Supplement No. 1 to the Prospectus dated 8 September 2010

Dated 17 September 2010

This document constitutes a supplement (the "**Supplement**") to the prospectus of Charlottenburg Capital International S.àr.l. & Cie SECS in respect of the € [●] Capital Notes (ISIN: XS0540295275) (the "**Prospectus**") for the purpose of article 16 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**").

€ [●] Capital Notes

issued by

Charlottenburg Capital International S.àr.l. & Cie SECS

(a limited partnership (société en commandite simple) established under the laws of Luxembourg on 27 August 2010)

for purposes of acquiring a silent capital interest in the commercial enterprise (*Handelsgewerbe*) of

Deutsche Hypothekenbank (Actien-Gesellschaft)

incorporated as a stock corporation (Aktiengesellschaft) under German law

This Supplement to the Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") which is the Luxembourg competent authority for the purposes of the approval of this Supplement to the Prospectus under the Luxembourg *Loi relative aux prospectus pour valeurs mobilières* of 10 July 2005 (the "**Prospectus Law**") which implements the Prospectus Directive into Luxembourg law and Charlottenburg Capital International S.àr.l. & Cie SECS (the "**Issuer**") has requested the CSSF to provide the competent authorities in the Federal Republic of Germany, the Kingdom of the Netherlands, the Kingdom of Belgium, the Republic of Ireland and the Republic of Austria with a certificate of approval attesting that this Supplement to the Prospectus has been drawn up in accordance with the Prospectus Law (the "**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with a Notification.

WITHDRAWAL RIGHT

Investors who have already agreed to purchase or subscribe for Capital Notes before this Supplement is published, have the right to withdraw their purchase order or subscription pursuant to Art. 13(2) of the Luxembourg Prospectus Law within a period of two working days after the publication of this Supplement, provided that such purchase or subscription has not yet been completed.

Any withdrawal is to be addressed to that entity with whom the relevant agreement to purchase or subscribe for the Notes has been entered into.

Investors are advised, however, that the applicable laws of other member states of the European Economic Area implementing the Prospectus Directive may contain different provisions regarding the withdrawal right.

Each of the Issuer and Deutsche Hypothekenbank (Actien-Gesellschaft) (the "**Bank**") accepts responsibility for the information contained in this Supplement and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import. Neither Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, in their capacity as joint lead managers nor Norddeutsche Landesbank – Girozentrale in its capacity as senior co-lead manager (jointly the "**Managers**") nor Deutsche Bank AG, London Branch in its capacity as security trustee (the "**Security Trustee**") have independently verified the information herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Managers and the Security Trustee as to the accuracy or completeness of the information contained in the Prospectus as supplemented by this Supplement. None of the Managers nor the Security Trustee accepts any liability in relation to the information contained in the Prospectus as supplemented by this Supplement.

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

This Supplement constitutes a supplement to, and should be read and construed in conjunction with, the Prospectus and with any other documents incorporated by reference.

This Supplement shall only be distributed in connection with the Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference into the Prospectus, the statements in (a) above will prevail.

No person is authorized to provide any information or to make any representation not contained in the Prospectus as supplemented by this Supplement, and any information or representation not contained in the Prospectus as supplemented by this Supplement must not be relied upon as having been authorized by the Bank, the Issuer or by the Managers. The delivery of the Prospectus as supplemented by this Supplement at any time does not imply that the information contained herein is correct as of any time subsequent to its date.

I. Supplemental Information with regard to the section "SUMMARY" (pages 5 et seqq. of the Prospectus)

1. In the section "Summary of the Risk Factors – Summary of the risks associated with an investment in the Capital Notes" the fourth sentence of the last paragraph starting on page 14 of the Prospectus and commencing with the words "In addition, except in circumstances where the Silent Contribution will no longer qualify as equity for regulatory purposes" shall be replaced in its entirety by the following two sentences:

   "Only in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity for regulatory purposes, the Bank may terminate the Participation Agreement with immediate effect, provided however, that there is no Reduction of the Silent Contribution's book value as at the time at which the termination notice is given. The Participation Agreement further stipulates that no termination shall become effective without prior regulatory approval."

