
First Supplement dated
21 August 2019
to the base prospectus
dated 4 April 2019

Deutsche Pfandbriefbank AG

Munich, Federal Republic of Germany

as Issuer

Euro 50,000,000,000 Debt Issuance Programme (the “Programme”)

This first supplement (the “First Supplement”) to the base prospectus dated 4 April 2019 (the “Original Base Prospectus”) constitutes a supplement for the purposes of Article 13.1 of the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and the Council of 24 November 2010 into Luxembourg Law (the “Luxembourg Law”) in connection with Article 46.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. The First 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 First Supplement. As used herein, the term “Base Prospectus” means the Original Base Prospectus as supplemented by the First Supplement. The First 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 true and accurate to the knowledge of the Issuer and that no material circumstances have been omitted.

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 Luxembourg 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 First Supplement has been drawn up in accordance with the Luxembourg Law (each a “Notification”).

The First 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, Parkring 28, 85748 Garching, Germany), the Issuer will provide, free of charge, a copy of the First Supplement and of the Original Base Prospectus.

The First 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 2019 on 12 August 2019.

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.

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 two 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 2019:

		First Half 2019	First Half 2018
Operating performance according to IFRS			
Profit or loss before tax	in Euro million	117	122
Net income/loss	in Euro million	99	99
 Balance sheet figures			
		30.06.2019	31.12.2018
Total assets	in Euro billion	60.1	57.8
Equity	in Euro billion	3.2	3.3
 Key regulatory ratios			
		30.06.2019	31.12.2018*
CET1 ratio	in per cent.	19.4	18.5
Own funds ratio	in per cent.	26.2	24.9
Leverage ratio	in per cent.	5.0	5.3

The figures in this table are rounded.

*Fully phased-in.

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 2018).

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 2019).”

II. SUPPLEMENTAL INFORMATION

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

On page 21 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 two 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 2019 entnommen wurden:

		Erstes Halbjahr 2019	Erstes Halbjahr 2018
Ergebniszahlen gemäß IFRS			
Ergebnis vor Steuern	in Mio. Euro	117	122
Ergebnis nach Steuern	in Mio. Euro	99	99
Bilanzzahlen		30.06.2019	31.12.2018
Bilanzsumme	in Mrd. Euro	60,1	57,8
Bilanzielles Eigenkapital	in Mrd. Euro	3,2	3,3
Bankenaufsichtsrechtliche Kennzahlen		30.06.2019	31.12.2018*
Harte Kernkapitalquote	in %	19,4	18,5
Eigenmittelquote	in %	26,2	24,9
Verschuldungsquote	in %	5,0	5,3

Die Zahlen in dieser Tabelle sind gerundet.

*Fully phased-in.

Seit dem Datum des Stichtages des letzten geprüften Konzernabschlusses (31. Dezember 2018) hat es keine wesentlichen negativen Veränderungen in den Aussichten der Emittentin gegeben.

Seit dem Ende des Stichtages, für den Zwischenfinanzinformationen veröffentlicht wurden (30. Juni 2019), hat es keine wesentlichen Veränderungen in der Finanzlage der Emittentin und ihrer konsolidierten Tochtergesellschaften gegeben.”

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

On page 47 et seq. 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 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). The Single Resolution Board (SRB) has set a MREL rate for the Issuer which as the date of the First Supplement dated 21 August 2019 is sufficiently fulfilled by the Issuer.”

On page 50 of the Original Base Prospectus, the information in the second paragraph of the risk factor “Based on EBA guidelines published in December 2014, the ECB may demand a higher capitalisation and higher capital ratios of the Issuer in the future. This could impact the development in assets, financial position and earnings of the Issuer and, in turn, might have a significant negative impact on the ability of the Issuer to fulfil its obligations in relation to Notes.” shall be deleted and replaced by the following information:

