

In accordance with Article 26 No. 8 of the Commission Regulation (EC) No. 809/2004 (the **Regulation**), this document constitutes two base prospectuses within the meaning of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the **Prospectus Directive**): (i) the base prospectus of Düsseldorf Hypothekenbank Aktiengesellschaft in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of the Regulation, and (ii) the base prospectus of Düsseldorf Hypothekenbank Aktiengesellschaft in respect of Pfandbriefe within the meaning of Article 22 No. 6 (3) of the Regulation (together, the **DIP Prospectus**).

DEBT ISSUANCE PROSPECTUS



DÜSSELDORFER HYPOTHEKENBANK AG

(incorporated with limited liability under the laws of the Federal Republic of Germany (**Germany**))

(the **Issuer**)

Euro 5,000,000,000 Debt Issuance Programme

This DIP Prospectus is dated 7 July 2006 (the **Date of Publication**). It describes the Euro 5,000,000,000 Debt Issuance Programme (the **Programme**) of the Issuer, under which the Issuer may issue notes in bearer form (the **Notes**, which expression shall include Pfandbriefe (the **Pfandbriefe**)), and shall be valid for twelve months following its Date of Publication. Any Notes issued under the Programme on or after the Date of Publication are issued subject to the provisions described herein.

This DIP Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Tranches (as defined herein) of Notes, together with the relevant Final Terms (as defined herein). This DIP Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this DIP Prospectus.

The binding language of this DIP Prospectus is English save that the binding language of the sections entitled "*Form of the Final Terms*" and "*Terms and Conditions of the Notes*" and commencing on pages 51 and 73, respectively, is German. The binding German language versions of these sections are accompanied in each case by a non-binding English language translation (commencing on pages 51 and 73, respectively). The binding English language version of the section entitled "*Summary of the Debt Issuance Programme*" and commencing on page 4 is accompanied by a non-binding German language translation commencing on page 17. The binding language of the Final Terms and the Conditions (as defined herein) (if any) prepared in relation to Notes to be issued under the Programme may be German or English.

An investment in Notes to be issued under the Programme involves certain risks. For a discussion of these risks see the section entitled "*Risk Factors*" and commencing on page 32.

Arranger

Deutsche Bank

Dealers

ABN AMRO	Commerzbank Corporates & Markets
Deutsche Bank	Dresdner Kleinwort
DZ BANK AG	HSBC
HVB Corporates & Markets	SEB
UBS Investment Bank	WestLB AG

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SUMMARY OF THE DEBT ISSUANCE PROGRAMME

This summary must be read as an introduction to this debt issuance programme prospectus (the DIP Prospectus) and any decision to invest in any notes in bearer form (the Notes, which expression shall include Pfandbriefe (the Pfandbriefe)) should be based on a consideration of this DIP Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the Prospectus Directive) in each member state of the European Economic Area (the EEA) no civil liability will attach to Düsseldorf Hypothekenbank Aktiengesellschaft in any such member state solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this DIP Prospectus. Where a claim relating to the information contained in this DIP Prospectus is brought before a court in a member state of the EEA, the plaintiff may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating the DIP Prospectus before the legal proceedings are initiated.

GENERAL DESCRIPTION OF THE PROGRAMME

Description: The Euro 5,000,000,000 debt issuance programme of Düsseldorf Hypothekenbank Aktiengesellschaft (the **Programme**) is a programme for the issuance of Notes and Pfandbriefe, which may be issued on an unsubordinated basis only.

Programme Size: The Programme's size is set at Euro 5,000,000,000 (or its equivalent in other currencies, calculated as described in the amended and restated programme agreement dated 7 July 2006 and entered into between Düsseldorf Hypothekenbank Aktiengesellschaft and the Dealers (as specified below) (the **Programme Agreement**)) aggregate principal amount (or, in the case of Notes issued at a discount, their amortised face amount) of Notes outstanding at any time. Düsseldorf Hypothekenbank Aktiengesellschaft will have the option to increase the Programme Size, subject to compliance with the relevant provisions of the Programme Agreement and the provision of such conditions precedent (including the preparation of a supplement to this DIP Prospectus or a new DIP Prospectus) as the Dealers or the relevant authority may require for the purpose of listing any Notes to be issued under the increased Programme on the relevant regulated market of a stock exchange located in a member state of the EEA or the offering of any Notes to be issued under the increased Programme to the public in a member state of the EEA.

Issuer: Düsseldorf Hypothekenbank Aktiengesellschaft

Arranger: Deutsche Bank Aktiengesellschaft

The Arranger acts in an administrative capacity in the context of the establishment and/or maintenance of the Programme and has no responsibility for any documents prepared in connection with the Programme. For the avoidance of doubt, the Arranger may, in relation to any Tranche (as defined below) of Notes to be issued under the Programme, act as co-ordinator of any offer of such Tranche of Notes but is under no obligation to do so.

Dealers: ABN AMRO Bank N.V.
Bayerische Hypo- und Vereinsbank AG
Commerzbank Aktiengesellschaft
Deutsche Bank Aktiengesellschaft
Dresdner Bank Aktiengesellschaft
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
HSBC Bank plc
SEB AG
UBS Limited
WestLB AG

and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Fiscal Agent: Deutsche Bank Aktiengesellschaft

Paying Agents: Deutsche Bank Luxembourg S.A.

and any other paying agents appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Series (as defined below) of Notes.

Distribution: Notes may be distributed by way of private or public placement and in each case on a non-syndicated or a syndicated basis. The method of distribution of each Tranche of Notes will be set out in the final terms (the **Final Terms**) applicable to such Tranche.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.

Notes with a maturity of less than one year:

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least GBP 100,000 or its equivalent.

Currencies: Subject to any applicable legal or regulatory restrictions, Notes may be issued in Euro, United States Dollars, Pounds Sterling or Swiss Francs.

Listing and Admission to Trading: Application has been made by the Issuer to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; the **BaFin**) in Germany in its capacity as competent authority under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) for the approval of this DIP Prospectus pursuant to § 13 (1) sentence 2 of the German Securities Prospectus Act, which requires the scrutiny by the BaFin of this DIP Prospectus in relation to its completeness, coherence and comprehensibility, and further application will be made by the Issuer to the Düsseldorf Stock Exchange for Notes to be issued under the Programme to be admitted to trading on the official market (*Amtlicher Markt*) and on the regulated market (*Geregelter Markt*) of the Düsseldorf Stock Exchange and to be listed on the Düsseldorf Stock Exchange. Notes may, after notification of this DIP Prospectus in accordance with Article 18 of the Prospectus Directive, be admitted to trading on the regulated markets of a number of member states of the EEA and/or may be listed on such stock exchanges and/or may be publicly offered within the EEA, all as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market and/or Notes not to be publicly offered.

The relevant Final Terms relating to each Tranche of Notes will state whether or not the Notes are to be admitted to trading and/or to be listed and, if so, on which stock exchanges and/or markets. In addition, the relevant Final Terms will state whether or not the Notes will be publicly offered in connection with their issue.

Notification: The Issuer has requested the BaFin to provide the competent authorities in Austria, Ireland, the Grand Duchy of Luxembourg (**Luxembourg**), The Netherlands and the United Kingdom with a certificate of approval attesting that this DIP Prospectus has been drawn up in accordance with the German Securities Prospectus Act (each a **Notification**). The Issuer may request the BaFin to provide competent authorities in additional member states of the EEA with a Notification.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States of America (the **United States**), Japan and the EEA (including the United Kingdom, the Republic of France (**France**), the Federal Republic of Germany (**Germany**) and Luxembourg as set out in the section entitled “*Subscription and Sale*” and commencing on page 140 and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes in a particular jurisdiction, which will be set out in the relevant Final Terms.

INFORMATION RELATING TO THE ISSUER

Legal and Trade Name, Place of Registration and Registration Number: The Issuer’s legal and trade name is Düsseldorf Hypothekenbank Aktiengesellschaft. It is registered under HRB 35004 in the commercial register of Düsseldorf.

Formation Date: The Issuer was established on 28 April 1997 and recorded in the commercial register of Düsseldorf on 4 September 1997.

Registered Office and Legal Form: The Issuer’s registered office is in Düsseldorf, Federal Republic of Germany. As a public limited company under German law (*Aktiengesellschaft*), the Issuer is subject to the legal system of the Federal Republic of Germany. Its address is: Düsseldorf Hypothekenbank Aktiengesellschaft, Berliner Allee 43, 40212 Düsseldorf, Germany; its telephone number is: +49 (0) 211 86720-0.

The Issuer is subject to supervision by the German Central Bank (*Deutsche Bundesbank*) and the BaFin.

Merger with Bankhaus Bauer: The same shareholders held various percentage interests in the Issuer and Bankhaus Bauer AG, Stuttgart (**Bankhaus Bauer**). On 4 April 2006, the management boards (*Vorstände*) and supervisory boards (*Aufsichtsräte*) of both companies resolved the merger. The general meetings approved of the merger contract. For legal purposes, the merger was effected by transferring the assets of Bankhaus Bauer to the Issuer in their entirety, together with all rights and duties (§ 2 No. 1 of the German Transformation Act; *Umwandlungsgesetz*).

“Bankhaus Bauer Zweigniederlassung der Düsseldorf Hypothekenbank Aktiengesellschaft” which emerged from Bankhaus Bauer concentrates on asset consultancy and management services for wealthy retail clients and institutional investors. 45 staff members are employed at its place of business in Stuttgart.

Principal Areas of Activity: The principal areas of activity are public financing and real estate financing. To fund the loans extended, the Issuer issues Mortgage Pfandbriefe (*Hypothekendarlehen*) as well as Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*).

Public Sector Financing: The Issuer largely pursues its public sector financing business in the secondary markets through the extension of loans to central and regional governments, other political subdivisions, public companies as well as public law credit institutions within the European Union, the European Economic Area,

Switzerland, the United States of America, Canada and Japan. Accounting for about 80 per cent. of the credit volume, this business division constitutes the focal point of the Issuer's business activities.

Real Estate Financing:

Since 1999, the Issuer has also been active in the area of real estate financing. Similar to its public sector financing activities, the Issuer here also pursues a secondary market strategy. It participates mainly in large-volume syndicated financings for commercial and office buildings in Germany and abroad. Real estate financing accounts for approximately 10 per cent. of the credit volume.

Non-covered Investments:

In addition to the business activities referred to above, the Issuer also acquires securities and loans not attributable to the cover assets of the holders of Mortgage Pfandbriefe and Public Sector Pfandbriefe. They account for about 10 per cent. of the balance sheet total.

Refinancing:

To refinance the transactions referred to above, the Issuer issues Public Sector Pfandbriefe, Mortgage Pfandbriefe, senior unsecured bonds and assignable note loans (*Schuldscheindarlehen*). In addition, overnight and term money is raised. The focus is on public sector Pfandbriefe rated "AAA" by Fitch Ratings Ltd. (**Fitch**) and Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies Inc. (**Standard & Poor's**).

Principal Markets:

The major portion of business activities is conducted in Germany. Over the last few years, the Issuer gradually expanded the international portion of its new business to diversify its income and risks.

In the public sector financing area, the international share of the loan portfolio as of the year-end 2005 was approximately 25 per cent.; with respect to new business in 2005, the relevant share was 36 per cent.

In the real estate financing area, the international share of the loan portfolio as of the year-end 2005 was 19 per cent.

Shareholders and Organizational Structure:

Pursuant to § 17 paragraph 1 of the German Stock Corporation Act (*Aktien-gesetz*), the Issuer is an enterprise controlled by the three companies ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH (**ASTA**), Berlin, Helvetic Grundbesitz Verwaltung GmbH (**Helvetic**), Berlin and ifb Investitions- und Finanzierungs-Beratungsgesellschaft mbH (**ifb**), Berlin. ASTA holds a 37.3 per cent. interest, Helvetic holds a 46.2 per cent. interest and ifb holds a 16.5 per cent. interest. There is no group relationship (*Konzernverhältnis*) pursuant to § 18 of the German Stock Corporation Act. ASTA, Helvetic and ifb are 100 per cent. owned by the Schuppli family. The Issuer's share capital as of the date of this DIP Prospectus amounts to Euro 206 millions, divided into 206 million registered shares of Euro 1 each.

The Issuer holds 100 per cent. of the shares in Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits, Glarus/ Switzerland (**Bauer**). There is a group relationship with Bauer. Therefore, the Issuer draws up a group management report and consolidated financial statements in accordance with the principles of full consolidation.

Via Bauer, the issuer holds an interest in Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg. As, due to the 25 per cent. interest, no major influence can be exerted over this company, it is not included in the consolidated financial statements.

As a result of the merger, the 51.3 per cent. interest of Bankhaus Bauer in Banque Bauer (Suisse) SA, Geneva/ Switzerland, was also transferred to the Issuer.

Trendinformation: There have been no significant adverse changes in the Issuer's prospects since 31 December 2005. The merger with Bankhaus Bauer resolved in April 2006 and approved by the general meetings has also been taken into account in this context.

There is no information on business transactions, trends or other events which should have a major negative impact on the Issuer's business prospects in the current year 2006.

Administrative, Management and Supervisory Bodies: The Issuer's bodies are the management board, supervisory board and the share-holders' meeting.

Management Board: The members of the management board are appointed by the supervisory board. The management board is composed of the following members:

Wolfgang Hampel
Dr. Michael Kosche
Stefan Brugger (since 1 June 2006)
Arnold Sedlmayr (since 1 July 2006).

Supervisory Board: According to § 9 (1) of the articles of incorporation of the Issuer, the supervisory board is composed of six members elected by the shareholders in the shareholders' meeting. The chairman of the supervisory board also chairs the shareholders' meeting.

Since 11 March 2006, the supervisory board has been composed as follows:

Dr. Wolfgang Schuppli
Dieter Wenserski
Wolfgang H. Müller
Berta Schuppli
Prof. Dr. F.-L. Freiherr von Stechow
Volkher Kerl (until 10 May 2006).

Volkher Kerl will be replaced by a new member of the supervisory board in the near future.

Conflicts of Interest: There are no potential conflicts of interest between the obligations of the management board members towards the Issuer and their private interests or other obligations.

There are no potential conflicts of interest between the obligations of the supervisory board members towards the Issuer and their private interests or other obligations except for those interests of the relevant supervisory board members resulting from their capacity as beneficial owners of the Issuer. In this context, there are legal provisions, in particular under the company, banking and securities laws, that limit or prevent such potential conflicts of interest. The Issuer and its bodies comply with these legal requirements.

Use of Proceeds: Generally, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit and hedging certain risks.

If, in the case of Notes with a minimum denomination of less than Euro 50,000 (or its equivalent in other currencies, calculated as described in the Programme Agreement), there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

INFORMATION RELATING TO THE TERMS AND CONDITIONS OF THE NOTES

The Information provided in this subsection is applicable to Notes and to Pfandbriefe unless any information provided in relation to Pfandbriefe in the subsection entitled "*Description of the Debt Issuance Programme – Information Relating to the Terms and Conditions of Pfandbriefe*" below is not consistent with the information set out in this subsection. In the case of any such inconsistency, the information set out in the subsection entitled "*Description of the Debt Issuance Programme – Information Relating to the Terms and Conditions of Pfandbriefe*" shall apply to Pfandbriefe.

Terms and Conditions of the Notes:

Final Terms will be prepared in respect of each Tranche of Notes, supplementing or modifying the Terms and Conditions of the Notes set out in the section entitled "*Terms and Conditions of the Notes*" and commencing on page 73. If the relevant Final Terms specify, however, that integrated conditions shall apply to the Notes, such integrated conditions will be attached to the relevant Final Terms and replace the Terms and Conditions of the Notes set out in the section entitled "*Terms and Conditions of the Notes*" and commencing on page 73, as supplemented or modified by the relevant Final Terms.

Issuance in Series:

Notes will be issued in series (each a **Series**). Each Series may comprise one or more tranches (**Tranches** and each a **Tranche**) issued on different dates. The Notes of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, or terms which are identical except that the issue date, the amount of the first payment of interest and/or the denomination thereof may be different. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Form of the Notes:

The Notes will be issued in bearer form. Each Tranche of Notes for which the relevant Final Terms specify TEFRA C will initially be represented by a TEFRA C temporary global note or a TEFRA C permanent global note and each Tranche of Notes for which the relevant Final Terms specify TEFRA D will initially be represented by a TEFRA D temporary global note. Interests in temporary global notes will be exchangeable for interests in permanent global notes or, if so stated in the relevant Final Terms, for definitive Notes in bearer form. Any such global note will be deposited on or prior to the issue date of the relevant Tranche of the Notes (a) in the case of a Tranche intended to be cleared through CBF (as defined below) and/or Euroclear (as defined below) and/or CBL (as defined below), with CBF or a depository or a common depository, as appropriate, of the Clearing System(s) (as defined below), or (b) in the case of a Tranche intended to be cleared through a clearing system other than CBF, Euroclear or CBL or delivered outside a clearing system, as agreed between the Issuer, the Fiscal Agent and the relevant Dealer. While any Note is represented by a TEFRA D temporary global note, no payments will be made prior to notification as to non-U.S. beneficial ownership having been received by the relevant Clearing System(s). See the section entitled "*Form of the Notes*" and commencing on page 47 for further details.

The Issuer will not issue asset-backed debt securities under the Programme.

Transfer of Ownership:

In the case of Notes represented by a global note each Holder of such Notes will be the holder of a proportionate co-ownership in the relevant global note. Such proportionate co-ownership may be transferred to a new Holder by agreement and delivery, with such delivery taking place in accordance with the provisions of the relevant Clearing System or other central securities depository the relevant global note has been deposited with.

In the case of Notes represented by definitive notes, ownership in the relevant definitive notes may be transferred to a new Holder by agreement and delivery, with such delivery taking place (i), in the case of definitive notes deposited

with any Clearing System or other central securities depository, in accordance with the provisions of the relevant Clearing System or other central securities depository, or (ii), in the case of definitive notes held by their Holder, by physical delivery to the new Holder.

The transferability of the Notes is not restricted.

Clearing Systems: Clearstream Banking AG, Frankfurt (**CBF**), Clearstream Banking, société anonyme (**CBL**) and Euroclear Bank S.A./N.V. (**Euroclear** and, together with CBF and CBL, the **Clearing Systems** and, each, a **Clearing System**) and/or, in relation to any Series of Notes, any other Clearing System as specified in the relevant Final Terms.

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the currency in which the Notes are to be issued (the **Specified Currency**).

Issue Price: The Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Fixed Rate Notes: Fixed interest on the Notes will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such day count fraction as may be agreed between the Issuer and the relevant Dealer.

Yield:

The yield in respect of Fixed Rate Notes will be set out in the relevant Final Terms.

Methodology for the Calculation of Yield:

The yield in respect of Fixed Rate Notes will be calculated in accordance with the formulae drawn up by ICMA or in accordance with other formulae prevailing in the market. In the case of Notes with a minimum denomination of less than Euro 50,000, the relevant methodology for the calculation of yield will be set out in the relevant Final Terms.