2. In the section "Summary of the Risk Factors – Summary of the risks associated with an investment in the Capital Notes" the following two paragraphs shall be added on page 15 of the Prospectus preceding the paragraph commencing with the words "The Repayment Amount of the Capital Notes is dependent on the book value of the Silent Contribution":

   "However, there can also be no assurance that the Capital Notes will not be redeemed prior to their first optional redemption date on 30 June 2016. Though the Participation Agreement stipulates that an ordinary termination of the Participation Agreement by the Bank will only become effective on or after 31 December 2020 and that only in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity for regulatory purposes, the Bank may extraordinarily terminate the Participation Agreement with immediate effect prior to 31 December 2015, the likelihood of the occurrence of such extraordinary termination by the Bank has increased significantly as further legislation introducing stricter requirements for hybrid core capital (such as silent partnerships) is likely to be enacted as a consequence of the proposals given by the Basel Committee on Banking Supervision in its press release of 12 September 2010 announcing an agreement on the reforms of the Basel II framework (Basel III). According to the terms and conditions of the Capital Notes any termination of the Participation Agreement will result in a repayment of the Capital Notes.

   Therefore, Note Holders should also be aware that the Capital Notes may be redeemed prior to the time expected by the relevant Note Holder. In such event, the Note Holders will not receive any make-whole amount or other compensation. Further, a relatively short term of the Participation Agreement due to regulatory changes may also have an impact on the Bank's business strategy and results of operations which in turn may involve the risks described in the fourth paragraph of the "Summary of the risks associated with an investment in the Capital Notes" commencing with the words "Coupon Payments depend, *inter alia*, on the Bank profits" and the risk described in the following paragraph commencing with the words "The Repayment Amount of the Capital Notes is dependent on the book value of the Silent Contribution"."

3. In the section "Summary of the Terms of the Participation Agreement – Termination" on page 22 of the Prospectus the words "(other than in circumstances where the Silent Contribution will no longer qualify as equity for regulatory purposes, in which case, the Bank may immediately terminate the Participation Agreement without any termination period being applicable)" in the second to the fifth line of subparagraph (i) following the words "As provided in further detail in the Participation Agreement, the Bank may only terminate the Participation Agreement:" shall be replaced by the following wording:

   "(other than in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity for regulatory purposes, in which case, the Bank may immediately terminate the Participation Agreement without any termination period being applicable)"

II. Supplemental Information with regard to the section "GERMAN TRANSLATION OF THE SUMMARY - ZUSAMMENFASSUNG" (pages 25 et seqq. of the Prospectus)

1. In the section "Zusammenfassung der Risikofaktoren – Zusammenfassung der mit einer Anlage in die Capital Notes verbundenen Risiken" the fourth sentence of the second paragraph on page 35 of the Prospectus commencing with the words "Abgesehen von dem Fall, dass die Stille Einlage nicht mehr länger aus aufsichtsrechtlicher Sicht als Eigenkapital qualifiziert ist" shall be replaced in its entirety by the following two sentences:

"Nur in dem Fall, dass die Stille Einlage (insgesamt oder teilweise) nicht mehr länger aus aufsichtsrechtlicher Sicht als Eigenkapital anerkannt wird, kann die Bank den Beteiligungsvertrag mit sofortiger Wirkung kündigen, vorausgesetzt, der Buchwert der Stillen Einlage ist zum Zeitpunkt der Kündigungserklärung nicht herabgesetzt. Der Beteiligungsvertrag sieht zudem vor, dass eine Kündigung nur mit vorheriger aufsichtsrechtlicher Zustimmung wirksam wird."

2. In the section "Zusammenfassung der Risikofaktoren – Zusammenfassung der mit einer Anlage in die Capital Notes verbundenen Risiken" the following two paragraphs shall be added on page 35 of the Prospectus preceding the paragraph commencing with the words "Der Rückzahlungsbetrag der Capital Notes hängt vom handelsrechtlichen Buchwert der Stillen Einlage ab":

"Es kann jedoch auch nicht ausgeschlossen werden, dass die Capital Notes vor dem Zeitpunkt ihres ersten ordentlichen Kündigungstermins am 30. Juni 2016 zurückgezahlt werden. Obwohl der Beteiligungsvertrag bestimmt, dass eine ordentliche Kündigung des Beteiligungsvertrags durch die Bank frühestens zum 31. Dezember 2020 wirksam wird und nur für den Fall, dass die Stille Einlage (insgesamt oder teilweise) nicht mehr länger aus aufsichtsrechtlicher Sicht als Eigenkapital anerkannt wird, vorsieht, dass die Bank den Beteiligungsvertrag mit sofortiger Wirkung vor dem 31. Dezember 2015 außerordentlich kündigen kann, hat sich die Wahrscheinlichkeit des Eintritts einer solchen außerordentlichen Kündigung dadurch erheblich erhöht, dass infolge der Vorschläge des Basler Ausschusses für Bankenaufsicht in seiner Pressemitteilung vom 12. September 2010, in der eine Einigung im Hinblick auf die Überarbeitung der Basel II Rahmenvereinbarung (Basel III) angekündigt wurde, in der Zukunft voraussichtlich weitere Gesetze mit strengeren Anforderungen an hybrides Kernkapital (wie zum Beispiel stille Gesellschaften) erlassen werden. Gemäß den Emissionsbedingungen der Capital Notes hat jede Beendigung des Beteiligungsvertrags die Rückzahlung der Capital Notes zur Folge.

