

1st Supplement pursuant to Art. 16(1) of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and Art. 13 (1) of the Luxembourg Act (the "**Luxembourg Act**") relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated 11 October 2012 (the "**Supplement**") to (i) the base prospectus in respect of non-equity securities ("**Non-Equity Securities**") within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No 809/2004 of 29 April 2004 (the "**Commission Regulation**") and (ii) the base prospectus in respect of Pfandbriefe (together, the "**Prospectus**") dated 20 June 2012 (the "**Prospectus**") with respect to



Düsseldorfer Hypothekenbank Aktiengesellschaft

Düsseldorf, Federal Republic of Germany

(the "**Issuer**")

This Supplement has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent authority (the "**Competent Authority**") under the Luxembourg Act for the purposes of the Prospectus Directive.

The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany with a certificate of approval attesting that the Supplement has been drawn up in accordance with the Luxembourg Act which implements the Prospectus Directive into Luxembourg law ("**Notification**").

Right to withdraw

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before the Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. The final date for the right of withdrawal will be 15 October 2012.

The withdrawal (for which no reasons need to be given) must be declared by written notice to that entity to which the relevant investor addressed the declaration of purchase or subscription. Timely dispatch of notice is sufficient to comply with the notice period.

Copies of this Supplement together with the Prospectus and all documents which are incorporated therein by reference may be obtained free of charge at the head office of the Luxembourg Listing Agent

This Supplement together with the Prospectus and the documents incorporated by reference therein will also be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.duesshyp.de).

The purpose of this Supplement is to incorporate by reference the relevant parts of the unaudited Interim Report for the first half year of 2012 of Düsseldorf Hypothekenbank AG, and to update several sections of the Prospectus accordingly.

This Supplement is supplemental to, and should be read in conjunction with the Prospectus.

Terms defined in the Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect its import.

To the extent that there is any inconsistency between any statement included in this Supplement and any statement included or incorporated by reference in the Prospectus, the statements in this Supplement will prevail.

1. Düsseldorf Hypothekenbank – Rating

On page 42 of the Prospectus, the section "Rating" shall be deleted in its entirety and replaced by the following wording:

Rating

The Bank cancelled its rating agreement with Fitch Ratings for public sector Pfandbriefe on 13 September. Fitch Ratings then withdrew its rating for this category of securities, giving a "BBB+" rating for the public sector Pfandbriefe shortly before. Since 2010, the Bank has concentrated exclusively on commercial real estate financing in Germany as its core business; the public sector financing business and consequently the issue of public sector Pfandbriefe were discontinued. Due to natural Pfandbrief maturities, the Bank has substantially reduced the amount of its public sector Pfandbriefe. In view of the small remaining volume and the fact that this product has not been issued since the end of 2009, the Bank has decided to forego having its public sector Pfandbriefe rated by an external rating agency.

Fitch Ratings confirmed its rating of Düsseldorf Hypothekenbank as BBB- Düsseldorf Hypothekenbank: Ratings as at 15 August 2011	Fitch Ratings
Long-term Issuer default rating	BBB-
Short-term Issuer default rating	F3
Viability Rating	C
Individual rating	E
Support rating	2

All of the ratings have been revised in 2011, except for the ratings for public sector Pfandbriefe and the Viability Rating, which were updated in 2012.

The credit ratings of Düsseldorf Hypothekenbank that are contained in this Prospectus were issued by Fitch Ratings Ltd. ("**Fitch Ratings**"). Fitch Ratings is established in the European Union and is registered under Regulation (EC)

No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

2. Düsseldorf Hypothekenbank – Equity capital

On page 46 of the Prospectus, the section "Equity Capital" shall be deleted in its entirety and replaced by the following wording:

"Equity capital

On 30 June 2012, the balance sheet equity was EUR 222.3 million (31 December 2011: EUR 266 million). EUR 251 million of the equity was attributable to the subscribed capital, EUR 202.6 million to a silent partnership, EUR 248.1 million to reserves and EUR 479.4 million to the balance sheet loss.

The liable capital (*haftende Eigenmittel*) as defined in section 10 of the German Banking Act (*Kreditwesengesetz – KWG*) amounted to EUR 407.8 million as of 30 June 2012 (31 December 2011: EUR 727 million). EUR 264 million (31 December 2011: EUR 540.8 million) of this amount qualifies as core capital and EUR 143.7 million (31 December 2011: EUR 186.2 million) as supplementary capital.

The risk-weighted assets, including operational risks, were EUR 3.1 billion on 30 June 2012, compared to EUR 2.7 billion at the end of 2011. The core capital ratio was 8.5% (31 December 2011: 14.7%), while the total capital ratio amounted to 13.1% (31 December 2011: 26.1%).

Since then, the liable capital as defined in section 10 of the German Banking Act decreased to EUR 342.4 million. This corresponded with a core capital ratio of 7.24% as of 13 August 2012,

Due to this reduction of the core capital ratio, the conversion right under the EUR 150 million 10.50% convertible bond, maturity 6 June 2018, issued by the Bank on 7 December 2010, was triggered. At the request of the bondholder, EUR 50 million of the convertible bond was converted into shares of the Bank on 13 August 2012. Through this conversion, the core capital increased to EUR 417.4 million and the capital ratio rose to 8.84%, thereby once again exceeding the legally required minimum core capital ration of 8.0%."

3. Düsseldorf Hypothekenbank – Significant Change in the Issuer's Financial Position

On page 50 of the Prospectus the section "Significant Change in the Issuer's Financial Position " shall be deleted in its entirety and replaced by the following wording:

"Significant Change in the Issuer's Financial Position

Except as disclosed herein, there has been no significant change in the financial position of the Bank since 30 June 2012."

4. Documents incorporated by Reference

The Cross Reference List on page 167 of the Prospectus, relating to the documents incorporated by reference into the Prospectus, shall be supplemented by the following rows:

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Information Incorporated by Reference	Reference
<i>Interim Report for the First Half Year of 2012</i>	
Balance Sheet	Pages 12-13
Profit and Loss Statement	Page 14
Notes (condensed)	Pages 15-16

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Issuer

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