Step-Up/Step-Down Notes: Step-Up/Step-Down Notes are Notes which bear fixed interest at varying rates, such rates being, in the case of Step-Up Notes, greater or, in the case of Step-Down Notes, lesser than the rates applicable to the previous interest periods.

Zero Coupon Notes: Interest will not be paid on Zero Coupon Notes other than in the case of late payment.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer, as specified in the relevant Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Inverse Floating Rate Notes:

The interest payable on Inverse Floating Rate Notes will be calculated as the difference between a fixed interest rate and a floating interest rate with the latter being determined as set out above in the subsection entitled "*Floating Rate Notes*."

Other Structured Notes:

Notes may also have any other structure as the Issuer and the relevant Dealer may agree, as set out in the relevant Final Terms. The issue of other structured Notes may require the preparation of a supplement to the DIP Prospectus incorporating the relevant Terms and Conditions of the Notes where such Notes are to be admitted to trading and listed on the official market (*Amtlicher Markt*) or the regulated market (*Geregelter Markt*) of the Düsseldorf Stock Exchange or any other regulated market within the EEA or where such Notes are to be offered publicly in a member state of the EEA.

Other Provisions in Relation to Interest-Bearing Notes Other Than Zero Coupon Notes:

Notes with the exception of Fixed Rate Notes and Zero Coupon Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Notes with the exception of Zero Coupon Notes will be payable in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, on such interest payment dates, and will be calculated on the basis of such day count fraction, as may be agreed between the Issuer and the relevant Dealer.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer. In all circumstances, the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (for further details see the subsection entitled "*Certain Restrictions – Notes with a maturity of less than one year*" above).

Redemption of Notes:

The relevant Final Terms will specify either (i) that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or (unless otherwise specified in the relevant Final Terms) for taxation reasons or following an event of default), or (ii) that the relevant Notes will be redeemable at the option of the Issuer and/or the holders upon giving notice to the holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

The relevant Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are specified in the relevant Final Terms.

Payment Provisions in Relation to Principal:

Subject to applicable fiscal and other laws and regulations, payments of principal on the Notes shall be made, (i) in the case of Notes represented by a global note, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the relevant global note at the specified office of the Fiscal Agent outside of the United States, or (ii) in the case of Notes represented by definitive notes against presentation and (except in the case of partial payment) surrender of the relevant definitive note at the specified office of any Paying Agent outside the United States.

Payment Provisions in Relation to Interest:	Subject to applicable fiscal and other laws and regulations, payments of interest on the Notes shall be made, (i) in the case of Notes represented by a global note, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System, or (ii) in the case of Notes represented by definitive notes against presentation and surrender of the relevant coupon or, in the case of Notes in respect of which coupons have not been issued, or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant definitive notes, at the specified office of any Paying Agent outside the United States.
Taxation of Notes (Other than Pfandbriefe):	All payments of principal and interest (if any) in respect of the Notes will be made without withholding or deduction at source for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by way of withholding or deduction at source in, by or on behalf of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances (including, but not limited to, in the event that withholding taxes are payable pursuant to legislation or regulations introduced as a result of a directive of the European Union), be required to pay to the holders additional amounts to cover the amounts so deducted.
Early Redemption of Notes (Other than Pfandbriefe) for Taxation Reasons:	Unless otherwise specified in the relevant Final Terms, early redemption will be permitted in whole, but not in part, if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of Germany or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the first Tranche of the relevant Series of Notes is issued.
Negative Pledge:	The terms and conditions of the Notes will not contain a negative pledge provision.
Events of Default (Including a Cross Default) in Relation to Notes (Other than Pfandbriefe):	<p>The terms and conditions of the Notes will provide for the following events of default:</p> <ul style="list-style-type: none"> • the Issuer fails to pay principal or interest within 30 days from the relevant due date; • the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a holder; • the Issuer announces its inability to meet its financial obligations or ceases its payments; • a court opens insolvency proceedings against the Issuer which shall not have been dismissed or stayed within 60 days after the commencement thereof, or the Issuer or a supervisory or other authority which has jurisdiction over the Issuer institutes or applies for such proceedings or the Issuer offers or makes an arrangement for the benefit of its creditors generally; • the Issuer is dissolved or liquidated, unless such dissolution or liquidation is made in connection with a merger, consolidation or other combination with any other entity, provided that such other entity assumes all obligations of the Issuer arising under the Notes;

- (i) any indebtedness of the Issuer or any of its subsidiaries becomes due and repayable prematurely by reason of an event of default (however described), or (ii) the Issuer or any of its subsidiaries fails to make any payment in respect of any indebtedness on the due date for payment as extended by any applicable grace period, or (iii) any security given by the Issuer or any of its subsidiaries for any indebtedness becomes enforceable, or (iv) default is made by the Issuer or any of its subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any indebtedness of any other person; or
- the Issuer ceases or threatens to cease to carry on its business,

provided, however, in all cases set out above, that the holder's rights to declare its Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

Status of the Notes (Other than Pfandbriefe):

Notes to be issued under the Programme will be issued only on an unsubordinated basis.

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all unsecured and unsubordinated present and future obligations of the Issuer unless such other obligations take priority by mandatory provisions of law.

Presentation Period:

In the case of Notes represented by a global note, the presentation period provided in § 801(1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years.

In the case of Notes represented by definitive notes, the presentation period provided in § 801(1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) and relating to payments of principal is reduced to ten years and the presentation period relating to payments of interest shall be, pursuant to § 801(2) German Civil Code (*Bürgerliches Gesetzbuch*), four years, beginning with the end of the calendar year in which the relevant coupon falls due.

Other than as set out above, statutory presentation and prescription provisions will apply to payments of principal and interest (if any) in relation to the Notes.

Governing Law:

The Notes will be governed by German law.

Place of Performance and Place of Jurisdiction:

Place of performance and place of jurisdiction in relation to the Notes is Düsseldorf, Germany.

Representation of Holders:

The terms and conditions of the Notes will not contain a provision for the representation of holders of the Notes.

INFORMATION RELATING TO THE TERMS AND CONDITIONS OF PFANDBRIEFE

The information provided in the subsection above entitled “*Summary of the Debt Issuance Programme – Information Relating to the Terms and Conditions of the Notes*” is deemed to be applicable to Pfandbriefe insofar as such information is not inconsistent with the information set out below. In the case of any such inconsistency, the information set out below shall apply to Pfandbriefe.

General Description: Pfandbriefe are notes which are secured or “covered” predominantly either by mortgage or by public sector loans, the sufficiency of which is determined by the Pfandbrief Act, and monitored by an independent trustee appointed by the BaFin. For further details, see the section entitled “*Pfandbriefe*” and commencing on page 132.

Types of Pfandbriefe to Be Issued: Notes in the form of Pfandbriefe will be issued either as Mortgage Pfandbriefe (*Hypothekendarlehen*) or as Public Sector Pfandbriefe (*öffentliche Pfandbriefe*) as specified in the relevant Final Terms.

Jumbo-Pfandbriefe Jumbo-Pfandbriefe are governed by the same laws as Pfandbriefe and therefore cannot be classified as a type of asset apart from Pfandbriefe. In order to improve the liquidity of the Pfandbrief market the issuers of Pfandbriefe agreed upon certain minimum requirements for Jumbo-Pfandbriefe (*Mindeststandards von Jumbo-Pfandbriefen*) applicable to such Pfandbriefe which are issued as Jumbo-Pfandbriefe. These minimum requirements are not statutory provisions. Instead, they should be regarded as voluntary self-restrictions which limit the countless options issuers have when structuring Pfandbriefe. An incomplete overview of the minimum requirements is set out in the subsection entitled “*Pfandbriefe – Jumbo-Pfandbriefe*” and commencing on page 136. The minimum requirements are supplemented by additional recommendations (*Empfehlungen*) and a code of conduct applicable to issuers of Jumbo-Pfandbriefe (*Wohlverhaltensregeln für Emittenten*). Neither the recommendations nor the code of conduct are statutory provisions.

Payment Provisions in Relation to Principal and Interest to Be Paid in Respect of Jumbo-Pfandbriefe: Payment of principal and interest in respect of Jumbo-Pfandbriefe shall be made to CBF for credit to the accounts of the relevant accountholders of CBF for onward transfer to the holders.

Presentation and Prescription in Relation to Jumbo-Pfandbriefe: Statutory presentation and prescription provisions will apply to payments of principal and interest in relation to Jumbo-Pfandbriefe.

Redemption of Pfandbriefe: The relevant Final Terms relating to each Pfandbrief will specify either (i) that the relevant Pfandbrief cannot be redeemed prior to its stated maturity (other than in specified instalments (see below), or (ii) that the relevant Pfandbrief will be redeemable at the option of the Issuer upon giving such notice period (if any) as is specified in the relevant Final Terms to the holders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are set out in the relevant Final Terms.

The relevant Final Terms may provide that a Pfandbrief may be redeemable in two or more instalments of such amounts and on such dates as are specified in the relevant Final Terms.

The terms and conditions of Pfandbriefe will not contain an investor put option.

Taxation of Pfandbriefe:	All payments of principal and interest (if any) in respect of Pfandbriefe will be made without withholding or deduction at source for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by way of withholding or deduction at source in, by or on behalf of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.
Early Redemption of Pfandbriefe for Taxation Reasons:	Pfandbriefe will not be subject to early redemption for taxation reasons.
Events of Default (Including Cross Defaults) in Relation to Pfandbriefe:	The terms and conditions of Pfandbriefe will not provide for any events of default and will, therefore, not contain a cross default provision.
Status of Pfandbriefe:	The Pfandbriefe will constitute direct, unconditional and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves. The Pfandbriefe will be covered in accordance with the Pfandbrief Act and will rank <i>pari passu</i> with all other present and future obligations of the Issuer arising from Mortgage Pfandbriefe (<i>Hypothekendarlehen</i>) or Public Sector Pfandbriefe (<i>Öffentliche Pfandbriefe</i>).

INFORMATION RELATING TO THE PUBLIC OFFER

In case the Notes are to be distributed in the course of their issuance by means of a public placement the relevant Final Terms will contain (to the extent this is possible) information in relation to:

- the conditions, offer statistics, the expected timetable and the action required in connection with the offer;
- the plan of distribution of the Notes and their allotment;
- the pricing; and
- the placing and underwriting of the Notes.

INFORMATION RELATING TO RISK FACTORS

The discussion of risk factors is supposed to protect investors from investments for which they are not suitable and to set out the financial risks associated with an investment in a particular type of Note. Prospective investors should understand the risks of investing in any type of Note before they make their investment decision. They should make their own independent decision to invest in any type of Note and as to whether an investment in such Note is appropriate or proper for them based upon their own judgment and upon advice from such advisors as they consider necessary.

Risk Factors Relevant to the Issuer:	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes to be issued under the Programme. These are set out in detail in the subsection entitled "<i>Risk Factors – Factors Which May Affect the Issuer's Ability to Fulfil Its Obligations under Notes to Be Issued under the Programme</i>" and commencing on page 32. The following aspects are discussed in that subsection:</p> <ul style="list-style-type: none"> • market price risks. The term market price risk describes potential losses due to adverse changes in interest rates and/or exchange rates; • credit risks. Credit risk refers to potential losses due to any default in payment, deterioration of credit standing or non-payment by debtors or other contracting parties;
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- **liquidity risks.** Liquidity risks result from mismatched or unscheduled cash-flows preventing the Issuer from meeting its payment obligations in full and in a timely manner or that liquidity requirements may only be met on less favourable terms than planned;
- **operational risks and other risks.** Operational risks means potential losses incurred *inter alia* as a result of inadequate operational processes, processing errors, management weaknesses, technical failure or negative external effects. This also includes legal and reputation risks as well as other general risks;
- **merger risks.** The merger between Düsseldorf Hypothekenbank Aktiengesellschaft and Bankhaus Bauer carries with it the typical risks of such a merger. In particular, the possibility cannot be excluded that cost savings resulting from the synergies of the merger will not be achieved to the extent envisaged, or that Bankhaus Bauer's retail banking client relationships will be adversely affected; and
- **ratings of the Issuer.** The risks regarding the Issuer are expressed in its rating. As of the date of this DIP Prospectus, the Issuer has received the following ratings from Fitch:

Issuer Default: BBB+
Short Term: F-2
Support: 5

Risk Factors Relevant to the Notes:

There are certain factors which are material for the purpose of assessing the risks associated with Notes to be issued under the Programme. These are set out in detail in the subsection entitled "*Risk Factors – Factors Which Are Material for the Purpose of Assessing the Market Risks Associated with Notes to Be Issued under the Programme*" and commencing on page 33. The following aspects are discussed in that subsection:

- the Notes are not a suitable investment for all investors;
- the risks related to the structure of particular Notes;
- the risks related to Notes generally;
- the risks related to the market generally;
- that legal investment considerations may restrict certain investments; and
- ratings of the Public Sector Pfandbriefe.

The risks regarding the Issuer's Public Sector Pfandbriefe to be issued under the Programme are expressed in their rating. As of the date of this DIP Prospectus, Public Sector Pfandbriefe to be issued under the Programme have received the following ratings by Fitch and Standard & Poor's:

Fitch: AAA
Standard & Poor's: AAA.

Since September 2004, the Issuer has committed itself *vis-à-vis* investors to setting concrete risk limitations in relation to Public Sector Pfandbriefe. They relate to all interest, currency, liquidity and credit risks of the cover assets and support therewith the "AAA"-Rating of the Public Sector Pfandbriefe. The Issuer reserves the right to modify or revoke altogether this voluntary commitment at one month's notice. This may change the risk profile of Public Sector Pfandbriefe. The current version is available at http://www.duesshyp.de/fileadmin/user_upload/DHB_selbst.pdf.

GERMAN LANGUAGE TRANSLATION OF SUMMARY OF THE DEBT ISSUANCE PROGRAMME

ZUSAMMENFASSUNG DES DEBT ISSUANCE PROGRAMME

Diese Zusammenfassung ist als Einleitung zu diesem Prospekt für das Debt Issuance Programme (der DIP-Prospekt) zu lesen, und jede Entscheidung hinsichtlich einer Anlage in Inhaberschuldverschreibungen (die Schuldverschreibungen, wobei dieser Begriff auch Pfandbriefe (die Pfandbriefe) einschließt) sollte auf der Grundlage des gesamten DIP-Prospekts, einschließlich der durch Bezugnahme einbezogenen Dokumente, getroffen werden. Nach Umsetzung der einschlägigen Bestimmungen der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (die Prospekttrichtlinie) in jedem Mitgliedstaat des Europäischen Wirtschaftsraums (der EWR) unterliegt die Düsseldorf Hypothekenbank Aktiengesellschaft in einem solchen Mitgliedstaat keiner zivilrechtlichen Haftung allein aufgrund dieser Zusammenfassung, einschließlich einer Übersetzung derselben, es sei denn, die Zusammenfassung ist irreführend, unrichtig oder widersprüchlich, wenn sie zusammen mit den anderen Teilen dieses DIP-Prospekts gelesen wird. Wenn in Bezug auf die Angaben in diesem DIP-Prospekt Ansprüche vor einem Gericht in einem Mitgliedstaat des EWR geltend gemacht werden, muss der Kläger in Anwendung der einzelstaatlichen Rechtsvorschriften des Mitgliedstaats, in dem die Ansprüche geltend gemacht werden, unter Umständen die Kosten einer Übersetzung des DIP-Prospekts vor Prozessbeginn tragen.

ALLGEMEINE ANGABEN ZUM PROGRAMM

Beschreibung: Es handelt sich bei dem Euro 5.000.000.000 Debt Issuance Programme der Düsseldorf Hypothekenbank Aktiengesellschaft (das **Programm**) um ein Programm zur Emission von Schuldverschreibungen und Pfandbriefen, die nur auf nicht nachrangiger Basis begeben werden können.

Programmvolumen: Das Programmvolumen beläuft sich auf einen Gesamtnennbetrag (wobei im Falle von Schuldverschreibungen, die mit einem Abschlag begeben werden, deren Amortisationsbetrag berücksichtigt wird) der jeweils ausstehenden Schuldverschreibungen von Euro 5.000.000.000 (oder dem entsprechenden Gegenwert in einer anderen Währung, der jeweils wie in dem geänderten und neu gefassten Programme Agreement vom 7. Juli 2006 zwischen der Düsseldorf Hypothekenbank Aktiengesellschaft und den Platzeuren (wie nachstehend definiert) (das **Programme Agreement**) beschrieben berechnet wird). Die Düsseldorf Hypothekenbank Aktiengesellschaft kann nach ihrer Wahl das Volumen des Programms erhöhen, vorbehaltlich der Einhaltung der maßgeblichen Bestimmungen des Programme Agreement und der Erfüllung derjenigen Voraussetzungen (einschließlich der Erstellung eines Nachtrags zu diesem DIP-Prospekt oder eines neuen DIP-Prospekts), die die Platzeure oder die relevante Aufsichtsbehörde für die Zwecke der Notierung von unter dem Programm mit dem dann erhöhten Programmvolumen zu begebenden Schuldverschreibungen im organisierten Markt einer Börse in einem Mitgliedstaat des EWR oder dem öffentlichen Angebot von unter dem Programm mit dem dann erhöhten Programmvolumen zu begebenden Schuldverschreibungen in einem Mitgliedstaat des EWR verlangen.

Emittentin: Düsseldorf Hypothekenbank Aktiengesellschaft

Arrangeur: Deutsche Bank Aktiengesellschaft

Der Arrangeur hat eine administrative Funktion im Rahmen der Auflegung und/oder Aufrechterhaltung des Programms und trägt keine Verantwortung für irgendwelche im Zusammenhang mit dem Programm erstellten Dokumente. Zur Klarstellung: Im Zusammenhang mit einer unter dem Programm zu begebenden Tranche (wie nachstehend definiert) von Schuldverschreibungen darf der Arrangeur als Koordinator eines Angebots eben dieser Tran-

che von Schuldverschreibungen agieren, ist aber nicht verpflichtet, dies zu tun.

Platzeure: ABN AMRO Bank N.V.
Bayerische Hypo- und Vereinsbank AG
Commerzbank Aktiengesellschaft
Deutsche Bank Aktiengesellschaft
Dresdner Bank Aktiengesellschaft
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
HSBC Bank plc
SEB AG
UBS Limited
WestLB AG

sowie etwaige von der Emittentin entweder für das Programm allgemein oder für eine bestimmte Tranche von Schuldverschreibungen jeweils bestellte sonstige Platzeure.

Emissionsstelle: Deutsche Bank Aktiengesellschaft

Zahlstellen: Deutsche Bank Luxembourg S.A.

sowie etwaige von der Emittentin entweder für das Programm allgemein oder für eine bestimmte Serie (wie nachstehend definiert) von Schuldverschreibungen jeweils bestellte sonstige Zahlstellen.