Den Emissionsgläubigern sollte daher auch bewusst sein, dass die Capital Notes zu einem Zeitpunkt zurückgezahlt werden können, der vor dem von dem betreffenden Emissionsgläubiger erwarteten Rückzahlungszeitpunkt liegt. In einem solchen Fall werden die Emissionsgläubiger keine Vorfälligkeitsentschädigung oder sonstige Kompensation erhalten. Außerdem kann sich eine verhältnismäßig kurze Laufzeit des Beteiligungsvertrags aufgrund aufsichtsrechtlicher Änderungen auch auf die Geschäftsstrategie der Bank und deren operatives Ergebnis auswirken, was wiederum die im vierten Absatz der "Zusammenfassung der mit einer Anlage in die Capital Notes verbundenen Risiken" beschriebenen Risiken, beginnend mit den Worten "Zinszahlungen sind u.a. von den Gewinnen der Bank abhängig", sowie der im nachfolgenden Absatz beschriebenen Risiken, beginnend mit den Worten "Der Rückzahlungsbetrag der Capital Notes hängt vom handelsrechtlichen Buchwert der Stillen Einlage ab", mit sich bringen kann."

3. In the section "Zusammenfassung der Bestimmungen des Beteiligungsvertrages – Kündigung" on page 42 of the Prospectus the words "(außer wenn die Stille Einlage nicht länger aus aufsichtsrechtlicher Sicht als Eigenkapital qualifiziert ist, in welchem Fall die Bank zu einer sofortigen Kündigung des Beteiligungsvertrages ohne Einhaltung von Fristen berechtigt ist)" in the second to the fifth line of subparagraph (i) following the words "Wie im Beteiligungsvertrag näher bestimmt, kann die Bank den Beteiligungsvertrag nur kündigen" shall be replaced by the following wording:

"(außer wenn die Stille Einlage (insgesamt oder teilweise) nicht länger aus aufsichtsrechtlicher Sicht als Eigenkapital anerkannt wird, in welchem Fall die Bank zu einer sofortigen Kündigung des Beteiligungsvertrages ohne Einhaltung von Fristen berechtigt ist)"

III. Supplemental Information with regard to the section "RISK FACTORS" (pages 45 et seqq. of the Prospectus)

1. In the section "Risks associated with an Investment in the Capital Notes – Profit Participation Payments depend, among other things, on Deutsche Hypothekenbank's profits" the first complete paragraph on page 50 commencing with the words "Finally, it cannot be excluded that the Federal Republic of Germany enacts further legislation adversely affecting the position of the Issuer as silent partner under the Participation Agreement" shall be replaced in its entirety by the following wording:

"Finally, it cannot be excluded that the Federal Republic of Germany enacts further legislation adversely affecting the position of the Issuer as silent partner under the Participation Agreement and thus also the right of the Note Holder to receive Coupon Payments for the relevant Interest Period. This risk is increased by the fact that the regulatory capital regime is currently being revised on the international and European level and that the requirements for hybrid core capital (such as silent partnerships), in particular as a consequence of the proposals by the Basel Committee on Banking Supervision published in their final form on 12 September 2010 ("**Basel III**"), are expected to become stricter. The proposals announced by the Basel Committee on 12 September 2010 in relation to Basel III do not include proposals in relation to profit participation payments under hybrid core capital instruments (such as silent partnerships) but significantly increase the likelihood that hybrid core capital (such as silent partnerships) will no longer be recognised as Tier 1 capital from 1 January 2013 onwards which may result in an extraordinary termination of such hybrid core capital instrument (see "Risks associated with an Investment in the Capital Notes – The Capital Notes have no Scheduled Maturity").

2. In the section "Risks associated with an Investment in the Capital Notes – The Capital Notes have no Scheduled Maturity" on page 50 of the Prospectus, the third last sentence of the first paragraph commencing with the words "In addition, except in circumstances where the Silent Contribution will no longer qualify as equity for regulatory purposes" shall be replaced in its entirety by the following two sentences:

   "Only in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity for regulatory purposes, the Bank may terminate the Participation Agreement with immediate effect, provided however, that there is no Reduction of the Silent Contribution's book value as at the time at which the termination notice is given. The Participation Agreement further stipulates that no termination shall become effective without prior regulatory approval."

