest rates and credit spreads. It already led, and may continue to lead, to disruptions for the European and global financial markets, such as the decrease of the pound sterling and of market values of listed EU companies, in particular from the financial industries and the real estate sector, and the recent downgrade of the credit ratings for the UK by Standard & Poor’s, Moody’s and Fitch (all with negative outlook). This and a potential economic downturn may particularly affect real estate markets, both in the UK and the EU, if, for example, investments into real estate are put on hold or cancelled, the demand for property changes, in particular due to the potential migration of parts of the financial services industry from London to other financial centres in the EU, vacancy rates increase, rental levels decline, and, thus, the value of real estate assets is adversely affected. Funding risk is related to the fact that it is uncertain whether real estate located in the UK will continue to qualify as eligible assets for the cover pool for Mortgage Pfandbriefe and whether public financings provided to regional administrations and territorial authorities located in the UK will continue to qualify as eligible assets for the cover pool of Public Pfandbriefe in accordance with the German Pfandbrief Act. Funding may also be adversely affected if the value of cover pool assets need to be re-evaluated. Furthermore, it is uncertain which authorisation will be required to do financing business in the UK after the Brexit. Such developments may, inter alia, lead to a decline in volume and margins of new business and to negative implications for the rating drivers and subsequently the ratings of the Issuer or the Notes. Overall, this may have a negative impact on the financial condition of the Issuer and its ability to make payments under the Notes.”

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

**1. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “6. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES”**

*On page 55 et seq. of the Original Base Prospectus the information in the subsection “The Management Board”, shall be deleted and replaced by the following information:*

“In accordance with the Articles of Association, the Management Board consists of two or more members. The Supervisory Board determines the number of the members of the Management Board and appoints the members of the Management Board. The Management Board represents the Issuer and is responsible for its management.

As at the date of the Second Supplement dated 4 July 2016, members of the Management Board of the Issuer are:

<b>Name and Position</b>	<b>Other Mandates</b>
<b>Andreas Arndt</b> (Chief Executive Officer and Chief Financial Officer)	None
<b>Thomas Köntgen</b> (Deputy Chief Executive Officer) (Treasury and Real Estate Finance)	None
<b>Andreas Schenk</b> (Chief Risk Officer)	None
<b>Dr. Bernhard Scholz</b> (Public Investment Finance)	None

The business address of the Management Board of the Issuer is Freisinger Str. 5, 85716 Unterschleissheim, Germany.”

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

*On page 58 of the Original Base Prospectus the information contained in the section “7. MAJOR SHAREHOLDERS”, shall be deleted and replaced as follows:*

“The German Securities Trading Act (*Wertpapierhandelsgesetz*) requires investors in publicly-traded corporations whose direct or indirect investments in shares or options to acquire shares reach certain thresholds to notify both the corporation and the BaFin of such change immediately, however at the latest within four trading days. The minimum disclosure threshold is 3 per cent. of the corporation’s issued voting share capital.

As at the date of the Second Supplement dated 4 July 2016, there are to the Issuer’s knowledge and pursuant to the notifications the Issuer has received five shareholders holding, directly or indirectly, more than 3 and less than 5 per cent. and one shareholder holding, directly or indirectly, more than 5 per cent. and less than 10 per cent. of the Issuer’s shares and one shareholder, being the Federal Republic of Germany via the German Financial Markets Stabilization Agency (*Bundesanstalt für Finanzmarktstabilisierung*) and Hypo Real Estate Holding, holding indirectly, more than 10 per cent. of the Issuer’s shares (in each case only counting direct or indirect holdings in shares, i.e. disregarding options to acquire shares).

Following the completion of the initial public offering (IPO), the Federal Republic of Germany will continue to maintain – subject to certain contractual limitations – an indirect shareholding – via the German Financial Markets

Stabilization Fund (*Finanzmarktstabilisierungsfonds – FMS*) and Hypo Real Estate Holding – amounting to at least of 20 per cent. for a two year period based on respective lock up commitments.

The Issuer publishes the notifications pertaining to voting rights it received from investors on its website under [www.Pfandbriefbank.com](http://www.Pfandbriefbank.com) in the “Investor Relations” section; the information may also be found on [www.dgap.de](http://www.dgap.de).”

Signatories on behalf of Deutsche Pfandbriefbank AG

Eschborn, as of 4 July 2016

signed by Götz Michl  
Managing Director

signed by Martina Horn  
Director