Vertrieb: Die Schuldverschreibungen können im Wege einer Privatplatzierung oder eines öffentlichen Angebots und in beiden Fällen entweder auf nicht-syndizierter oder syndizierter Basis vertrieben werden. Die Art des Vertriebs jeder Tranche von Schuldverschreibungen ist in den für die betreffende Tranche geltenden endgültigen Bedingungen (die **endgültigen Bedingungen**) festgelegt.

Bestimmte Beschränkungen: Jede Emission von Schuldverschreibungen in einer Währung, für die besondere Gesetze, Richtlinien, Vorschriften, Beschränkungen oder Meldepflichten gelten, wird nur unter Umständen vorgenommen, die mit solchen Gesetzen, Richtlinien, Vorschriften, Beschränkungen oder Meldepflichten jeweils im Einklang stehen.

Schuldverschreibungen mit einer Laufzeit von weniger als einem Jahr:

Schuldverschreibungen mit einer Laufzeit von weniger als einem Jahr stellen, sofern ihre Erlöse innerhalb des Vereinigten Königreichs in Empfang genommen werden, Einlagen im Sinne des Verbots der Annahme von Einlagen gemäß Section 19 des englischen Financial Services and Markets Act 2000 (Gesetz betreffend Finanzdienstleistungen und -märkte 2000) dar, es sei denn, sie werden an eine begrenzte Gruppe berufsmäßiger Anleger und in einer Stückelung von mindestens GBP 100.000 oder dem entsprechenden Betrag in einer anderen Währung ausgegeben.

Währungen: Vorbehaltlich geltender rechtlicher oder aufsichtsrechtlicher Beschränkungen dürfen Schuldverschreibungen in Euro, U.S. Dollar, Pfund Sterling oder Schweizer Franken begeben werden.

Börsennotierung und Zulassung zum Handel: Die Emittentin hat einen Antrag auf Billigung dieses DIP-Prospekts gemäß § 13 Abs. 1 S. 2 Wertpapierprospektgesetz, demzufolge die Vollständigkeit, Kohärenz und Verständlichkeit dieses DIP-Prospekts von der Bundesanstalt für Finanzdienstleistungsaufsicht (die **BaFin**) zu prüfen ist, bei der BaFin als der gemäß Wertpapierprospektgesetz in Deutschland zuständigen Behörde gestellt. Die Emittentin wird einen weiteren Antrag bei der Börse Düsseldorf

auf Zulassung von unter dem Programm zu begebenden Schuldverschreibungen zum Handel im amtlichen Markt und im geregelten Markt der Börse Düsseldorf und auf deren Notierungsaufnahme an der Düsseldorfer Börse stellen. Nach Bescheinigung der Billigung dieses DIP-Prospekts gemäß Artikel 18 der Prospektrichtlinie können Schuldverschreibungen zum Handel in den organisierten Märkten der Wertpapierbörsen einer Reihe von Mitgliedstaaten des EWR und/oder zur Notierung an diesen Wertpapierbörsen zugelassen und/oder innerhalb des EWR öffentlich angeboten werden, sofern eine entsprechende Vereinbarung hinsichtlich der Serie von Schuldverschreibungen zwischen der Emittentin und dem relevanten Platzeur getroffen wird. Die Emittentin kann auch Schuldverschreibungen begeben, die weder börsennotiert noch zum Handel an irgendeinem Markt zugelassen sind noch öffentlich angeboten werden.

Die relevanten endgültigen Bedingungen für jede Tranche von Schuldverschreibungen geben an, ob die Schuldverschreibungen zum Handel zugelassen und/oder börsennotiert werden und – falls dies der Fall ist – an welchen Wertpapierbörsen und/oder in welchen Märkten. Außerdem geben die relevanten endgültigen Bedingungen an, ob die Schuldverschreibungen im Rahmen ihrer Begebung öffentlich angeboten werden.

Bescheinigung der Billigung:

Die Emittentin hat die BaFin ersucht, den zuständigen Behörden in Österreich, Irland, dem Großherzogtum Luxemburg (**Luxemburg**), den Niederlanden und dem Vereinigten Königreich eine Bescheinigung der Billigung dieses DIP-Prospekts, aus der hervorgeht, dass dieser DIP-Prospekt gemäß dem Wertpapierprospektgesetz erstellt wurde, zu übermitteln (jeweils eine **Notifizierung**). Die Emittentin wird die BaFin eventuell ersuchen, den zuständigen Behörden in weiteren Mitgliedstaaten des EWR Notifizierungen zu übermitteln.

Verkaufsbeschränkungen:

Das Angebot, der Verkauf und die Übertragung der Schuldverschreibungen in den Vereinigten Staaten von Amerika (die **Vereinigten Staaten**), Japan und dem EWR (einschließlich des Vereinigten Königreichs, der Republik Frankreich (**Frankreich**), der Bundesrepublik Deutschland (**Deutschland**) und Luxemburgs) unterliegen bestimmten Beschränkungen wie im Abschnitt mit der Überschrift „*Zeichnung und Verkauf*“ („*Subscription and Sale*“), der auf Seite 140 beginnt, dargestellt; darüber hinaus können im Zusammenhang mit dem Angebot und dem Verkauf einzelner Tranchen von Schuldverschreibungen in bestimmten Ländern weitere Beschränkungen bestehen, die in den relevanten endgültigen Bedingungen aufgeführt sind.

ANGABEN ZU DER EMITTENTIN

Juristischer und kommerzieller Name, Ort der Registrierung und Registrierungsnummer:

Der juristische und kommerzielle Name der Emittentin lautet Düsseldorf Hypothekenbank Aktiengesellschaft. Sie ist im Handelsregister Düsseldorf unter HRB 35004 eingetragen.

Datum der Gründung:

Die Emittentin wurde am 28. April 1997 gegründet und am 4. September 1997 in das Handelsregister Düsseldorf eingetragen.

Sitz und Rechtsform:

Der eingetragene Sitz der Emittentin ist Düsseldorf, Bundesrepublik Deutschland. Als Aktiengesellschaft deutschen Rechts unterliegt die Emittentin der Rechtsordnung der Bundesrepublik Deutschland. Ihre Anschrift lautet: Düsseldorf Hypothekenbank Aktiengesellschaft, Berliner Allee 43, 40212 Düsseldorf, Deutschland; Tel.: +49 (0) 211 86720-0.

Die Emittentin unterliegt der Aufsicht der Deutschen Bundesbank und der BaFin.

Verschmelzung mit Bankhaus Bauer:	<p>An der Emittentin und Bankhaus Bauer AG, Stuttgart, (Bankhaus Bauer) waren identische Aktionäre mit unterschiedlichen Anteilen beteiligt. Am 4. April 2006 haben die Vorstände und Aufsichtsräte der beiden Gesellschaften die Verschmelzung beschlossen. Die Hauptversammlungen haben dem Verschmelzungsvertrag zugestimmt. Der Zusammenschluss erfolgte rechtlich durch Übertragung des Vermögens von Bankhaus Bauer mit allen Rechten und Pflichten als Ganzes auf die Emittentin (§ 2 Nr. 1 Umwandlungsgesetz).</p> <p>Die aus dem Bankhaus Bauer hervorgegangene „Bankhaus Bauer Zweigniederlassung der Düsseldorfer Hypothekenbank Aktiengesellschaft“ konzentriert sich auf die Vermögensberatung und -betreuung von vermögenden Privatkunden und institutionellen Investoren. An dem Standort in Stuttgart sind 45 Mitarbeiter beschäftigt.</p>
Haupttätigkeitsgebiete:	<p>Haupttätigkeitsgebiete sind die Staatsfinanzierung und die Immobilienfinanzierung. Zur Refinanzierung der vergebenen Kredite begibt die Emittentin Hypothekendarlehen sowie öffentliche Darlehen.</p>
Staatsfinanzierung:	<p>Die Emittentin betreibt die Staatsfinanzierung durch Kreditvergabe weitestgehend auf Sekundärmärkten an Zentral- und Regionalregierungen, andere Gebietskörperschaften, öffentliche Unternehmen sowie öffentlich-rechtliche Kreditinstitute innerhalb der Europäischen Union, des Europäischen Wirtschaftsraums, der Schweiz, der Vereinigten Staaten von Amerika, Kanadas und Japans. Dieses Geschäftsfeld bildet mit rund 80 Prozent des Kreditvolumens den geschäftlichen Schwerpunkt der Emittentin.</p>
Immobilienfinanzierung:	<p>Seit 1999 betreibt die Emittentin zusätzlich die Immobilienfinanzierung. Ähnlich wie bei der Staatsfinanzierung verfolgt die Emittentin auch hier eine Sekundärmarktstrategie. Sie beteiligt sich überwiegend an großvolumigen Konsortialfinanzierungen von Handels- und Bürogebäuden im In- und Ausland. Die Immobilienfinanzierung macht rund 10 Prozent des Kreditvolumens aus.</p>
Außerdeckungsanlagen:	<p>Neben den o.g. geschäftlichen Aktivitäten erwirbt die Emittentin Wertpapiere und Darlehensforderungen, die nicht den Deckungsmassen der Gläubiger von Hypothekendarlehen und öffentlichen Darlehen zugeordnet werden. Sie betragen rund 10 Prozent der Bilanzsumme.</p>
Refinanzierung:	<p>Die Emittentin begibt zur Refinanzierung der vorgenannten Geschäfte öffentliche Darlehen, Hypothekendarlehen, ungedeckte Schuldverschreibungen und Schuldscheindarlehen. Darüber hinaus werden Tages- und Termingelder aufgenommen. Den Schwerpunkt bildet der mit einem „AAA“-Rating von Fitch Ratings Ltd. (Fitch) und Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies Inc. (Standard & Poor's) eingestufte öffentliche Darlehen.</p>
Wichtigste Märkte:	<p>Der überwiegende Teil der geschäftlichen Aktivitäten findet im Inland statt. Zur Ertrags- und Risikodiversifizierung hat die Emittentin in den vergangenen Jahren den Auslandsanteil ihres Neugeschäfts schrittweise ausgebaut.</p> <p>Bei der Staatsfinanzierung betrug der Auslandsanteil zum Jahresende 2005 ca. 25 Prozent; beim Neugeschäft im Jahr 2005 lag der entsprechende Anteil bei 36 Prozent.</p> <p>Bei der Immobilienfinanzierung betrug der Auslandsanteil des Darlehensportfolios zum Jahresende 2005 19 Prozent.</p>
Aktionäre und Organisationsstruktur:	<p>Die Emittentin ist gemäß § 17 Abs. 1 Aktiengesetz abhängiges Unternehmen der drei Gesellschaften ASTA Allgemeine Grundstücks- und Treuhandgesellschaft</p>

schaft mbH (**ASTA**), Berlin, Helvetic Grundbesitz Verwaltung GmbH (**Helvetic**), Berlin und ifb Investitions- und Finanzierungs-Beratungsgesellschaft mbH (**ifb**), Berlin. ASTA hält 37,3 Prozent, Helvetic hält 46,2 Prozent und ifb ist mit 16,5 Prozent beteiligt. Ein Konzernverhältnis gemäß § 18 Aktiengesetz besteht nicht. ASTA, Helvetic und ifb befinden sich zu 100 Prozent im Eigentum der Familie Schuppli. Das Grundkapital der Emittentin beläuft sich zum Datum dieses DIP-Prospekts auf Euro 206 Millionen und ist eingeteilt in 206 Millionen auf den Namen lautende Aktien zu je Euro 1.

Die Emittentin hält 100 Prozent der Kapitalanteile an Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits, Glarus/Schweiz (**Bauer**). Mit Bauer besteht ein Konzernverhältnis. Die Emittentin erstellt daher einen Konzernlagebericht und einen konsolidierten Jahresabschluss gemäß den Grundsätzen der Vollkonsolidierung.

Die Emittentin ist über Bauer an Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxemburg, beteiligt. Da die Beteiligung sich auf lediglich 25 Prozent beläuft und die Emittentin daher keinen wesentlichen Einfluss auf dieses Unternehmen ausübt, ist es im konsolidierten Jahresabschluss nicht berücksichtigt.

Mit der Verschmelzung ging auch die 51,3-prozentige Beteiligung von Bankhaus Bauer an Banque Bauer (Suisse) SA, Genf/Schweiz, auf die Emittentin über.

**Information über
aktuelle Tendenzen:**

Es gibt keine wesentlichen negativen Veränderungen in den Aussichten der Emittentin seit dem 31. Dezember 2005. Dabei ist auch die im April 2006 beschlossene und durch die Hauptversammlungen genehmigte Verschmelzung mit Bankhaus Bauer berücksichtigt worden.

Es liegen keine Informationen über Geschäftsvorgänge, Tendenzen oder Ereignisse vor, die sich in wesentlicher Weise nachteilig auf die Geschäftsaussichten der Emittentin für das laufende Jahr 2006 auswirken könnten.

**Verwaltungs-,
Geschäftsführungs-
und Aufsichts-
organe:**

Die Organe der Emittentin sind der Vorstand, der Aufsichtsrat sowie die Hauptversammlung.

Vorstand:

Der Vorstand wird vom Aufsichtsrat bestellt. Er setzt sich aus den folgenden Mitgliedern zusammen:

Wolfgang Hampel
Dr. Michael Kosche
Stefan Brugger (seit 1. Juni 2006)
Arnold Sedlmayr (seit 1. Juli 2006).

Aufsichtsrat:

Gemäß § 9 (1) der Satzung der Emittentin setzt sich der Aufsichtsrat aus sechs Mitgliedern zusammen. Sie werden von der Hauptversammlung gewählt. Der Vorsitzende des Aufsichtsrats führt auch den Vorsitz in der Hauptversammlung.

Seit 11. März 2006 setzt sich der Aufsichtsrat wie folgt zusammen:

Dr. Wolfgang Schuppli
Dieter Wenserski
Wolfgang H. Müller
Berta Schuppli

Prof. Dr. F.-L. Freiherr von Stechow
Volkher Kerl (bis zum 10. Mai 2006).

Ein neues Aufsichtsratsmitglied wird als Ersatz für Volkher Kerl in naher Zukunft ernannt werden.

Interessenkonflikte: Es bestehen keine potenziellen Interessenkonflikte zwischen den Verpflichtungen der Vorstandsmitglieder gegenüber der Emittentin und ihren privaten Interessen oder sonstigen Verpflichtungen.

Es bestehen keine potenziellen Interessenkonflikte zwischen den Verpflichtungen der Aufsichtsratsmitglieder gegenüber der Emittentin und ihren privaten Interessen oder sonstigen Verpflichtungen. Ausgenommen sind diejenigen Interessen der betreffenden Aufsichtsratsmitglieder, die aus der Eigenschaft als wirtschaftliche Eigentümer der Emittentin resultieren. In diesem Zusammenhang bestehen gesetzliche Vorschriften insbesondere nach dem Gesellschafts-, Bank- und Wertpapierrecht. Die Emittentin und ihre Organe halten diese gesetzlichen Vorgaben ein.

Verwendung des Erlöses: Grundsätzlich wird der Nettoerlös jeder Emission von Schuldverschreibungen von der Emittentin für allgemeine Unternehmenszwecke verwendet, zu denen auch die Generierung von Gewinn und die Absicherung bestimmter Risiken gehören.

Falls in Bezug auf Schuldverschreibungen mit einer Mindeststückelung von weniger als Euro 50.000 (oder dem entsprechenden Gegenwert in einer anderen Währung, der jeweils – wie im Programme Agreement beschrieben – berechnet wird) eine bestimmte Verwendung des Erlöses vorgesehen ist, wird dies in den relevanten endgültigen Bedingungen angegeben werden.

ANGABEN ZU DEN EMISSIONSBEDINGUNGEN FÜR SCHULDVERSCHREIBUNGEN

Die in diesem Unterabschnitt enthaltenen Informationen gelten für Schuldverschreibungen und Pfandbriefe, es sei denn, Informationen, die in dem Unterabschnitt *„Zusammenfassung des Debt Issuance Programme – Angaben zu den Emissionsbedingungen für Pfandbriefe“* (*„Summary of the Debt Issuance Programme – Information Relating to the Terms and Conditions of Pfandbriefe“*) in Bezug auf Pfandbriefe enthalten sind, widersprechen den nachstehenden Informationen. Im Falle eines Widerspruchs gelten für Pfandbriefe die in dem Unterabschnitt *„Zusammenfassung des Debt Issuance Programme – Angaben zu den Emissionsbedingungen für Pfandbriefe“* (*„Summary of the Debt Issuance Programme – Information Relating to the Terms and Conditions of Pfandbriefe“*) enthaltenen Informationen.

Emissionsbedingungen: Für jede Tranche von Schuldverschreibungen werden endgültige Bedingungen erstellt, die die im Abschnitt mit der Überschrift *„Emissionsbedingungen“* (*„Terms and Conditions of the Notes“*), der auf Seite 73 beginnt, enthaltenen Emissionsbedingungen ergänzen oder modifizieren. Falls die relevanten endgültigen Bedingungen jedoch angeben, dass konsolidierte Bedingungen auf die Schuldverschreibungen anwendbar sind, werden diese konsolidierten Bedingungen den relevanten endgültigen Bedingungen beigelegt und ersetzen die Emissionsbedingungen im Abschnitt mit der Überschrift *„Emissionsbedingungen“* (*„Terms and Conditions of the Notes“*), der auf Seite 73 beginnt, in der durch die relevanten endgültigen Bedingungen ergänzten und geänderten Fassung.

Begebung in Serien: Die Schuldverschreibungen werden in Serien (jeweils eine **Serie**) begeben. Jede Serie kann aus einer oder mehreren Tranchen bestehen, die zu unterschiedlichen Terminen begeben werden (jeweils eine **Tranche** und zusammen die **Tranchen**). Die Begebung aller Schuldverschreibungen einer Serie erfolgt

hinsichtlich der Währung, Verzinsung und Laufzeit sowie in jeder sonstigen Hinsicht jeweils zu identischen Bedingungen oder aber zu Bedingungen, die in jeder Hinsicht mit Ausnahme des Tages der Begebung, des Betrags der ersten Zinszahlung und/oder der Stückelung identisch sind. Die Begebung aller Schuldverschreibungen einer Tranche erfolgt zu in jeder Hinsicht identischen Bedingungen, wobei eine Tranche jedoch Schuldverschreibungen unterschiedlicher Stückelungen umfassen kann.