3. In the section "Risks associated with an Investment in the Capital Notes – The Capital Notes have no Scheduled Maturity" on page 50 of the Prospectus the following two paragraphs shall be added after the current ultimate paragraph of this Section:

   "However, there can also be no assurance that the Capital Notes will not be redeemed prior to their first optional redemption date on 30 June 2016. Though the Participation Agreement stipulates that an ordinary termination of the Participation Agreement by the Bank will only become effective on or after 31 December 2020 and that only in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity for regulatory purposes, the Bank may extraordinarily terminate the Participation Agreement with immediate effect prior to 31 December 2015, the likelihood of the occurrence of such extraordinary termination by the Bank has increased significantly as further legislation introducing stricter requirements for hybrid core capital (such as silent partnerships) is likely to be enacted as a consequence of the proposals given by the Basel Committee on Banking Supervision in its press release of 12 September 2010 announcing an agreement on the reforms of the Basel II framework (Basel III). According to the terms and conditions of the Capital Notes any termination of the Participation Agreement will result in a repayment of the Capital Notes.

   Therefore, Note Holders should also be aware that the Capital Notes may be redeemed prior to the time expected by the relevant Note Holder. In such event, the Note Holders will not receive any make-whole amount or other compensation. Further, a relatively short term of the Participation Agreement due to regulatory changes may also have an impact on the Bank's business strategy and results of operations which in turn may involve the risks described under "Profit Participation Payments depend, among other things, on Deutsche Hypothekenbank's profits" and "Repayments on the Capital Notes are dependent on the size of the Repayment Amount under the Participation Agreement."

IV. Supplemental Information with regard to the section "DESCRIPTION OF THE PARTICIPATION AGREEMENT" (pages 75 et seqq. of the Prospectus)

1. In § 7 paragraph (4) (*Außerordentliche Kündigung durch die Bank aus aufsichtsrechtlichen oder steuerlichen Gründen*) of the Agreement on the Establishment of a Silent Partnership on page 80 of the Prospectus, the second sentence of the German language version commencing with the words "Eine außerordentliche Kündigung darf frühestens zum 31. Dezember 2015 erfolgen" shall be replaced in its entirety by the following:

   "Eine außerordentliche Kündigung darf frühestens zum 31. Dezember 2015 erfolgen, es sei denn, dass die Stille Einlage (insgesamt oder teilweise) nicht länger aus aufsichtsrechtlicher Sicht als Kernkapital im Sinne von § 10(4) KWG anerkannt wird."

2. In § 7 paragraph (4) (*Exceptional Termination by the Bank for Regulatory or Tax Reasons*) of the Agreement on the Establishment of a Silent Partnership on page 80 of the Prospectus, the second sentence of the English language version commencing with the words "No such exceptional termination may become effective prior to 31 December 2015" shall be replaced in its entirety by the following:

   "No such exceptional termination may become effective prior to 31 December 2015, except in circumstances where the Silent Contribution will no longer qualify, in whole or in part, as equity within the meaning of § 10(4) KWG for regulatory purposes, in which case, the Bank may immediately terminate the Participation Agreement without any termination period being applicable."

V. Supplemental Information with regard to the section "REGULATION" (pages 100 et seqq. of the Prospectus)

1. In the section "Capital Adequacy Requirements – Prospective Regulatory Framework and Adequate Capital Resources" the third and fourth paragraph on page 103 of the Prospectus commencing with the words " Furthermore, on 17 December 2009 the Basel Committee published a consultative document with further amendments to increase the capital strength of banks" and "Furthermore, a non-risk-adjusted leverage ratio will be introduced as a supplement to the risk-based capital requirements" shall be replaced in their entirety by the following paragraphs:

   "Furthermore, on 17 December 2009 the Basel Committee published a consultative document with further amendments to increase the capital strength of banks. Following a consultation of the financial industry and discussions in the Basel Committee, the original proposals of the consultative document were modified in certain areas in the course of 2010, and the Basel Committee published a press release on 12 September 2010 announcing an agreement on the reforms of the Basel II framework ("**Basel III**"). The Basel III rules shall be applied from 1 January 2013 onwards, subject to certain transitional arrangements. The focus of the rules is on increasing the overall amount of capital and the proportion of capital in the form of common equity (*Stammkapital*) and retained earnings (*Rücklagen*) that must be in the future the predominant form of capital. Capital instruments that were so far recognised as core Tier 1 but do not meet the strict test for common equity, such as silent partnership interests, will no longer be recognised as common equity from 1 January 2013 onwards, except in case of certain capital instruments issued by non-joint stock companies prior to 12 September 2010. The necessary ratio of common equity to risk weighted assets (which under the current rules is at 2%) shall be raised from 3.5% in 2013 to 4.5% in 2015. From 1 January 2016 onwards a capital conservation buffer has to be built which further elevates the common equity ratio by 0.625% each year up to a total of 7% (4.5% minimum common equity ratio plus 2.5% capital conservation buffer) in 2019. In addition, national regulators shall have discretion to introduce a countercyclical capital buffer of up to 2.5% in order to limit excessive capital growth.

   The only permissible components of Tier 1 other than common equity and retained earnings will be instruments that are subordinated, have fully discretionary non-cumulative dividends or coupons and have neither a maturity date nor an incentive to redeem. Innovative hybrid capital instruments with an incentive to redeem and other hybrid capital instruments that no longer meet the strict test for non-common equity Tier 1 capital will be gradually phased out of non common-equity Tier 1 Capital until 2023 at the latest. However, only such capital instruments issued prior to 12 September 2010 will qualify for the grandfathering provisions; non-qualifying non-common equity Tier 1 instruments issued from 12 September 2010 onwards will be derecognized from 1 January 2013. The total (common equity and non-common equity) Tier 1 ratio, which under the current rules is at 4%, will be raised from 4.5% on 1 January 2013 to 6% on 1 January 2015. Taking into account the capital conservation buffer described above, the Tier 1 ratio will be at 8.5% from 1 January 2019 onwards. The requirements for Tier 2 Capital will be tightened and there will no longer be a distinction between upper and lower Tier 2 Capital. The concept of Tier 3 Capital will be abolished. The total capital (i.e. Tier 1 plus Tier 2) ratio will remain at 8% until the end of 2015 before it is increased through the capital conservation buffer gradually to 10.5% in 2019.

   Furthermore, a non-risk-adjusted leverage ratio will be introduced as a supplement to the risk-based capital requirements. The aim is to put a cap on the build-up of leverage in the banking system, also to guard against model error and other forms of mis-assessment of risk by supplementing the risk based measure with an independent measure of risk that is based on gross exposures. The leverage ratio shall be introduced first as a monitoring instrument. Disclosure of the leverage ratio shall be obligatory from 1 January 2015 onwards, and the leverage ratio shall become a binding prudential requirement from 1 January 2018 onwards. It is currently proposed by the Basel Committee to be set at 3% but that is still subject to calibration until 2018."

2. In the section "Liquidity Requirements – Prospective Requirements" the first and second paragraph on page 104 of the Prospectus commencing with the words "In December 2009 the Basel Committee published a consultative document" and "The final proposals should be agreed by the end of 2010" shall be replaced in their entirety by the following paragraph:

   "The consultative document on Basel III published on 17 December 2009 by the Basel Committee also contained proposals for measures to improve the resilience of banks to liquidity stresses and to increase international harmonisation of liquidity risk supervision. Similar to the capital requirements, these proposals were also published in their final form on 12 September 2010. The proposals include, *inter alia*, (i) a requirement for banks to maintain a minimum liquidity coverage ratio which essentially requires that the bank maintains a stock of high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30-day time horizon, under an acute liquidity stress test scenario specified by supervisors, (ii) the introduction of a "net stable funding ratio", with the effect of requiring banks to fund their activities over a one-year time horizon with a minimum acceptable amount of stable funding, and (iii) monitoring metrics that are aimed at capturing specific information related to a bank's cash flows, balance sheet structure, available unencumbered collateral and certain market indicators. These metrics will have to be applied on an ongoing basis and calculated and reported at least monthly. These new liquidity requirements shall become binding for banks from 1 January 2015 (in respect of the liquidity coverage ratio) respectively 1 January 2018 (in respect of the net stable funding ratio)."

VI. Documents available

This Supplement has been filed with the CSSF and will be published on the Luxembourg Stock Exchange's website (www.bourse.lu). Copies of this Supplement will also be available free of charge during normal business on any weekday (Saturday, Sunday and public holidays excepted), for inspection at the offices of the Bank (at Georgsplatz 8, 30159 Hanover, Federal Republic of Germany), the Issuer (at 6, rue Philippe II, L-2340 Luxembourg, Grand Duchy of Luxembourg) and the Paying Agent (at Große Gallussstraße 10-14, 60311 Frankfurt/Main, Federal Republic of Germany).

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