“From 1 March 2019 on the Issuer is required to maintain a Common Equity Tier 1 capital ratio of 9.50 per cent. (including the capital conservation buffer, but excluding the countercyclical buffer of 0.18 per cent. as per 30 June 2019). This requirement comprises: (i) a Pillar 1 minimum requirement pursuant to the CRR for Common Equity Tier 1 capital of 4.50 per cent. of risk-weighted assets; (ii) a Pillar 2 requirement for Common Equity Tier 1 capital of 2.50 per cent. of risk-weighted assets; and (iii) a capital conservation buffer of Common Equity Tier 1 capital of 2.50 per cent. of risk-weighted assets. Those capital ratios are calculated in accordance with own funds provisions as applicable from time to time and taking into account any applicable transitional provision (i.e. on a “phased-in basis”). It is to be noted that the requirement for the SREP is subject to an annual review and amendment, with the result that the CET 1 requirements could be adjusted. Any failure of the Issuer to meet such ratios could cause regulatory interventions, such as restrictions on the business model of the Issuer up to measures to protect the stability of the financial market or the financial systems, including the right to order a temporary close of the Issuer’s business operation or a moratorium, to direct the Issuer’s resolution, to withdraw its banking license or to file for the Issuer’s insolvency. This may mean that Holders of Notes, except for Pfandbriefe, are at risk to fully lose their invested capital and related rights as a result of such measures.”

On page 51 of the Original Base Prospectus, the following information shall be added at the end of the third paragraph of the risk factor “Pending litigation and litigation which might become pending in the future as well as regulatory proceedings might have a considerably negative impact on the results of operations of the Issuer”:

“On 28 June 2019, the Issuer published an announcement pursuant to which the independent expert appointed by the trustee of the ESTATE UK-3 transaction affirmed the position of the Issuer who intends to allocate the loss to the credit linked notes at the earliest possible date, which is 20 September 2019. The determination of the expert will, in the absence of manifest error, be final and binding.”

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

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

Since the Issuer has moved into a new head office, the reference to the registered office of the Issuer on page 63 of the Original Base Prospectus in the second-last paragraph of the subsection “General Information” shall be amended to “Parkring 28, 85748 Garching, Germany” and all other references in the Original Base Prospectus to the registered office and/or the address of the Issuer shall be changed accordingly throughout the document.

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

On page 69 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 12 August 2019, the Issuer has published consolidated interim financial statements for the first half of the financial year 2019 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 2019”). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2019 is incorporated by reference (see Section XIV.9 “Incorporation by Reference”). The Deutsche Pfandbriefbank Consolidated Interim Financial Information First Half 2019 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 2019 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 70 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 2019).”

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

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

On page 470 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 2019 published on the website of the Issuer (www.pfandbriefbank.com) (see <https://www.pfandbriefbank.com/en/investors/financial-reports.html>) on 12 August 2019.”

On page 472 of the Original Base Prospectus, the following information shall be added at the end of the table of the subsection “Table of Incorporated Sections”:

“69	IV.8. Deutsche Pfandbriefbank AG - Historical Financial Information	<p>Deutsche Pfandbriefbank Consolidated Financial Information First Half 2019</p> <ul style="list-style-type: none"> • Internal Capital Adequacy Assessment Process (ICAAP) (extract from Group Interim Management Report – Risk and Opportunity Report) (pages 26 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 58) • Review Report (page 60)”
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2. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION “10. IMPORTANT NOTICE ABOUT THIS BASE PROSPECTUS”

On page 475 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 2019, the return on equity before tax amounts to 7.6 per cent.¹ (compared to 8.2 per cent. for the first half of the financial year 2018) and the return on equity after tax amounts to 6.3 per cent.² (compared to 6.7 per cent. for the first half of the financial year 2018).”

¹ Annualised profit before tax less accrued AT1-coupon amounts to Euro 217 million for the first half of 2019 divided by the average equity excluding accumulated other comprehensive income (“OCI”) from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital (Euro 2,864 million for the first half of 2019). 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 2019 which equals the corresponding equity value as at 31 December 2018 (Euro 3,257 million minus Euro 374 million being Euro 2,883 million), as at 31 March 2019 (Euro 3,273 million minus Euro 369 million being Euro 2,904 million) and as at 30 June 2019 (Euro 3,172 million minus Euro 368 million being Euro 2,804 million), in total by the relevant number of reporting dates, i.e. three.

² Annualised net income amounts to Euro 181 million for the first half of 2019 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.

To the extent that there is any inconsistency between any statement in the First Supplement and any other statement in or incorporated in the Original Base Prospectus, the statements in the First Supplement will prevail.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before the First Supplement is published have the right, exercisable within two working days after the publication of the First Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 23 August 2019.