Form der Schuldverschreibungen:

Die Schuldverschreibungen lauten auf den Inhaber. Jede Tranche von Schuldverschreibungen, für die die relevanten endgültigen Bedingungen TEFRA C festlegen, wird anfänglich durch eine vorläufige Globalurkunde gemäß TEFRA C oder eine Dauerglobalurkunde gemäß TEFRA C verbrieft, und jede Tranche von Schuldverschreibungen, für die die relevanten endgültigen Bedingungen TEFRA D festlegen, wird anfänglich durch eine vorläufige Globalurkunde gemäß TEFRA D verbrieft. Miteigentumsanteile an vorläufigen Globalurkunden können gegen Miteigentumsanteile an Dauerglobalurkunden oder, sofern die relevanten endgültigen Bedingungen dies vorsehen, gegen auf den Inhaber lautende Einzelurkunden ausgetauscht werden. Jede solche Globalurkunde wird an oder vor dem Tag der Begebung der relevanten Tranche von Schuldverschreibungen wie folgt hinterlegt: (a) im Fall von Tranchen, bei denen das Clearing über CBF (wie nachstehend definiert) und/oder Euroclear (wie nachstehend definiert) und/oder CBL (wie nachstehend definiert) erfolgen soll, bei CBF oder einer Verwahrstelle bzw. gemeinsamen Verwahrstelle des Clearing-Systems bzw. der Clearing-Systeme (wie nachstehend definiert) oder (b) im Falle von Tranchen, bei denen das Clearing über ein anderes Clearing-System als CBF, Euroclear oder CBL erfolgen soll oder die außerhalb eines Clearing-Systems geliefert werden sollen, wie zwischen der Emittentin, der Emissionsstelle und dem relevanten Platzeur vereinbart. Solange eine Schuldverschreibung durch eine vorläufige Globalurkunde gemäß TEFRA D verbrieft ist, erfolgen Zahlungen erst nach Eingang einer Bestätigung dahingehend, dass der wirtschaftliche Eigentümer keine US-Person ist, bei dem/den relevanten Clearing-System(en). Siehe hierzu den Abschnitt mit der Überschrift „*Form der Schuldverschreibungen*“ („*Form of the Notes*“), der auf Seite 47 beginnt.

Die Emittentin begibt unter dem Programm keine mit Vermögenswerten unterlegten Schuldtitel (*asset-backed debt securities*).

Eigentumsübertragung:

Im Fall von Schuldverschreibungen, die durch eine Globalurkunde verbrieft sind, ist der Gläubiger dieser Schuldverschreibungen der Inhaber eines Miteigentumsanteils an der relevanten Globalurkunde. Ein solcher Miteigentumsanteil wird durch Einigung und Übergabe auf einen neuen Gläubiger übertragen, wobei eine solche Übergabe gemäß den Bestimmungen des relevanten Clearing Systems oder des sonstigen zentralen Wertpapierverwahrers erfolgt, bei dem die relevante Globalurkunde hinterlegt ist.

Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, wird das Eigentum an den relevanten Einzelurkunden auf einen neuen Gläubiger durch Einigung und Übergabe übertragen, wobei eine solche Übergabe (i) im Fall von Einzelurkunden, die bei einem Clearing System oder sonstigen zentralen Wertpapierverwahrer hinterlegt sind, gemäß den Bestimmungen des relevanten Clearing Systems oder sonstigen zentralen Wertpapierverwahrers oder (ii) im Fall von Einzelurkunden, die von ihrem Gläubiger gehalten werden, durch physische Lieferung an den neuen Gläubiger erfolgt.

Die Übertragbarkeit der Schuldverschreibungen ist nicht eingeschränkt.

Clearing-Systeme:

Clearstream Banking AG, Frankfurt (**CBF**), Clearstream Banking, société anonyme (**CBL**) und Euroclear Bank S.A./N.V. (**Euroclear** und zusammen mit CBF und CBL die **Clearing-Systeme** und einzeln jeweils ein **Clearing-System**) und/

oder in Bezug auf eine Serie von Schuldverschreibungen jedes andere in den relevanten endgültigen Bedingungen angegebene Clearing-System.

Laufzeiten: Die Schuldverschreibungen haben die zwischen der Emittentin und dem relevanten Platzeur jeweils vereinbarten Laufzeiten, vorbehaltlich einer von der relevanten Zentralbank (oder einer vergleichbaren Institution) oder nach den auf die Emittentin bzw. die Währung, in der die Schuldverschreibungen begeben werden sollen, (die **Festgelegte Währung**) anwendbaren Gesetzen oder Vorschriften gegebenenfalls erlaubte oder vorgeschriebene Mindest- oder Höchstlaufzeit.

Ausgabepreis: Die Schuldverschreibungen können voll oder teilweise eingezahlt und zu einem Ausgabepreis, der dem Nennwert entspricht, oder mit einem Aufschlag oder Abschlag zum Nennwert begeben werden. Der Preis und der Betrag der unter dem Programm zu begebenden Schuldverschreibungen werden von der Emittentin und dem relevanten Platzeur zum Zeitpunkt der Begebung nach den dann herrschenden Marktbedingungen festgelegt.

Festverzinsliche Schuldverschreibungen: Feste Zinsen auf die Schuldverschreibungen sind an dem/den zwischen der Emittentin und dem relevanten Platzeur vereinbarten Termin(en) und bei Rückzahlung zahlbar und werden auf der Basis des zwischen der Emittentin und dem relevanten Platzeur vereinbarten Zinstagequotienten berechnet.

Rendite:

Die Rendite in Bezug auf festverzinsliche Schuldverschreibungen wird in den relevanten endgültigen Bedingungen angegeben.

Renditeberechnungsmethode:

Die Rendite in Bezug auf festverzinsliche Schuldverschreibungen wird anhand der von ICMA aufgestellten Formeln oder anhand von anderen marktüblichen Formeln berechnet werden. Bei Schuldverschreibungen mit einer Mindeststückelung von weniger als Euro 50.000 wird die relevante Renditeberechnungsmethode in den relevanten endgültigen Bedingungen angegeben.

Stufenzinsschuldverschreibungen (Step-Up/Step-Down Notes): Stufenzinsschuldverschreibungen sind Schuldverschreibungen, die zu unterschiedlichen Sätzen festverzinslich sind, wobei diese Sätze im Fall von Step-Up-Schuldverschreibungen höher und im Fall von Step-Down-Schuldverschreibungen geringer sind als die Sätze für die jeweils vorangegangenen Zinsperioden.

Nullkupon-Schuldverschreibungen: Nullkupon-Schuldverschreibungen sind unverzinslich außer im Fall verspäteter Zahlung.

Variabel verzinsliche Schuldverschreibungen: Variabel verzinsliche Schuldverschreibungen werden zu einem Satz verzinst, der wie folgt bestimmt wird:

(a) auf der gleichen Basis wie der variable Zinssatz bei einem hypothetischen Zinsswap in der jeweiligen festgelegten Währung gemäß einer Vereinbarung, deren Bestandteil die von der International Swaps and Derivatives Association, Inc. veröffentlichten ISDA-Definitionen 2000 in ihrer am Tag der Begebung der ersten Tranche der Schuldverschreibungen der relevanten Serie gültigen Fassung sind; oder

(b) auf der Basis eines Referenzzinssatzes, der auf der vereinbarten Bildschirmseite eines kommerziellen Quotierungsdienstes erscheint; oder

(c) auf einer anderen zwischen der Emittentin und dem relevanten Platzeur vereinbaren und in den relevanten endgültigen Bedingungen angegebenen Basis.

Die auf einen solchen variablen Zinssatz gegebenenfalls anwendbare Marge wird zwischen der Emittentin und dem relevanten Platzeur für jede Serie von variabel verzinslichen Schuldverschreibungen vereinbart.

Umgekehrt variabel verzinsliche Schuldverschreibungen:

Die auf umgekehrt variabel verzinsliche Schuldverschreibungen zu zahlenden Zinsen werden als Differenz zwischen einem festen Zinssatz und einem variablen Zinssatz berechnet, wobei der letztere, wie in dem obigen Unterabschnitt mit der Überschrift „*Variabel verzinsliche Schuldverschreibungen*“ („*Floating Rate Notes*“) dargestellt, bestimmt wird.

Sonstige strukturierte Schuldverschreibungen:

Es können nach Vereinbarung zwischen der Emittentin und dem relevanten Platzeur auch Schuldverschreibungen mit einer anderen, in den relevanten endgültigen Bedingungen angegebenen Struktur begeben werden. Die Begebung sonstiger strukturierter Schuldverschreibungen erfordert unter Umständen die Erstellung eines Nachtrags zu dem DIP-Prospekt, dessen Bestandteil die relevanten Emissionsbedingungen sind, sofern eine Zulassung und Notierungsaufnahme der Schuldverschreibungen zum Handel im Amtlichen Markt oder im Regelmärkte Markt der Börse Düsseldorf oder einem anderen organisierten Markt innerhalb des EWR bzw. ein öffentliches Angebot solcher Schuldverschreibungen in einem Mitgliedstaat des EWR beabsichtigt ist.

Sonstige Bestimmungen mit Bezug auf verzinsten Schuldverschreibungen (ausgenommen Nullkupon-Schuldverschreibungen):

Schuldverschreibungen (ausgenommen festverzinsliche Schuldverschreibungen und Nullkupon-Schuldverschreibungen) können einen Höchst- oder Mindestzinssatz oder beides haben.

Zinsen auf Schuldverschreibungen (ausgenommen Nullkupon-Schuldverschreibungen) sind für jede Zinsperiode (wie vorab zwischen der Emittentin und dem relevanten Platzeur vereinbart) an den zwischen der Emittentin und dem relevanten Platzeur vereinbarten Zinszahlungstagen zahlbar und werden auf der Basis des zwischen der Emittentin und dem relevanten Platzeur vereinbarten Zinstagequotienten berechnet.

Stückelung der Schuldverschreibungen:

Schuldverschreibungen werden in den zwischen der Emittentin und dem relevanten Platzeur vereinbarten Stückelungen begeben. In jedem Fall entspricht die Mindeststückelung einer jeden Schuldverschreibung dem Betrag, der jeweils von der relevanten Zentralbank (oder einer vergleichbaren Institution) oder nach den auf die relevante festgelegte Währung anwendbaren Gesetzen oder Vorschriften erlaubt oder vorgeschrieben ist (siehe hierzu den vorhergehenden Unterabschnitt mit der Überschrift „*Bestimmte Beschränkungen – Schuldverschreibungen mit einer Laufzeit von weniger als einem Jahr*“ („*Certain Restrictions – Notes with a maturity of less than one year*“)).

Rückzahlung der Schuldverschreibungen:

Die relevanten endgültigen Bedingungen sehen entweder vor, (i) dass die relevanten Schuldverschreibungen nicht vor ihrer ausgewiesenen Fälligkeit zurückgezahlt werden können (außer gegebenenfalls in bestimmten Raten oder (sofern die relevanten endgültigen Bedingungen nicht etwas anderes bestimmen) aus steuerlichen Gründen oder nach Eintritt eines Kündigungsgrunds) oder (ii) dass die relevanten Schuldverschreibungen nach Wahl der Emittentin bei Kündigung gegenüber den Gläubigern bzw. nach Wahl der Gläubiger bei Kündigung gegenüber der Emittentin an einem oder mehreren festgelegten Terminen vor ihrer ausgewiesenen Fälligkeit zu dem Preis bzw. den Preisen und den weiteren Bedingungen zurückgezahlt werden können, die zwischen der Emittentin und dem relevanten Platzeur vereinbart werden.

Die relevanten endgültigen Bedingungen können vorsehen, dass Schuldverschreibungen in zwei oder mehr Raten in den Beträgen und zu den Terminen zurückgezahlt werden, die in den relevanten endgültigen Bedingungen angegeben sind.

Zahlungsbestimmungen mit Bezug auf das Kapital:

Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf das Kapital der Schuldverschreibungen (i) im Fall von Schuldverschreibungen, die durch eine Globalurkunde verbrieft werden, an das Clearing-System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing-Systems gegen Vorlage und (Teilzahlungen ausgenommen) Einreichung der relevanten Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten oder (ii) im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft werden, gegen Vorlage und (Teilzahlungen ausgenommen) Einreichung der relevanten Einzelurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.

Zahlungsbestimmungen mit Bezug auf die Zinsen:

Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen von Zinsen in Bezug auf die Schuldverschreibungen (i) im Fall von Schuldverschreibungen, die durch eine Globalurkunde verbrieft werden, an das Clearing-System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing-Systems oder (ii) im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft werden, gegen Vorlage und Einreichung der entsprechenden Zins-scheine, oder im Fall von Schuldverschreibungen, die nicht mit Zinsscheinen ausgestattet sind, oder im Fall von Zinsen, die zwar fällig sind, aber nicht an einem der vorher festgelegten Zinszahlungstage, gegen Vorlage der entsprechenden Einzelurkunden bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.

Besteuerung von Schuldverschreibungen (ausgenommen Pfandbriefe):

Sämtliche auf die Schuldverschreibungen zu zahlenden Kapitalbeträge und etwaigen Zinsen sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben, Veranlagungen oder staatlichen Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde derselben an der Quelle auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Wird ein solcher Abzug vorgenommen, so ist die Emittentin, außer in bestimmten eingeschränkten Umständen (einschließlich, ohne hierauf beschränkt zu sein, in dem Falle, dass Quellensteuern aufgrund von Gesetzen oder Verordnungen zahlbar sind, die infolge einer Richtlinie der Europäischen Union eingeführt wurden) verpflichtet, zusätzliche Beträge zur Deckung der Abzüge an die Gläubiger zu zahlen.

Vorzeitige Rückzahlung von Schuldverschreibungen (ausgenommen Pfandbriefe) aus steuerlichen Gründen:

Falls die relevanten endgültigen Bedingungen nicht etwas anderes bestimmen, ist eine vorzeitige Rückzahlung insgesamt, jedoch nicht teilweise zulässig, wenn die Emittentin bei der nächsten fälligen Zahlung auf die Schuldverschreibungen verpflichtet ist oder sein wird, zusätzliche Beträge als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften zu zahlen (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die erste Tranche der relevanten Serie von Schuldverschreibungen begeben wird, wirksam),

Negativverpflichtung:

Die Emissionsbedingungen enthalten keine Bestimmungen hinsichtlich einer Negativverpflichtung.

Kündigungsgründe (einschließlich Drittverzugs) bezüglich Schuldverschreibungen (ausgenommen Pfandbriefe):

Die Emissionsbedingungen sehen die folgenden Kündigungsgründe vor:

- die Emittentin zahlt Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag;
- die Emittentin unterlässt die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen, und diese Unterlassung kann nicht geheilt werden oder, falls sie geheilt werden kann, dauert länger als 60 Tage fort, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat;
- die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen ein;
- ein Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin, das nicht innerhalb von 60 Tagen nach dessen Eröffnung aufgehoben oder ausgesetzt wird, oder die Emittentin oder eine Aufsichts- oder sonstige Behörde, deren Zuständigkeit die Emittentin unterliegt, leitet ein solches Verfahren ein oder beantragt ein solches Verfahren oder die Emittentin bietet eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger an oder trifft eine solche allgemeine Schuldenregelung;
- die Emittentin wird aufgelöst oder liquidiert, es sei denn, dass die Auflösung oder Liquidation im Zusammenhang mit einer Verschmelzung oder einem sonstigen Zusammenschluss mit einem anderen Rechtsgebilde erfolgt, sofern dieses andere Rechtsgebilde alle Verbindlichkeiten der Emittentin aus den Schuldverschreibungen übernimmt;
- (i) eine Verbindlichkeit der Emittentin oder einer ihrer Tochtergesellschaften wird vorzeitig fällig und rückzahlbar, weil ein Kündigungsgrund (unabhängig davon, wie sich dieser beschreiben lässt) vorliegt; oder (ii) die Emittentin oder eine ihrer Tochtergesellschaften versäumt es, eine Zahlung hinsichtlich einer Verbindlichkeit am Fälligkeitstag der Zahlung bzw. nach Ablauf einer etwa einschlägigen Nachfrist vorzunehmen; oder (iii) irgendeine Sicherheit, die von der Emittentin oder von einer ihrer Tochtergesellschaften hinsichtlich einer Verbindlichkeit gewährt wurde, wird vollstreckbar; oder (iv) die Emittentin oder eine ihrer Tochtergesellschaften kommt mit einer Zahlung in Verzug, die sie im Zusammenhang mit einer Garantie und/oder einer Freistellung zu erbringen hat, die sie im Zusammenhang mit einer Verbindlichkeit, die von einer anderen Person eingegangen wurde, gewährt hatte;
- die Emittentin stellt ihren Geschäftsbetrieb ein oder droht damit,

wobei das Recht der Gläubiger, die Schuldverschreibungen zu kündigen, jedoch erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

Status der Schuldverschreibungen (ausgenommen Pfandbriefe):

Im Rahmen des Programms zu begebende Schuldverschreibungen werden nur auf nicht nachrangiger Basis begeben.

Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

Vorlegungsfrist: Im Fall von Schuldverschreibungen, die durch eine Globalurkunde verbrieft sind, wird die in § 801 Abs. 1 S. 1 BGB bestimmte Vorlegungsfrist auf zehn Jahre abgekürzt.

Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, wird die in § 801 Abs. 1 S. 1 BGB für Zahlungen auf das Kapital bestimmte Vorlegungsfrist auf zehn Jahre abgekürzt. Die Vorlegungsfrist für Zahlungen von Zinsen beträgt gemäß § 801 Abs. 2 BGB vier Jahre und beginnt mit dem Ablauf des Kalenderjahrs, in dem der relevante Zinsschein zur Zahlung fällig geworden ist.

Ansonsten finden bei Zahlungen von Kapital und etwaigen Zinsen auf die Schuldverschreibungen die gesetzlichen Vorlegungs- und Verjährungsvorschriften Anwendung.

Anwendbares Recht: Die Schuldverschreibungen unterliegen deutschem Recht.

Erfüllungsort und Gerichtsstand: Erfüllungsort und Gerichtsstand in Bezug auf die Schuldverschreibungen ist Düsseldorf, Deutschland.

Vertretung der Gläubiger: Eine Vertretung der Schuldverschreibungsgläubiger ist in den Emissionsbedingungen nicht vorgesehen.

ANGABEN ZU DEN EMISSIONSBEDINGUNGEN FÜR PFANDBRIEFE

Die in dem Unterabschnitt „Zusammenfassung des Debt Issuance Programme – Angaben zu den Emissionsbedingungen für Schuldverschreibungen“ enthaltenen Informationen gelten auch für Pfandbriefe insoweit, als diese Informationen nicht den nachfolgenden Informationen widersprechen. Im Falle eines Widerspruchs gelten die nachfolgenden Informationen für Pfandbriefe.

Allgemeine Beschreibung: Pfandbriefe sind überwiegend entweder hypothekarisch oder durch Kredite an die öffentliche Hand gesicherte oder „gedeckte“ Schuldverschreibungen, wobei die Angemessenheit der Deckung durch das deutsche Pfandbriefgesetz geregelt ist und durch einen von der BaFin bestellten unabhängigen Treuhänder überwacht wird. Näheres ist dem Abschnitt mit der Überschrift „Pfandbriefe“, der auf Seite 132 beginnt, zu entnehmen.

Zu begebende Pfandbriefgattungen: Schuldverschreibungen in Form von Pfandbriefen können entweder als Hypothekendarlehenpfandbriefe oder öffentliche Pfandbriefe begeben werden, wie in den relevanten endgültigen Bedingungen angegeben.

Jumbo-Pfandbriefe: Jumbo-Pfandbriefe unterliegen den gleichen Gesetzen wie Pfandbriefe und stellen daher keine von diesen abweichende Gattung an Vermögenswerten dar. Um die Liquidität des Pfandbriefmarkts zu erhöhen, haben die Emittenten von Pfandbriefen Mindeststandards für Pfandbriefe vereinbart, die als Jumbo-Pfandbriefe begeben werden sollen. Bei diesen Mindeststandards handelt es sich nicht um gesetzliche Vorschriften. Stattdessen sind sie als freiwillige Selbstverpflichtungen zu verstehen, die die zahllosen Gestaltungsmöglichkeiten der Emittenten bei der Strukturierung von Pfandbriefen beschränken. Eine unvollständige Übersicht der Mindeststandards ist dem Unterabschnitt mit der Überschrift „Pfandbriefe – Jumbo-Pfandbriefe“, der auf Seite 136 beginnt, zu entnehmen. Die Mindeststandards werden von zusätzlichen Empfehlungen und Wohlverhaltensregeln für Emittenten ergänzt. Weder bei den Empfehlungen noch den Wohlverhaltensregeln handelt es sich um gesetzliche Vorschriften.

Zahlungsbestimmungen bezüglich auf Jumbo-Pfandbriefe zu leistender Kapital- und Zinszahlungen:	Zahlungen von Kapital und Zinsen auf Jumbo-Pfandbriefe erfolgen an CBF zur Gutschrift auf den Konten der jeweiligen Kontoinhaber von CBF zur Weiterleitung an die Gläubiger.
Vorlegung und Verjährung:	In Bezug auf Zahlungen von Kapital und Zinsen auf Jumbo-Pfandbriefe gelten die gesetzlichen Vorlegungs- und Verjährungsregelungen.
Rückzahlung der Pfandbriefe:	<p>Die relevanten endgültigen Bedingungen für jeden Pfandbrief sehen entweder vor, (i) dass der relevante Pfandbrief nicht vor seiner ausgewiesenen Fälligkeit zurückgezahlt werden kann (außer in bestimmten Raten (siehe nachstehend)) oder (ii) dass der relevante Pfandbrief nach Wahl der Emittentin bei Kündigung gegenüber den Gläubigern unter Beachtung der gegebenenfalls in den relevanten endgültigen Bedingungen bestimmten Kündigungsfrist an einem oder mehreren festgelegten Terminen vor seiner ausgewiesenen Fälligkeit zu dem Preis bzw. den Preisen und den weiteren Bedingungen zurückgezahlt werden kann, die in den relevanten endgültigen Bedingungen angegeben sind.</p> <p>Die relevanten endgültigen Bedingungen können vorsehen, dass ein Pfandbrief in zwei oder mehr Raten in den Beträgen und zu den Terminen zurückgezahlt wird, die in den relevanten endgültigen Bedingungen angegeben sind.</p> <p>Die Emissionsbedingungen für Pfandbriefe sehen keine Kündigungswahrscheinlichkeit der Gläubiger vor.</p>
Besteuerung von Pfandbriefen:	Sämtliche auf die Pfandbriefe zu zahlenden Kapitalbeträge und etwaigen Zinsen sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben, Veranlagungen oder staatlichen Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde derselben an der Quelle auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.
Vorzeitige Rückzahlung von Pfandbriefen aus steuerlichen Gründen:	Bei Pfandbriefen ist eine vorzeitige Rückzahlung aus steuerlichen Gründen nicht vorgesehen.
Kündigungsgründe (einschließlich Drittverzugs) bezüglich Pfandbriefen:	Die Emissionsbedingungen für Pfandbriefe sehen keine Kündigungsgründe vor und enthalten dementsprechend keine Drittverzugs Klausel.
Status der Pfandbriefe:	Die Pfandbriefe begründen direkte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin aus Hypothekenpfandbriefen oder öffentlichen Pfandbriefen.

ANGABEN ZU DEM ÖFFENTLICHEN ANGEBOT

Sofern die Schuldverschreibungen im Zuge ihrer Begebung mittels eines öffentlichen Angebots vertrieben werden sollen, werden die relevanten endgültigen Bedingungen (soweit dies möglich ist) Informationen beinhalten in Bezug auf:

- die Bedingungen, Angebotsstatistiken, den erwarteten Zeitplan und erforderliche Maßnahmen im Zusammenhang mit dem Angebot;
- den Plan für die Aufteilung der Schuldverschreibungen und deren Zuteilung;
- die Kursfestsetzung; und
- die Platzierung und Übernahme der Schuldverschreibungen.

ANGABEN ZU RISIKOFAKTOREN

Die Darstellung der Risikofaktoren soll dazu dienen, Anleger vor Anlageformen zu schützen, die für sie nicht geeignet sind, und die wirtschaftlichen Risiken darzulegen, die mit einer Anlage in Schuldverschreibungen einer bestimmten Art verbunden sind. Potenzielle Anleger sollten sich der mit einer Anlage in Schuldverschreibungen jeder Art verbundenen Risiken bewusst sein, bevor sie eine Anlageentscheidung treffen. Sie sollten selbst eine unabhängige Entscheidung über eine Anlage in Schuldverschreibungen jeder Art sowie darüber treffen, ob eine Anlage in solche Schuldverschreibungen für sie angemessen oder geeignet ist, und sich dabei sowohl auf ihr eigenes Urteil als auch auf den Rat von Fachleuten stützen, soweit sie dies für notwendig erachten.

Risikofaktoren in Bezug auf die Emittentin:

Bestimmte Faktoren können die Fähigkeit der Emittentin zur Erfüllung ihrer Verpflichtungen aus den unter dem Programm zu begebenden Schuldverschreibungen beeinträchtigen. Näheres ist dem Unterabschnitt mit der Überschrift *„Risikofaktoren – Faktoren, die die Fähigkeit der Emittentin beeinträchtigen können, ihre Verpflichtungen aus den unter dem Programm zu begebenden Schuldverschreibungen zu erfüllen“* („*Risk Factors – Factors Which May Affect the Issuer’s Ability to Fulfil Its Obligations under Notes to Be Issued under the Programme*“), der auf Seite 32 beginnt, zu entnehmen. In diesem Unterabschnitt werden die folgenden Aspekte behandelt:

- **Marktpreisrisiken.** Als Marktpreisrisiken werden mögliche Verluste bezeichnet, die durch nachteilige Veränderungen der Zinsen und/oder Veränderungen der Wechselkurse zwischen Währungen entstehen;
- **Kreditrisiken.** Als Kreditrisiken werden mögliche Verluste bezeichnet, die durch Zahlungsverzögerungen oder -ausfälle oder Bonitätsverschlechterungen von Schuldnern oder anderen Vertragspartnern entstehen;
- **Liquiditätsrisiken.** Als Liquiditätsrisiko wird der Ausfall von Zahlungen oder der verspätete Zahlungseingang verstanden, der es unmöglich macht, den Zahlungsverpflichtungen nachzukommen, oder dass Geldmittel zu erhöhten Konditionen beschafft werden müssen;
- **Operationelle und sonstige Risiken.** Als operationelle Risiken werden mögliche Verluste bezeichnet, die unter anderem durch ungeeignete betriebliche Prozesse, Fehler im Prozessablauf, Management Schwächen, technisches Versagen oder negative äußere Einflüsse entstehen. Hierunter fallen auch rechtliche und Reputationsrisiken sowie sonstige allgemeine Risiken;
- **Verschmelzungsrisiken.** Die Verschmelzung der Düsseldorfer Hypothekbank Aktiengesellschaft mit Bankhaus Bauer ist mit den typischen Risiken einer solchen Verschmelzung verbunden. Insbesondere besteht die Gefahr,

dass die geplante Kostenreduzierung durch Synergieeffekte nicht in dem erwarteten Umfang eintritt oder die Kundenbindung in dem von Bankhaus Bauer betriebenen Privatkundengeschäft leidet; und

- **Ratings der Emittentin.** Die Risiken in Bezug auf die Emittentin schlagen sich im Rating der Emittentin nieder. Zum Datum dieses DIP-Prospekts wird die Emittentin von Fitch wie folgt eingestuft:

Issuer Default: BBB+
Short Term: F-2
Support: 5

Risikofaktoren in Bezug auf die Schuldverschreibungen:

Bestimmte Faktoren sind für die Bewertung der mit den unter dem Programm zu begebenden Schuldverschreibungen verbundenen Risiken wesentlich. Näheres ist dem Unterabschnitt mit der Überschrift „*Risikofaktoren – Faktoren, die für die Bewertung der mit den unter dem Programm zu begebenden Schuldverschreibungen verbundenen Marktrisiken wesentlich sind*“ („*Risk Factors – Factors Which Are Material for the Purpose of Assessing the Market Risks Associated with Notes to Be Issued under the Programme*“), der auf Seite 33 beginnt, zu entnehmen. In diesem Unterabschnitt werden die folgenden Aspekte behandelt:

- die Schuldverschreibungen sind nicht für alle Anleger geeignet;
- die mit der Struktur bestimmter Schuldverschreibungen verbundenen Risiken;
- die mit Schuldverschreibungen allgemein verbundenen Risiken;
- die allgemeinen Marktrisiken;
- das Risiko, dass bestimmte Anlageformen durch rechtliche Anlageerwägungen beschränkt sein können; und
- Rating der öffentlichen Pfandbriefe.

Die Risiken in Bezug auf die unter dem Programm zu begebenden öffentlichen Pfandbriefe der Emittentin schlagen sich im Rating der öffentlichen Pfandbriefe nieder. Zum Datum dieses DIP-Prospekts werden diese Pfandbriefe von Fitch und Standard & Poor's wie folgt eingestuft:

Fitch: AAA
Standard & Poor's: AAA.

Seit September 2004 hat sich die Emittentin gegenüber Anlegern zu konkreten Risikobeschränkungen in Bezug auf öffentliche Pfandbriefe verpflichtet. Diese Risikobeschränkungen beziehen sich auf alle Zinsänderungs-, Währungs-, Liquiditäts- und Kreditrisiken der Deckungsmasse und stützen damit das „AAA“-Rating für die öffentlichen Pfandbriefe. Die Emittentin behält sich das Recht vor, mit einer Frist von einem Monat die Parameter der Selbstverpflichtung zu ändern oder diese komplett zurückzuziehen. Dadurch kann sich das Risikoprofil der öffentlichen Pfandbriefe verändern. Die jeweils aktuelle Form der Selbstverpflichtung ist im Internet verfügbar unter http://www.duesshyp.de/fileadmin/user_upload/DHB_selbst.pdf.

RISK FACTORS

The following discussion of risk factors is supposed to protect investors from investments for which they are not suitable and to set out the financial risks associated with an investment in a particular type of Note. Prospective investors should understand the risks of investing in any type of Note before they make their investment decision. They should make their own independent decision to invest in any type of Note and as to whether an investment in such Note is appropriate or proper for them based upon their own judgment and upon advice from such advisors as they consider necessary.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes to be issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes to be issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes to be issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this DIP Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" and commencing on page 73 shall have the same meanings in this section "Risk Factors".

Factors Which May Affect the Issuer's Ability to Fulfil Its Obligations under Notes to Be Issued under the Programme

The following is a summary of certain aspects of the business of the Issuer of which potential investors should be aware. This summary is not intended to be exhaustive and potential investors should carefully consider the following information in conjunction with the other information contained in this DIP Prospectus.

General

The major risks which may affect the Issuer's ability to meet its payment obligations are described below in more detail. The Issuer improves the methods and procedures for measuring, monitoring and controlling such risks on a regular basis and intends to continue doing so in the future. It cannot be precluded that in a specific economic environment these or any other risks might not be restricted with full effect by the procedures and methods applied by the Issuer. In such a case, the Issuer may also suffer unexpected losses so that its earnings position and reputation might be adversely affected.

Market Price Risks

The term **market price risks** describes potential losses due to adverse changes in market prices or price-related parameters with respect to securities, loans, derivative instruments or foreign currencies, differentiating between interest and currency risks. Interest risks arise from timing differences in the refinancing of assets or any other mismatched terms. Currency risks are created when payment obligations in one or several foreign currencies are not matched by corresponding claims.

Credit Risks

Credit risk refers to potential losses due to any default in payment, deterioration of credit standing or non-payment by debtors or other contracting parties. To limit and avoid risks, the Issuer has a written credit risk strategy in place which is reviewed and, if applicable, adjusted whenever necessary, but at least once every year.

Liquidity Risks

Liquidity risks result from mismatched or unscheduled cash-flows preventing the Issuer from meeting its payment obligations in full and in a timely manner. They also refer to the risk that liquidity requirements may only be met on less favourable terms than planned. This also includes the risk that securities or derivative instruments purchased or loans extended may only be sold or redeemed at a discount.

Operational Risks and Other Risks

Operational risks mean potential losses incurred *inter alia* as a result of inadequate operational processes, processing errors, management weaknesses, technical failure or negative external effects. This also includes legal and reputation risks as well as other general risks.

Merger Risks

The merger between Düsseldorfer Hypothekenbank Aktiengesellschaft and Bankhaus Bauer AG carries with it the typical risks of such a merger. In particular, the possibility cannot be excluded that cost savings resulting from the synergies of the merger will not be achieved to the extent envisaged, and that Bankhaus Bauer AG's retail banking client relationships will be adversely affected.

Ratings Relating to the Issuer

The Issuer's ability to meet its liabilities is expressed in its rating, i.e. a credit assessment performed in accordance with a standard procedure. The rating gives an indication for an assessment of the likelihood that the agreed interest and redemption payments will be made by the Issuer in a timely manner.

The Issuer received ratings from Fitch Ratings Ltd. (**Fitch**). As of the date of this DIP Prospectus, the Issuer is rated as follows:

Fitch	Issuer Default	BBB+
	Short Term	F-2
	Support	5

The rating "BBB+"/ "F-2" is defined as "good credit quality" by Fitch: "A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings." The rating "Support 5" is defined as follows: "External Support, although possible, cannot be relied on."

Factors Which Are Material for the Purpose of Assessing the Market Risks Associated with Notes to Be Issued under the Programme

The Notes May Not Be a Suitable Investment for All Investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this DIP Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in a currency different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant reference rates, indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes Subject to Optional Redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-paid Notes

The Issuer may issue Notes whose issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Floating Rate Notes with a Multiplier or Other Leverage Factor

Notes with floating interest rates can be volatile investments and investors may not receive interest payments under such Notes. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features. Floating Rate Notes may be redeemed at the option of the Issuer or may be automatically redeemed when

the relevant reference rate or the interest rate which is based upon such reference rate exceeds, equals or falls below a certain threshold (cap or floor).

The redemption feature described above may limit the market value of Floating Rate Notes which (even in a favourable market/interest environment) may not rise substantially above the price at which they can be redeemed.

In addition, redemption may take place when the cost of borrowing is generally lower than at the issue date of the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Floating Rate Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed interest rate minus an interest rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms) and investors may not receive interest payments under such Notes. Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes Issued at a Substantial Discount or Premium

The market values of debt securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing debt securities. Generally, the longer the remaining term of the debt securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Pfandbriefe

The Terms and Conditions of the Notes which apply to Pfandbriefe will not contain any events of default and will not be issued with the benefit of an investor put option. Furthermore, in the event of the imposition of a withholding or deduction by way of tax on interest payments under the Pfandbriefe, no additional amounts will be paid to investors so that investors will receive interest payments net of such withholding or deduction.

Risks Related to Notes Generally

Set out below is a brief description of certain risks relating to the Notes generally:

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Tax Directive**), Member States (as defined below) are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Member States means the member states from time to time of the European Union.

By legislative regulations dated 26 January 2004 the Federal Government of Germany enacted provisions implementing the EU Savings Tax Directive into German law. These provisions apply from 1 July 2005.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent following implementation of the EU Savings Tax Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Tax Directive.

For additional disclosure in relation to the taxation of Notes to be issued under the Programme see the section entitled "*Taxation*" and commencing on page 137.

Ratings

To fund the government loan business, the Issuer primarily takes recourse to the issue of Public Sector Pfandbriefe. These were rated by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies Inc. (**Standard & Poor's**) as well as by Fitch. As of the date of this DIP Prospectus, the rating given by both agencies was "AAA." This means that the Issuer's capacity to meet its obligations is considered to be particularly high.

Since September 2004, the Issuer has committed itself *vis-à-vis* investors to setting concrete risk limitations in relation to Public Sector Pfandbriefe. They relate to all interest, currency, liquidity and credit risks of the cover assets. This voluntary commitment of the Issuer exceeds the legal requirements. The current version is available at http://www.duesshyp.de/fileadmin/user_upload/DHB_selbst.pdf. The Issuer reserves the right to modify or revoke altogether this voluntary commitment at one month's notice. This may change the risk profile of Public Sector Pfandbriefe.

Credit Ratings May Not Reflect All Risks

In general, Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes to be issued under the Programme. In addition, the ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any ratings assigned to Notes as at the date of this DIP Prospectus are not indicative of future performance of the Issuer's business or its future creditworthiness.

Change of Law

The Terms and Conditions of the Notes are based on German law in effect as at the date of this DIP Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice after the date of this DIP Prospectus.

Risks Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The Secondary Market Generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a devel-

oped secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange Rate Risks and Exchange Controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Legal Investment Considerations May Restrict Certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DESCRIPTION OF THE ISSUER

INFORMATION ABOUT THE ISSUER, CORPORATE HISTORY AND BUSINESS DEVELOPMENT

Legal and Trade Name, Place of Registration and Registration Number

The Issuer's legal and trade name is Düsseldorf Hypothekenbank Aktiengesellschaft. It is registered under HRB 35004 in the commercial register of Düsseldorf.

Formation Date

The Issuer was established on 28 April 1997 and recorded in the commercial register of Düsseldorf on 4 September 1997.

Registered Office and Legal Form

The Issuer's registered office is in Düsseldorf, Federal Republic of Germany. As a public limited company under German law (*Aktiengesellschaft*), the Issuer is subject to the legal system of the Federal Republic of Germany. Its address is: Düsseldorf Hypothekenbank Aktiengesellschaft, Berliner Allee 43, 40212 Düsseldorf, Germany; its telephone number is: +49 (0) 211 86720-0.

The Issuer is subject to supervision by the German Central Bank (*Deutsche Bundesbank*) and the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

Merger with Bankhaus Bauer

The same shareholders held various percentage interests in the Issuer and Bankhaus Bauer AG, Stuttgart (**Bankhaus Bauer**). On 4 April 2006, the management boards (*Vorstände*) and supervisory boards (*Aufsichtsräte*) of both companies resolved the merger. The general meetings approved of the merger contract. For legal purposes, the merger was effected by transferring the assets of Bankhaus Bauer to the Issuer in their entirety, together with all rights and duties (§ 2 No. 1 of the German Transformation Act (*Umwandlungsgesetz*)).

"Bankhaus Bauer Zweigniederlassung der Düsseldorf Hypothekenbank Aktiengesellschaft" which emerged from Bankhaus Bauer concentrates on asset consultancy and management services for wealthy retail clients and institutional investors. 45 staff members are employed at its place of business in Stuttgart.

BUSINESS OVERVIEW

Principal Areas of Activity

The Issuer was established as a specialised credit institution with a restricted banking license. As of 19 July 2005, the effective date of the German Pfandbrief Act (*Pfandbriefgesetz*), the Issuer was given the opportunity to expand its activities beyond those of a mortgage bank. In accordance with its articles of incorporation (the **Articles of Incorporation**), the Issuer's corporate purpose is the operation of all businesses legally permissible for a mortgage bond bank.

The principal areas of activity are public financing and real estate financing. To fund the loans extended, the Issuer issues Mortgage Pfandbriefe as well as Public Sector Pfandbriefe.

Public Sector Financing

The Issuer largely pursues its public sector financing business in the secondary markets through the extension of loans to central and regional governments, other political subdivisions, public compa-

nies as well as public law credit institutions within the European Union, the European Economic Area, Switzerland, the United States of America, Canada and Japan. Accounting for about 80 per cent. of the credit volume, this business division constitutes the focal point of the Issuer's business activities.

Real Estate Financing

Since 1999, the Issuer has also been active in the area of real estate financing. Similar to its public sector financing activities, the Issuer here also pursues a secondary market strategy. It participates mainly in large-volume syndicated financings for commercial and office buildings in Germany and abroad. Real estate financing accounts for approximately 10 per cent. of the credit volume.

Non-covered Investments

In addition to the business activities referred to above, the Issuer also acquires securities and loans not attributable to the cover assets of the holders of Mortgage Pfandbriefe and Public Sector Pfandbriefe. They account for about 10 per cent. of the balance sheet total.

Refinancing

To refinance the transactions referred to above, the Issuer issues Public Sector Pfandbriefe, Mortgage Pfandbriefe, senior unsecured bonds and assignable note loans (*Schuldscheindarlehen*). In addition, overnight and term money is raised. The focus is on Public Sector Pfandbriefe rated "AAA" by Fitch and Standard & Poor's.

Principal Markets

The major portion of business activities is conducted in Germany. Over the last few years, the Issuer gradually expanded the international portion of its new business to diversify its income and risks.

In the public sector financing area, the international share of the loan portfolio as of the year-end 2005 was approximately 25 per cent.; with respect to new business in 2005, the relevant share was 36 per cent.

In the real estate financing area, the international share of the loan portfolio as of the year-end 2005 was 19 per cent.

SHAREHOLDERS AND ORGANISATIONAL STRUCTURE

Pursuant to § 17 paragraph 1 of the German Stock Corporation Act (*Aktiengesetz*; the **Stock Corporation Act**), the Issuer is an enterprise controlled by the three companies ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH (**ASTA**), Berlin, Helvetic Grundbesitz Verwaltung GmbH (**Helvetic**), Berlin and ifb Investitions- und Finanzierungs-Beratungsgesellschaft mbH (**ifb**), Berlin. ASTA holds a 37.3 per cent. interest, Helvetic holds a 46.2 per cent. interest and ifb holds a 16.5 per cent. interest. There is no group relationship (*Konzernverhältnis*) pursuant to § 18 of the Stock Corporation Act. ASTA, Helvetic and ifb are 100 per cent. owned by the Schuppli family. The Issuer's share capital as of the date of this DIP Prospectus amounts to Euro 206 millions, divided into 206 million registered shares of Euro 1 each.

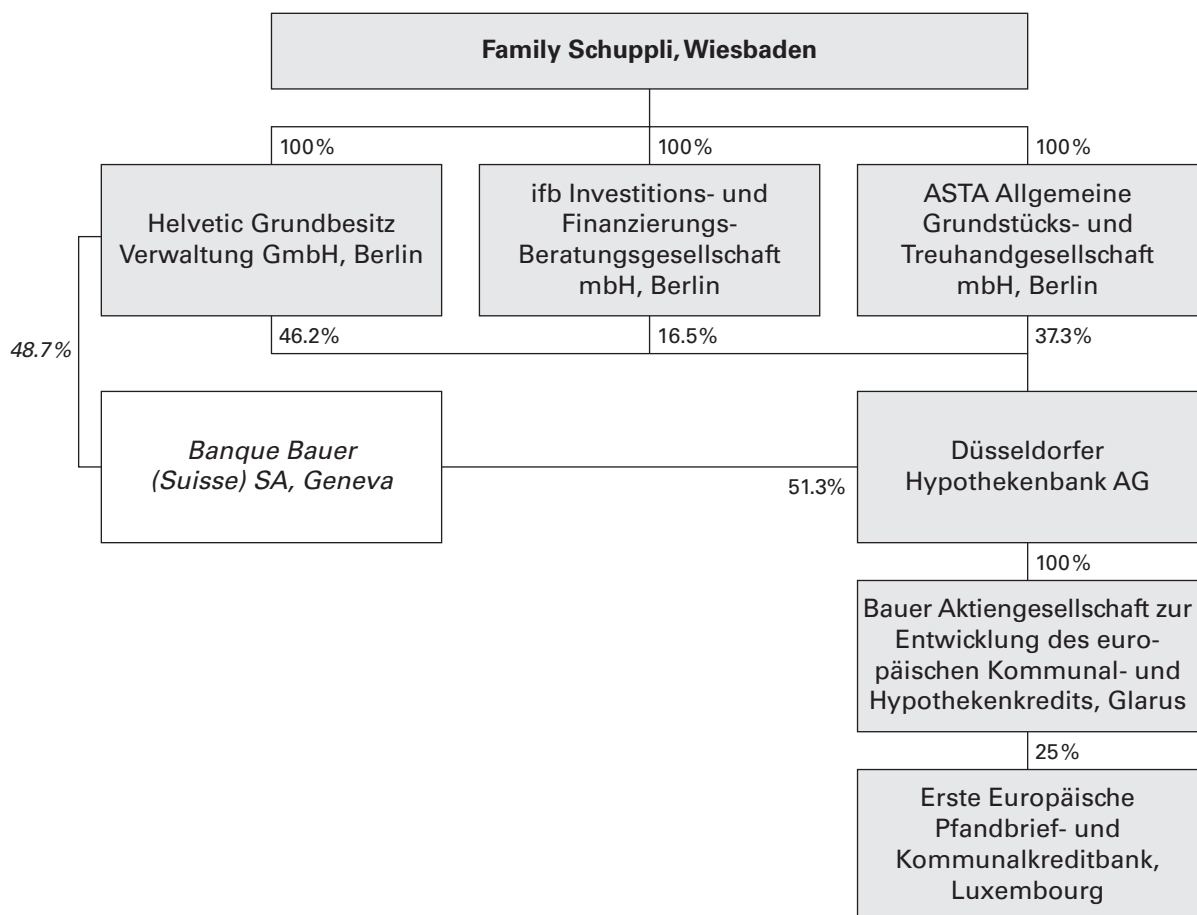
The Issuer holds 100 per cent. of the shares in Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits, Glarus/Switzerland (**Bauer**). There is a group relationship with Bauer. Therefore, the Issuer draws up a group management report and consolidated financial statements in accordance with the principles of full consolidation.

Via Bauer, the Issuer holds an interest in Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg. As, due to the 25 per cent. interest, no major influence can be exerted over this company, it is not included in the consolidated financial statements.

As a result of the merger, the 51.3 per cent. interest of Bankhaus Bauer in Banque Bauer (Suisse) SA, Geneva/Switzerland, was also transferred to the Issuer.

Participation and Shareholder Structure of Düsseldorf Hypothekbank Aktiengesellschaft, including Banque Bauer (Suisse) SA, Geneva

At the date of this DIP Prospectus



TRENDINFORMATION

There have been no significant adverse changes in the Issuer's prospects since 31 December 2005. The merger with Bankhaus Bauer resolved in April 2006 and approved by the general meetings has also been taken into account in this context.

There is no information on business transactions, trends or other events which should have a major negative impact on the Issuer's business prospects in the current year 2006.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Issuer's bodies are the management board, supervisory board and the shareholders' meeting.

Management Board

The members of the management board are appointed by the supervisory board. The management board is composed of the following members who have the following areas of responsibility:

<u>Name</u>	<u>Internal responsibility</u>	<u>Other board memberships</u>
Wolfgang Hampel	Banking operations Real estate financing Human resources Auditing Trading/treasury	Board of directors, Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits, Glarus/ Switzerland
Dr. Michael Kosche	Information management Credit risk money/capital market Credit risk real estate financing Accounting Legal Risk controlling Settlement Transactions money/capital market	
Stefan Brugger (since 1 June 2006)		
Arnold Sedlmayr (since 1 July 2006)		

The areas of responsibility will be reorganised/rearranged in coordination with the supervisory board in the near future.

The management board's business address is:

Düsseldorfer Hypothekenbank Aktiengesellschaft
Berliner Allee 43
40212 Düsseldorf
Germany

Supervisory Board

According to § 9 of the Articles of Incorporation, the supervisory board is composed of six members elected by the shareholders in the shareholders' meeting. The chairman of the supervisory board also chairs the shareholders' meeting.

Since 11 March 2006, the supervisory board has been composed as follows:

Name	Occupation
Dr. Wolfgang Schuppli, chairman	Lawyer
Dieter Wenserski, deputy chairman	Banker
Wolfgang H. Müller	Lawyer
Berta Schuppli	Graduate economist (Dipl. Ökonomin)
Prof. Dr. F.-L. Freiherr von Stechow	Executive partner of Jucho, von Stechow & Collegen Unternehmensberatung GmbH & Co. KG
Volkher Kerl (until 10 May 2006)	

Volkher Kerl will be replaced by a new member of the supervisory board in the near future.

The business address of the supervisory board members is:

Düsseldorfer Hypothekenbank Aktiengesellschaft
Berliner Allee 43
40212 Düsseldorf
Germany

Cover Pool Monitor and His Deputy

The cover pool monitor (*Treuhänder*) of the Issuer's cover assets and his deputy are:

Name	Occupation
Peter Preuß	Lawyer
Wolfgang Barchewitz, deputy	Lawyer

Conflicts of Interest

There are no potential conflicts of interest between the obligations of the management board members towards the Issuer and their private interests or other obligations.

There are no potential conflicts of interest between the obligations of the supervisory board members towards the Issuer and their private interests or other obligations except for those interests of the relevant supervisory board members resulting from their capacity as beneficial owners of the Issuer. In this context, there are legal provisions, in particular under the German company, banking and securities laws, that limit or prevent such potential conflicts of interest. The Issuer and its bodies comply with these legal requirements.

FINANCIAL INFORMATION

Historical Financial Information

The unconsolidated and consolidated financial statements of the Issuer as of 31 December 2004 (the **2004 Annual Accounts**) are set out in Annex 1 to this DIP Prospectus.

The unconsolidated and consolidated financial statements of the Issuer as of 31 December 2005 (the **2005 Annual Accounts**) are set out in Annex 2 to this DIP Prospectus.

Statutory Auditors

The Issuer's auditors are Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Schwannstr. 6, 40476 Düsseldorf, Germany, who have audited each of the 2004 Annual Accounts and the 2005 Annual Accounts.

The 2004 Annual Accounts and the 2005 Annual Accounts have in each case been given an unqualified auditor's opinion.

Deloitte & Touche GmbH is an ordinary member of the Institute of German Auditors (*IDW Institut der Wirtschaftsprüfer in Deutschland eV*).

Legal and Arbitration Proceedings

Neither is the Issuer involved in any governmental, legal or arbitration proceedings nor has the Issuer been involved in any such proceedings during the last twelve months which may have or have had any material impact on the Issuer's financial and earnings position. To the best of the Issuer's knowledge, no such proceedings referred to above are pending or threatened against the Issuer.

Significant Changes in the Issuer's Financial Position

There have been no significant changes in the Issuer's financial position since 31 December 2005.

Material Contracts

In the usual course of its business, the Issuer enters into numerous contracts with various other entities. It has not, however, entered into any material contracts outside the ordinary course of its business within the past two years with the exception, however, of the merger contract with Bankhaus Bauer.

DOCUMENTS ON DISPLAY

For the period of twelve months following the date of this DIP Prospectus, copies of each of the 2004 Annual Accounts, the 2005 Annual Accounts and the Articles of Incorporation of the Issuer will be available at and will be obtainable, free of charge, from Düsseldorfer Hypothekenbank Aktiengesellschaft, Berliner Allee 43, 40212 Düsseldorf, Germany.

USE OF PROCEEDS

Generally, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit and hedging certain risks.

In the case of Notes with a minimum denomination of less than Euro 50,000 (or its equivalent in other currencies, calculated as described in the Programme Agreement) the following shall apply:

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

If the estimated net proceeds will not be sufficient to fund the identified use of proceeds the amount and sources of other funds needed will be stated in the relevant Final Terms.

If applicable, the estimated total expenses of the issue/offer will be disclosed in the relevant Final Terms.

If applicable, the estimated total expenses and (in the case that the estimated net proceeds will not be applied by the Issuer for its general corporate purposes as set out above) the estimated net proceeds will be broken into each intended use and presented by order of priority of such uses in the relevant Final Terms.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in Euro, United States Dollars, Pounds Sterling or Swiss Francs.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase in accordance with the terms of the Programme Agreement.

The Notes may be issued on a continuing basis to one or more of the Dealers specified in the section entitled "*Summary of the Debt Issuance Programme*" and commencing on page 4 and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and, together, the **Dealers**). References in this DIP Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, save that the minimum denomination of the Notes will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency.

Application has been made by the Issuer to the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; the **BaFin**) in Germany in its capacity as competent authority under the German Securities Prospectus Act (*Wertpapierprospektgesetz*; the **SPA**) transforming the Prospectus Directive into law in Germany for the approval of this DIP Prospectus pursuant to § 13(1) sentence 2 SPA, which requires the scrutiny by the BaFin of the DIP Prospectus in relation to its completeness, coherence and comprehensibility.

Following approval by the BaFin, copies of this DIP Prospectus (and any supplements hereto) will be obtainable free of charge from (i) Düsseldorf Hypothekenbank Aktiengesellschaft (Berliner Allee 43, 40212 Düsseldorf, Germany or via the website of Düsseldorf Hypothekenbank Aktiengesellschaft, being www.duessshyp.de), and (ii) the specified offices of each of the Fiscal Agent (Deutsche Bank Aktiengesellschaft, Große Gallusstraße 10–14, 60272 Frankfurt am Main, Germany) and the Paying Agent for the time being in Luxembourg (Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg).

Further application will be made by the Issuer to the Düsseldorf Stock Exchange for Notes to be issued under the Programme to be admitted to trading on the official market (*Amtlicher Markt*; the **Official Market**) or the regulated market (*Geregelter Markt*; the **Regulated Market**) of the Düsseldorf Stock Exchange and to be listed on the Official Market or the Regulated Market of the Düsseldorf Stock Exchange.

References in this DIP Prospectus to Notes being **listed** in Düsseldorf (and all related references) shall mean that such Notes have been admitted to trading on the Official Market or the Regulated Market of the Düsseldorf Stock Exchange, and have been listed on the Düsseldorf Stock Exchange. Each of the Düsseldorf Stock Exchange's Official Market and the Düsseldorf Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

Notes may, after notification of this DIP Prospectus in accordance with Article 18 of the Prospectus Directive, be admitted to trading on the regulated markets of a number of member states of the EEA and/or may be listed on the stock exchanges of such member states of the EEA and/or may be publicly offered within the EEA, all as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer has requested the BaFin to provide the competent authorities in Austria, Ireland, the Grand Duchy of Luxembourg (**Luxembourg**), The Netherlands and the United Kingdom with a certificate of

approval attesting that this DIP Prospectus has been drawn up in accordance with the German Securities Prospectus Act (each a **Notification**). The Issuer may request the BaFin to provide competent authorities in additional member states of the EEA with a Notification.

Notice of the aggregate nominal amount or principal amount of Notes, the interest (if any) payable in respect of Notes, the issue price of Notes, and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in accordance with § 6(3) SPA in the final terms (the **Final Terms**) which, with respect to Notes to be listed on the Official Market or the Regulated Market of the Düsseldorf Stock Exchange or to be offered to the public in Germany, will be filed with the BaFin, in each case on or before the date of issue of the Notes of such Tranche. Copies of Final Terms prepared in connection with the issue and listing of Notes will be obtainable free of charge from the registered office of the Issuer and the respective specified offices of each of the Fiscal Agent and the Paying Agent for the time being in Luxembourg (all addresses as specified above). Copies of Final Terms prepared in connection with Notes which are not to be listed on any stock exchange and will not be publicly offered will be obtainable free of charge for the holders of the Notes from the registered office of the Issuer (address as specified above).

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) disclosed as the stabilising manager(s) in the relevant Final Terms (or persons acting on behalf of any stabilising manager(s)) may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the EEA, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Such stabilising shall be in compliance with all laws, regulations and rules of any relevant jurisdiction.

All references in this DIP Prospectus to "United States Dollars"; "U. S. Dollars"; "U. S. \$" and "\$" refer to the currency of the United States, those to "Pounds Sterling"; "Sterling"; "GBP" and "£" refer to the currency of the United Kingdom, those to "Swiss Francs" or "CHF" refer to the currency of Switzerland, and those to "Euro"; "EUR" and "€" refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be in the form of either a temporary global note (the **Temporary Global Note**), without interest coupons, or a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, in each case as specified in the relevant Final Terms.

The relevant Final Terms will also specify whether United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the **TEFRA C Rules** or **TEFRA C**) or United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the **TEFRA D Rules** or **TEFRA D**) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Each Tranche of Notes for which the relevant Final Terms specify TEFRA C will initially be represented by a TEFRA C Temporary Global Note or a TEFRA C Permanent Global Note and each Tranche of Notes for which the relevant Final Terms specify TEFRA D will initially be represented by a TEFRA D Temporary Global Note.

Any such Global Note will be deposited on or prior to the issue date of the relevant Tranche of Notes (i) in the case of a Tranche intended to be cleared through Clearstream Banking AG, Frankfurt (**CBF**) with CBF, or (ii) in the case of a Tranche to be cleared through Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, société anonyme, Luxembourg (**CBL** and, together with Euroclear and CBF, the **Clearing Systems**), with or a depository or a common depository, as appropriate, of the relevant Clearing System(s), or (iii) in the case of a Tranche intended to be cleared through a clearing system other than CBF, Euroclear or CBL or delivered outside a clearing system, as agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Temporary Global Note Exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of the Notes as being “Temporary Global Note exchangeable for Permanent Global Note” and also specify that the TEFRA D Rules are applicable, the Notes will initially be in the form of a Temporary Global Note, without interest coupons, which will be exchangeable for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes (the **Exchange Date**) upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note prior to such certification of non-U.S. beneficial ownership having been received by the relevant Clearing System(s) and such Clearing System(s) having given a like certification (based on the certifications it has received) to the Fiscal Agent.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the specified office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

Temporary Global Note Exchangeable for Notes in Definitive Form (the Definitive Notes)

If the relevant Final Terms specify the form of the Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specify that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not later than 180 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specify the form of the Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specify that the TEFRA D Rules are applicable, the Notes will initially be in the form of a Temporary Global Note which will be exchangeable for Definitive Notes not earlier than the Exchange Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note prior to such certification of non-U.S. beneficial ownership having been received by the relevant Clearing System(s) and such Clearing System(s) having given a like certification (based on the certifications it has received) to the Fiscal Agent.

If the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, with interest coupons and talons and receipts attached (in each case as applicable), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note in accordance with its terms against:

- (i) presentation and surrender of the Temporary Global Note at the specified office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

Terms and Conditions of the Notes Applicable to the Notes

The Terms and Conditions of the Notes applicable to any Global Note will be attached to such Global Note and the Terms and Conditions of the Notes applicable to any Definitive Note will be endorsed on that Note, all as more fully described in the section entitled “*Issue Procedures*” and commencing on page 49.

Legend Concerning United States Persons

In the case of any Tranche of Notes having a maturity of more than 365 days, any Global Note and any Definitive Note and any Coupons and Receipts (in each case as applicable) appertaining to such Definitive Note will bear a legend to the following effect:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on a Note, a Coupon or a Receipt and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, Coupons or Receipts.

ISSUE PROCEDURES

General

The Issuer and the relevant Dealer will agree on the terms and conditions applicable to each particular Tranche of Notes (the **Conditions**). These Conditions will be constituted by the terms and conditions set out in the section entitled "*Terms and Conditions of the Notes*" and commencing on page 73 as completed, modified, supplemented or replaced by the provisions of the Final Terms applicable to the Notes as provided below. The Final Terms relating to each particular Tranche of Notes will specify whether these Conditions are to be Long-Form Conditions or Integrated Conditions (each as described below).

As to whether Long-Form Conditions or Integrated Conditions will apply to the Notes, the Issuer anticipates that:

- Long-Form Conditions will generally be used for Notes which are not publicly offered; and
- Integrated Conditions will generally be used for Notes sold and distributed on a syndicated basis. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or are to be distributed, in whole or in part, to non-professional investors.

The prevailing language of the relevant Conditions will be specified in the relevant Final Terms.

Long-Form Conditions

If the relevant Final Terms specify that Long-Form Conditions are to apply to the Notes, the provisions of the relevant Final Terms and the Terms and Conditions of the Notes (supplemented as described above), taken together, shall constitute the Conditions. In particular, the following shall apply:

- the blanks in the provisions of the Terms and Conditions of the Notes which are applicable to the Notes will be deemed to be completed by the information contained in the relevant Final Terms as if such information were inserted in the blanks of such provisions;
- the Terms and Conditions of the Notes will be modified, supplemented or replaced, in whole or in part, by the text of any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of the Terms and Conditions of the Notes;
- alternative or optional provisions of the Terms and Conditions of the Notes as to which the corresponding provisions of the Final Terms are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the provisions of the Terms and Conditions of the Notes and any footnotes and explanatory text in the relevant Final Terms will be deemed to be deleted from the Conditions.

Where Long-Form Conditions apply, each Global Note representing the Notes of the relevant Tranche will have the Final Terms and the Terms and Conditions of the Notes attached. Where Definitive Notes are delivered in respect of the Notes, they will have endorsed thereon either (i) the relevant Final Terms and the Terms and Conditions of the Notes in full, or (ii) the relevant Final Terms and the Terms and Conditions of the Notes in a form simplified by the deletion of non-applicable provisions, as the Issuer may determine.

Integrated Conditions

If the Final Terms specify that Integrated Conditions are to apply to the Notes, the Conditions in respect of such Notes will be constituted as follows:

- all of the blanks in all applicable provisions of the Terms and Conditions of the Notes will be completed according to the information contained in the relevant Final Terms and all non-applicable

provisions of the Terms and Conditions of the Notes (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or

- the Terms and Conditions of the Notes will be otherwise modified, supplemented or replaced, in whole or in part, according to the information set forth in the relevant Final Terms.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each Global Note representing Notes of the relevant Series and will be endorsed on any Definitive Notes exchanged for any such Global Note.

FORM OF THE FINAL TERMS MUSTER DER ENDGÜLTIGEN BEDINGUNGEN

[Set out below is the form of Final Terms which will be completed for each Tranche of Notes to be issued under the Programme.]

ENDGÜLTIGE BEDINGUNGEN⁽¹⁾ FINAL TERMS

[Bezeichnung der relevanten Tranche der Schuldverschreibungen einfügen]

begeben aufgrund des

[insert title of relevant Tranche of Notes]

issued pursuant to the

Euro 5,000,000,000

Debt Issuance Programme

**von
of**

Düsseldorfer Hypothekenbank Aktiengesellschaft

Nennwert: []]

Principal Amount: []]

Ausgabepreis: [] % [zuzüglich aufgelaufener Zinsen in Höhe von • vom • (einschließlich) bis zum
• (ausschließlich)]

*Issue Price: [] per cent. [plus accrued interest in the amount of • from, and including, • to, but
excluding, •]*

Tag der Begebung: []]⁽²⁾

Issue Date: []]

Serien-Nr.: []]

Series No.: []]

Tranchen-Nr.: []]

Tranche No.: []]

Common Code: []]

Common Code: []]

ISIN Code: []]

ISIN Code: []]

Wertpapier-Kennnummer: []]

German Security Code: []]

⁽¹⁾ Falls zusätzliche endgültige Bedingungen in TEIL A oder zusätzliche Informationen in TEIL B eingefügt werden, ist zu bedenken, ob diese zusätzlichen endgültigen Bedingungen oder zusätzlichen Informationen „wichtige neue Umstände“ gemäß Artikel 16 der Prospektrichtlinie darstellen. Wäre dies der Fall, müsste ein Nachtrag zum DIP-Prospekt erstellt werden.

When adding any additional final terms in PART A or any additional information in PART B consideration should be given as to whether such terms or information constitute “significant new factors” pursuant to Article 16 of the Prospectus Directive and consequently trigger the need for a supplement to the DIP Prospectus.

⁽²⁾ Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen/Pfandbriefe begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.

The Issue Date is the date of issue and payment of the Notes/Pfandbriefe. In the case of free delivery, the Issue Date is the delivery date.

TEIL A – VERTRAGLICHE BEDINGUNGEN PART A – CONTRACTUAL TERMS

Diese endgültigen Bedingungen vom [] enthalten Angaben zur Emission von Schuldverschreibungen unter dem Euro 5,000,000,000 Debt Issuance Programme der Düsseldorfer Hypothekenbank Aktiengesellschaft (das **Programm**) und sind in Verbindung mit der jeweils geltenden Fassung des DIP-Prospekts vom 7. Juli 2006 (der **DIP-Prospekt**) über das Programm und mit den im DIP-Prospekt enthaltenen Emissionsbedingungen zu lesen. Der DIP-Prospekt stellt zwei Basisprospekte im Sinne der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates (die **Prospektrichtlinie**) dar. Für die Zwecke von Artikel 5.4 der Prospektrichtlinie und § 6 des Wertpapierprospektgesetzes enthalten diese endgültigen Bedingungen die endgültigen Bedingungen der hierin beschriebenen Schuldverschreibungen. Die in diesen endgültigen Bedingungen verwendeten Begriffe sollen die ihnen in den Emissionsbedingungen zugewiesenen Bedeutungen haben. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls diese endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen endgültigen Bedingungen verwendet werden. Vollständige Informationen über die Emittentin und über das hinsichtlich der Schuldverschreibungen gemachte Angebot sind nur in der Zusammenschau dieser endgültigen Bedingungen und des DIP-Prospekts erhältlich. Der DIP-Prospekt kann bei der Düsseldorfer Hypothekenbank Aktiengesellschaft, **[Adresse einfügen]**, Deutschland und unter **[relevante Internetadresse einfügen]** eingesehen werden, und Kopien des DIP-Prospekts und dieser endgültigen Bedingungen können bei der Düsseldorfer Hypothekenbank Aktiengesellschaft, **[Adresse einfügen]**, Deutschland bestellt werden.⁽³⁾

*These Final Terms are dated [] and give details of an issue of Notes under the Euro 5,000,000,000 Debt Issuance Programme of Düsseldorfer Hypothekenbank Aktiengesellschaft (the **Programme**) and are to be read in conjunction with the DIP prospectus dated 7 July 2006 (the **DIP Prospectus**) pertaining to the Programme, as the same may be amended or supplemented from time to time and with the Terms and Conditions of the Notes set forth in the DIP Prospectus. The DIP Prospectus constitutes two base prospectuses for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council (the **Prospectus Directive**). For the purposes of Article 5.4 of the Prospectus Directive and § 6 German Securities Prospectus Act these Final Terms contain the final terms of the Notes described herein. Terms used in these Final Terms shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions of the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the DIP Prospectus. The DIP Prospectus is available for viewing at Düsseldorfer Hypothekenbank Aktiengesellschaft, **[insert address]**, Germany and **[insert relevant website]** and copies of the DIP Prospectus and of these Final Terms may be obtained from Düsseldorfer Hypothekenbank Aktiengesellschaft, **[insert address]**, Germany.*

Bezugnahmen in diesen endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

All references in these Final Terms to numbered sections and paragraphs are to sections and paragraphs of the Terms and Conditions of the Notes.

[Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser endgültigen Bedingungen beziehen und die in diesen endgültigen Bedingungen weder angekreuzt noch ausgefüllt werden oder die gestrichen bzw. als nicht anwendbar bezeichnet werden, gelten in den Emissionsbedingungen, die auf die Schuldverschreibungen anwendbar sind [(die **Bedingungen**)], als gestrichen.

All provisions in the Terms and Conditions of the Notes corresponding to items in these Final Terms which are either not selected or completed or which are deleted or specified as being not applicable

⁽³⁾ Artikel 14.2 der Prospektrichtlinie sieht vor, dass ein (DIP-)Prospekt als dem Publikum zur Verfügung gestellt gilt, wenn er u.a. (i) in gedruckter Form kostenlos bei den zuständigen Stellen des Marktes, an dem die Wertpapiere zum Handel zugelassen werden sollen, oder (ii) beim Sitz des Emittenten und den Zahlstellen oder (iii) in elektronischer Form auf der Website des Emittenten zur Verfügung gestellt wird. Artikel 16 der Prospektrichtlinie sieht vor, dass die gleichen Veröffentlichungsformen auf Nachträge zum (DIP-)Prospekt anwendbar sind.
Article 14.2 of the Prospectus Directive provides that a (DIP) Prospectus is deemed available to the public when, inter alia, made available (i) in printed form free of charge at the offices of the market on which securities are being admitted to trading; or (ii) at the registered office of the Issuer and at the offices of the Paying Agents; or (iii) in an electronic form on the Issuer's website. Article 16 of the Prospectus Directive requires that the same arrangements are applied to supplemental (DIP) Prospectuses.

*in these Final Terms shall be deemed to be deleted from the Terms and Conditions of the Notes applicable to the Notes [(the **Conditions**).](⁴)*

[Die für die Schuldverschreibungen geltenden Emissionsbedingungen (die **Bedingungen**) sowie eine etwaige deutsch- oder englischsprachige Übersetzung sind diesen endgültigen Bedingungen beige-fügt. Die Bedingungen ersetzen in Gänze die im DIP-Prospekt abgedruckten Emissionsbedingungen und gehen etwaigen abweichenden Bestimmungen dieser endgültigen Bedingungen vor.

*The Terms and Conditions of the Notes applicable to the Notes (the **Conditions**) and the German or English language translation thereof, if any, are attached hereto and replace in full the Terms and Conditions of the Notes as set out in the DIP Prospectus and take precedence over any conflicting provisions in these Final Terms.](⁵)*

Emittentin:
Issuer:

Düsseldorfer Hypothekenbank AG
Düsseldorfer Hypothekenbank AG

Inhaberschuldverschreibungen/Inhaberpfandbriefe **Bearer Notes/Bearer Pfandbriefe**

- Inhaberschuldverschreibungen
Bearer Notes
- Inhaberpfandbriefe
Bearer Pfandbriefe
 - Hypothekendarlehenpfandbriefe
Mortgage Pfandbrief
 - Öffentliche Pfandbriefe
Public Sector Pfandbriefe

Form der Emissionsbedingungen(⁶) **Form of Terms and Conditions of the Notes**

- Nicht konsolidierte Bedingungen
Long-Form Conditions
- Konsolidierte Bedingungen
Integrated Conditions

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN (§ 1) **CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)**

Währung und Stückelung **Currency and Denomination**

Festgelegte Währung
Specified Currency

[]

⁽⁴⁾ Im Fall von nicht konsolidierten Bedingungen einzufügen.
To be inserted in the case of Long-Form Conditions.

⁽⁵⁾ Im Fall von konsolidierten Bedingungen einzufügen.
To be inserted in the case of Integrated Conditions.

⁽⁶⁾ Die Form der Emissionsbedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, dass nicht konsolidierte Bedingungen für Inhaberschuldverschreibungen oder Inhaberpfandbriefe, die auf nicht syndizierter Basis verkauft und die nicht öffentlich zum Verkauf angeboten werden, verwendet werden. Konsolidierte Bedingungen werden in der Regel für Inhaberschuldverschreibungen oder Inhaberpfandbriefe verwendet, die auf syndizierter Basis verkauft und vertrieben werden. Konsolidierte Bedingungen sind erforderlich, wenn die Inhaberschuldverschreibungen oder Inhaberpfandbriefe insgesamt oder teilweise an nicht berufsmäßige oder gewerbliche Investoren verkauft oder öffentlich angeboten werden.
The form of the Terms and Conditions of the Notes is to be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Bearer Notes or Bearer Pfandbriefe sold on a non-syndicated basis and which are not publicly offered. Integrated Conditions will generally be used for Bearer Notes or Bearer Pfandbriefe sold and distributed on a syndicated basis. Integrated Conditions will be required where the Bearer Notes or Bearer Pfandbriefe are to be publicly offered, in whole or in part, or to be distributed, in whole or in part, to non-professional investors.

Gesamtnennbetrag <i>Aggregate Principal Amount</i>	[Gesamtnennbetrag in Zahlen und Worten einfügen] <i>[insert Aggregate Principal Amount in numbers and in words]</i>
Festgelegte Stückelung[en] <i>Specified Denomination[s]</i>	[]
Anzahl der in jeder festgelegten Stückelung auszugebenden Schuldverschreibungen ⁽⁷⁾ <i>Number of Notes to be issued in each Specified Denomination</i>	[]
Bereits begebene Emission <i>Existing Issue</i>	[Beschreibung einfügen] <i>[insert description]</i>
Tag der Begebung der bereits begebenen Emission <i>Issue Date of Existing Issue</i>	[]

Form
Form

- TEFRA C**
TEFRA C
 - Dauerglobalurkunde
Permanent Global Note
 - Vorläufige Globalurkunde austauschbar gegen
Temporary Global Note exchangeable for
 - Einzelurkunden
Definitive Notes
 - Einzelurkunden und Sammelurkunden
Definitive Notes and Collective Notes
- TEFRA D**
TEFRA D
 - Vorläufige Globalurkunde austauschbar gegen
Temporary Global Note exchangeable for
 - Dauerglobalurkunde
Permanent Global Note
 - Einzelurkunden
Definitive Notes
 - Einzelurkunden und Sammelurkunden
Definitive Notes and Collective Notes
- Weder TEFRA D noch TEFRA C⁽⁸⁾**
Neither TEFRA D nor TEFRA C
 - Dauerglobalurkunde
Permanent Global Note
 - Vorläufige Globalurkunde austauschbar gegen
Temporary Global Note exchangeable for

⁽⁷⁾ Nur einfügen, falls Einzelurkunden begeben werden.
Insert only if Definitive Notes are issued.

⁽⁸⁾ Nur anwendbar bei Inhaberschuldverschreibungen oder Inhaberpfandbriefen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.
Applicable only if Bearer Notes or Bearer Pfandbriefe have an initial maturity of one year or less.

- Einzelurkunden
Definitive Notes
- Einzelurkunden und Sammelurkunden
Definitive Notes and Collective Notes
- Einzelurkunden [und Sammelurkunden⁽⁹⁾]**
Definitive Notes [and Collective Notes]
- Zinsscheine [und Sammelzinsscheine]
Coupons [and Collective Interest Coupons]
- Talons
Talons
- Rückzahlungsscheine
Receipts

Definitionen
Certain Definitions

Clearing System

- Clearstream Banking AG, Frankfurt am Main
- Clearstream Banking, société anonyme, Luxembourg
- Euroclear Bank S.A./N.V. (Euroclear Operator)
- Sonstige [angeben] []
Other [specify]

ZINSEN (§ 3)
INTEREST (§ 3)

Festverzinsliche Schuldverschreibungen
Fixed Rate Bearer Notes

Schuldverschreibungen ohne Zinswechsel
Notes without Changes in the Interest Rate

Verzinsungsbeginn []
Interest Commencement Date

Zinssatz [] % per annum
Rate of Interest [] per cent. per annum

Stufenzinsschuldverschreibungen
Step-Up or Step-Down Notes

Verzinsungsbeginn []
Interest Commencement Date

Zinszahlungstag[e] und [Zinssatz] [Zinssätze], [der] [die]
ab dem jeweiligen Zinszahlungstag anwendbar [ist] [sind][]
*Interest Payment Date[s] and Rate[s] of Interest applicable
as of the relevant Interest Payment Date*

Zinszahlungstag[e] [bei allen festverzinslichen Schuldver-
schreibungen einzufügen] []
*Interest Payment Date[s] [insert with any type of
Fixed Rate Notes]*

⁽⁹⁾ Nur auszufüllen, wenn die Globalurkunde, die die Inhaberschuldverschreibungen oder Inhaberpfandbriefe anfänglich verbrieft, von Clearstream Banking AG, Frankfurt am Main verwahrt werden soll.
To be completed only if the Global Note initially representing the Bearer Notes or Bearer Pfandbriefe is to be deposited with Clearstream Banking AG, Frankfurt am Main.

Erster Zinszahlungstag []
First Interest Payment Date

Anfängliche[r] [Bruchteilszinsbetrag] [Bruchteilszinsbeträge]
(für [die] [jede] festgelegte Stückelung) []
Initial Broken Amount[s] (per Specified Denomination)

Zinszahlungstag, der dem Fälligkeitstag vorangeht []
Interest Payment Date preceding the Maturity Date

Abschließende[r] [Bruchteilszinsbetrag] [Bruchteilszins-
beträge] (für [die] [jede] festgelegte Stückelung) []
Final Broken Amount[s] (per Specified Denomination)

Variabel verzinsliche Schuldverschreibungen
Floating Rate Notes

Umgekehrt variabel verzinsliche Schuldverschreibungen []
Inverse Floating Rate Notes

Zinszahlungstage
Interest Payment Dates

Verzinsungsbeginn []
Interest Commencement Date

Festgelegte Zinszahlungstage []
Specified Interest Payment Dates

Festgelegte Zinsperioden [relevante Zahl einfügen] [Wochen]
[Monate] [andere festgelegte Zins-
periode einfügen]
Specified Interest Periods [insert relevant number] [weeks]
[months] [insert other specified Interest
Period]

Geschäftstagskonvention
Business Day Convention

Modified Following Business Day Convention
Modified Following Business Day Convention

FRN Convention [relevante Zahl einfügen] [Monate]
[andere festgelegte Zinsperiode
angeben]
FRN Convention [insert relevant number] [months]
[insert other specified Interest
Period]

Following Business Day Convention
Following Business Day Convention

Preceding Business Day Convention
Preceding Business Day Convention

Relevante[s] [Finanzzentrum] [Finanzzentren] [TARGET] [London] [anderes rele-
vantes Finanzzentrum einfügen]
Relevant Financial Centre[s] [TARGET] [London] [insert other
relevant financial centre]

Zinssatz
Rate of Interest

Bildschirmfeststellung
Screen Rate Determination

<input type="checkbox"/> Zinssatz ⁽¹⁰⁾ <i>Rate of Interest</i>	[]
Referenzzinssatz <i>Reference Interest Rate</i>	
<input type="checkbox"/> EURIBOR <i>EURIBOR</i>	[]
<input type="checkbox"/> Sonstige [angeben] <i>Other [specify]</i>	[]
Uhrzeit	[11.00] [relevante Tageszeit einfügen] [Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit
<i>Time</i>	<i>[11.00] [insert relevant time] [Brussels] [London] [insert other relevant financial centre] time</i>
Feststellungstag	[zweiter] [andere relevante Zahl von Tagen einfügen] Geschäftstag [[vor] [nach] dem [ersten Tag] [Zinszahlungstag] der relevanten Zinsperiode] [anderen relevanten Tag einfügen]
<i>Determination Day</i>	<i>[second] [insert other relevant number of days] Business Day [[prior to] [after] the [first day] [Interest Payment Date] of the relevant Interest Period] [insert other relevant day]</i>
Relevante[s] [Finanzzentrum] [Finanzzentren] ⁽¹¹⁾ <i>Relevant Financial Centre[s]</i>	[TARGET] [London] [anderes relevantes Finanzzentrum einfügen] <i>[TARGET] [London] [insert other relevant financial centre]</i>
Feststellung des Referenzzinssatzes für Einlagen in der festgelegten Währung <i>Determination of Reference Interest Rate for deposits in the Specified Currency</i>	[für die relevante Zinsperiode] [mit einer designierten Laufzeit von [Laufzeit einfügen]] <i>[for the relevant Interest Period] a designated maturity of [insert relevant period of time]</i>
<input type="checkbox"/> Marge <i>Margin</i>	[] % per annum [] per cent. per annum
<input type="checkbox"/> zuzüglich <i>plus</i>	[]
<input type="checkbox"/> abzüglich <i>minus</i>	[]
Bildschirmseite	[Reuters] [anderen Informationsanbieter einfügen] [relevante Bildschirmseite einfügen]

⁽¹⁰⁾ Nur bei umgekehrt variabel verzinslichen Schuldverschreibungen einzufügen.
Insert only in the case of inverse Floating Rate Notes.

⁽¹¹⁾ Nur im Rahmen der Bestimmung des Feststellungstags einzufügen.
Insert only in the context of defining the Determination Day.

Screen page

Referenzbanken
Reference Banks

Interbanken-Markt
Interbank market

Hauptniederlassungen
Principal Offices

Uhrzeit
Time

ISDA Feststellung⁽¹²⁾
ISDA Documentation

Andere Methode der Bestimmung
Other Method of Determination

Mindest- und Höchstzinssatz ***Minimum and Maximum Rate of Interest***

Mindestzinssatz
Minimum Rate of Interest

Höchstzinssatz
Maximum Rate of Interest

Mitteilungen von Zinssatz und Zinsbetrag ***Notifications of Rate of Interest and Interest Amount***

Anzahl an Geschäftstagen, nach denen Mitteilung erfolgen muss

Number of Business Days after which Notification has to take place

Ort der bezeichneten Geschäftsstelle der Berechnungsstelle
Place of Specified Office of the Calculation Agent

Nullkupon-Schuldverschreibungen
Zero Coupon Notes

Zinslauf
Accrual of Interest

[Reuters] [insert other information vendor] [insert relevant Screen Page]

[]

[London] [Euro-Zone] [anderes relevantes Finanzzentrum einfügen]
[London] [Euro-Zone] [insert other relevant financial centre]

[London] [anderes relevantes Finanzzentrum einfügen]
[London] [insert other relevant financial centre]

[11.00] [andere relevante Tageszeit einfügen] [Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit
[11.00] [insert other relevant time] [Brussels] [London] [insert other relevant financial centre] time

[Details einfügen]
[insert relevant details]

[Details einfügen]
[insert relevant details]

[] % per annum
[] per cent. per annum

[] % per annum
[] per cent. per annum

am [vierten] [andere relevante Zahl an Geschäftstagen einfügen] Geschäftstag

[fourth] [insert other relevant number of Business Days] Business Day

[]

⁽¹²⁾ ISDA-Feststellung sollte nur dann gewählt werden, wenn die betreffenden Schuldverschreibungen/Pfandbriefe durch eine Dauerglobalurkunde verbrieft werden, weil das ISDA-Agreement und die ISDA Definition den Schuldverschreibungen/Pfandbriefen beizufügen sind.
ISDA Determination should only be applied in the case of Notes/Pfandbriefe represented by a Permanent Global Note because the ISDA Agreement and the ISDA Definitions have to be attached to the relevant Notes/Pfandbriefe.

Emissionsrendite
Amortisation Yield

[] % per annum
[] per cent. per annum

Zinstagequotient
Day Count Fraction

Actual/Actual (ICMA)

Feststellungstermin[e]⁽¹³⁾
Determination Date[s]

[] in jedem Jahr
[] in each year

30/360

Actual/Actual (ISDA) (Actual/365)

Actual/365 (Fixed)

Actual/360

30/360 or 360/360 or Bond Basis

30E/360 or Eurobond Basis

Sonstiges **[angeben]**
Other [specify]

ZAHLUNGEN (§ 4)
PAYMENTS (§ 4)

Zahltag
Payment Business Day

Relevante[s] [Finanzzentrum] [Finanzzentren]

Relevant Financial Centre[s]

[TARGET] [relevante Finanzzentren
einfügen]
[TARGET] [insert relevant financial
centres]

RÜCKZAHLUNG (§ 5)
REDEMPTION (§ 5)

Rückzahlung bei Endfälligkeit
Redemption at Maturity

Schuldverschreibungen außer Raten-Schuldverschreibungen
Notes with the Exception of Instalment Notes

Fälligkeitstag
Maturity Date

[]

Rückzahlungsmonat
Redemption Month

[]

Rückzahlungsbetrag
Final Redemption Amount

Nennbetrag
Principal Amount

Rückzahlungsbetrag

[Rückzahlungsbetrag für jede festge-
legte Stückelung einfügen]

⁽¹³⁾ Einzusetzen sind die regulären Zinszahlungstage, wobei im Falle einer langen oder kurzen ersten bzw. letzten Zinsperiode der Tag der Begebung bzw. der Fälligkeitstag nicht zu berücksichtigen sind. N.B.: Nur einschlägig im Falle des Zinstagequotienten Actual/Actual (ICMA).
Insert regular interest payment dates ignoring issue date or Maturity Date in the case of a long or short first or last interest period. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA).

Final Redemption Amount

[insert Final Redemption Amount in respect of each Specified Denomination]

Raten-Schuldverschreibungen
Instalment Notes

Ratenzahlungstermin[e]
Instalment Date[s]

[]

Rate[n]
Instalment Amount[s]

[]

Vorzeitige Rückzahlung aus steuerlichen Gründen
Early Redemption for Reasons of Taxation

[Ja] [Nein]
[Yes] [No]

Mindestkündigungsfrist
Minimum Notice Period

[30] ***[andere Mindestkündigungsfrist einfügen⁽¹⁴⁾]***
[30] [insert other Minimum Notice Period]

Höchstkündigungsfrist
Maximum Notice Period

[60] ***[andere Höchstkündigungsfrist einfügen]***
[60] [insert other Maximum Notice Period]

Vorzeitige Rückzahlung nach Wahl der Emittentin
Early Redemption at the Option of the Issuer

[Ja] [Nein]
[Yes] [No]

Mindestrückzahlungsbetrag
Minimum Redemption Amount

[]

Erhöhter Rückzahlungsbetrag
Higher Redemption Amount

[]

Wahlrückzahlungstag[e] (Call)
Call Redemption Date[s]

[]

[Wahlrückzahlungsbetrag] [Wahlrückzahlungsbeträge] (Call) []
Call Redemption Amount[s]

Mindestkündigungsfrist
Minimum Notice Period

[5] ***[andere Mindestkündigungsfrist einfügen⁽¹⁵⁾]***
[5] [insert other Minimum Notice Period]

Höchstkündigungsfrist

[60] ***[andere Höchstkündigungsfrist einfügen]***

⁽¹⁴⁾ Falls von den in den Emissionsbedingungen vorgeschlagenen Kündigungsfristen abweichende Kündigungsfristen gewählt werden, sollte die Emittentin die Auswirkungen auf die Informationsvermittlung durch Intermediäre (z.B. durch die Clearing Systeme) sowie auf die weiteren hiermit zusammenhängenden Benachrichtigungsverpflichtungen (z.B. zwischen der Emittentin und den Emissions- bzw. Zahlstellen) berücksichtigen.
If notice periods are specified which are different to those suggested in the Terms and Conditions of the Notes, the Issuer is advised to consider the practicalities of distribution of information through intermediaries (e.g. Clearing Systems), as well as any other notice requirements which may apply (e.g. between the Issuer and the Fiscal and Paying Agents).

⁽¹⁵⁾ Falls von den in den Emissionsbedingungen vorgeschlagenen Kündigungsfristen abweichende Kündigungsfristen gewählt werden, sollte die Emittentin die Auswirkungen auf die Informationsvermittlung durch Intermediäre (z.B. durch die Clearing Systeme) sowie auf die weiteren hiermit zusammenhängenden Benachrichtigungsverpflichtungen (z.B. zwischen der Emittentin und den Emissions- bzw. Zahlstellen) berücksichtigen.
If notice periods are specified which are different to those suggested in the Terms and Conditions of the Notes, the Issuer is advised to consider the practicalities of distribution of information through intermediaries (e.g. Clearing Systems), as well as any other notice requirements which may apply (e.g. between the Issuer and the Fiscal and Paying Agents).

<i>Maximum Notice Period</i>	[60] [insert other Maximum Notice Period]
Mindestkündigungsfrist (Emissionsstelle)	[3] [14] [andere Mindestkündigungsfrist einfügen]
<i>Minimum Notice Period (Fiscal Agent)</i>	[3] [14] [insert other Minimum Notice Period]
Mindestfrist für Wahl-Rückzahlungstag (Call) <i>Minimum Period for Call Redemption Date</i>	[]
Höchstfrist für Wahl-Rückzahlungstag (Call) <i>Maximum Period for Call Redemption Date</i>	[]
Vorzeitige Rückzahlung nach Wahl des Gläubigers⁽¹⁶⁾ <i>Early Redemption at the Option of a Holder</i>	[Ja] [Nein] [Yes] [No]
[Wahlrückzahlungstag] [Wahlrückzahlungstage] (Put) <i>Put Redemption Date[s]</i>	[]
[Wahlrückzahlungsbetrag] [Wahlrückzahlungsbeträge] (Put) [] <i>Put Redemption Amount[s]</i>	[]
Mindestkündigungsfrist <i>Minimum Notice Period</i>	[30] [andere Mindestkündigungsfrist einfügen⁽¹⁷⁾] [30] [insert other Minimum Notice Period]
Höchstkündigungsfrist <i>Maximum Notice Period</i>	[60] [andere Höchstkündigungsfrist einfügen] [60] [insert other Maximum Notice Period]

Vorzeitiger Rückzahlungsbetrag
Early Redemption Amount

Schuldverschreibungen außer Nullkupon-Schuldverschreibungen
Notes with the exception of Zero Coupon Notes

- Rückzahlungsbetrag
Final Redemption Amount
- Sonstiger Rückzahlungsbetrag []
Other Redemption Amount

Nullkupon-Schuldverschreibungen
Zero Coupon Notes

- Referenzpreis []
Reference Price
- Emissionsrendite []
Amortisation Yield

⁽¹⁶⁾ Nicht auszufüllen für Pfandbriefe.
Not to be completed for Pfandbriefe.

⁽¹⁷⁾ Falls von den in den Emissionsbedingungen vorgeschlagenen Kündigungsfristen abweichende Kündigungsfristen gewählt werden, sollte die Emittentin die Auswirkungen auf die Informationsvermittlung durch Intermediäre (z.B. durch die Clearing Systeme) sowie auf die weiteren hiermit zusammenhängenden Benachrichtigungsverpflichtungen (z.B. zwischen der Emittentin und den Emissions- bzw. Zahlstellen) berücksichtigen.
If notice periods are specified which are different to those suggested in the Terms and Conditions of the Notes, the Issuer is advised to consider the practicalities of distribution of information through intermediaries (e.g. Clearing Systems), as well as any other notice requirements which may apply (e.g. between the Issuer and the Fiscal and Paying Agents).

**DIE EMISSIONSSTELLE[,] [UND] DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] (§ 6)
FISCAL AGENT[,] [AND] PAYING AGENT[S] [AND CALCULATION AGENT] (§ 6)**

- Emissionsstelle
Fiscal Agent
- Zahlstelle []
Paying Agent
- Zusätzliche Zahlstelle[n] und deren bezeichneten
Geschäftsstelle[n] []
*Additional Paying Agent[s] and [its] [their]
specified office[s]*
- Berechnungsstelle und deren bezeichnete Geschäftsstelle []
Calculation Agent and its specified office
Vorgeschriebener Ort für Berechnungsstelle []
Required location of Calculation Agent
Mindestkündigungsfrist [30] [andere Mindestkündigungsfrist
einfügen]
Minimum Notice Period [30] [insert other Minimum Notice
Period]
Höchstkündigungsfrist [45] [andere Höchstkündigungsfrist
einfügen]
Maximum Notice Period [45] [insert other Maximum Notice
Period]
- Börse, an der die Schuldverschreibungen notiert sind [relevante Börse einfügen]
Stock Exchange, on which the Notes are listed [insert relevant Stock Exchange]
- Sitz der relevanten Börse []
Location of relevant Stock Exchange

**MITTEILUNGEN (§ [12])
NOTICES (§ [12])**

**Ort und Medium der Bekanntmachung
Place and medium of publication**

- Bundesrepublik Deutschland
Federal Republic of Germany
 - Börsen-Zeitung oder Handelsblatt
Börsen-Zeitung or Handelsblatt
 - Bundesanzeiger
Bundesanzeiger (Federal Gazette)
- Luxemburg (d'Wort oder Tageblatt)
Luxembourg (d'Wort or Tageblatt)
- London (Financial Times)
London (Financial Times)
- Frankreich (La Tribune)
France (La Tribune)
- Schweiz (Neue Zürcher Zeitung und Le Temps)
Switzerland (Neue Zürcher Zeitung and Le Temps)
- Sonstige [angeben] []
Other [specify]

SPRACHE DER BEDINGUNGEN (§ [15])⁽¹⁸⁾
LANGUAGE OF THE CONDITIONS (§ [15])

- ausschließlich Deutsch
German only
- ausschließlich Englisch
English only
- Deutsch und Englisch (deutscher Text maßgeblich)
German and English (German language binding)
- Deutsch und Englisch (englischer Text maßgeblich)
German and English (English language binding)

ANDERE ENDGÜLTIGE BEDINGUNGEN
OTHER FINAL TERMS

- Andere Bedingungen⁽¹⁹⁾
Other Final Terms

[Nicht anwendbar] [Details einfügen]
[Not applicable] [insert details]

⁽¹⁸⁾ In Abstimmung mit der Emittentin festzulegen.
To be determined in consultation with the Issuer.

⁽¹⁹⁾ Falls zusätzliche endgültige Bedingungen eingefügt werden, ist zu bedenken, ob diese zusätzlichen endgültigen Bedingungen „wichtige neue Umstände“ gemäß Artikel 16 der Prospektrichtlinie darstellen. Wäre das der Fall, müsste ein Nachtrag zum DIP-Prospekt erstellt werden.
When adding any additional final terms consideration should be given as to whether such terms constitute “significant new factors” pursuant to Article 16 of the Prospectus Directive and consequently trigger the need for a supplement to the DIP Prospectus.

TEIL B – ZUSÄTZLICHE INFORMATIONEN PART B – OTHER INFORMATION

Notifizierung

Die Bundesanstalt für Finanzdienstleistungsaufsicht [ist ersucht worden,]⁽²⁰⁾ [hat]⁽²¹⁾ [Namen der zuständigen Behörde[n] [des Aufnahmemitgliedstaats] [der Aufnahmemitgliedstaaten] einfügen] eine Bescheinigung über die Billigung des DIP-Prospekts, aus der hervorgeht, dass der DIP-Prospekt gemäß der Prospektrichtlinie erstellt wurde, [zu übermitteln] [übermittelt].

Notification

The Federal Financial Supervisory Authority [has been requested to provide] [has provided] the [insert name[s] of competent [authority] [authorities] of host member state[s]] with a certificate of approval relating to the DIP Prospectus and attesting that the DIP Prospectus has been drawn up in accordance with the Prospectus Directive.

Börsenzulassung[en] und Zulassung[en] zum Handel *Listing[s] and Admission[s] to Trading*

Börsenzulassung[en]

[Ja] [Nein]

Listing[s]

[Yes] [No]

Düsseldorf

Luxembourg

London

SWX Swiss Exchange Zurich

Sonstige

[]

Other

Zulassung[en] zum Handel

Die Zulassung der Schuldverschreibungen zum Handel am [relevanten Markt einfügen] [wird] [wurde] mit Wirkung zum [relevantes Datum einfügen] beantragt [werden].

Admission[s] to Trading

Application [will be] [has been] made for the Notes to be admitted to trading on [insert relevant market] with effect from [insert relevant date].

Geschätzte Gesamtkosten der Zulassung zum Handel⁽²²⁾ []

Estimate of Total Expenses Relating to Admission to Trading

Bedingungen und Konditionen des Angebots

Terms and Conditions of the Offer

Öffentliches Angebot

Das öffentliche Angebot beginnt am [relevantes Datum einfügen] und dauert an bis zum [relevantes Datum einfügen].

⁽²⁰⁾ Im Fall der Emission von Schuldverschreibungen/Pfandbriefen einfügen, die zeitgleich mit der Etablierung oder Aktualisierung des Programms erfolgt.

Insert in the case of an issue of Notes/Pfandbriefe which takes place at the same time at which the Programme is established or updated, as the case may be.

⁽²¹⁾ Im Fall der Emission von Schuldverschreibungen/Pfandbriefen einfügen, die nach der Etablierung oder Aktualisierung des Programms erfolgt.

Insert in the case of an issue of Notes/Pfandbriefe which takes place after the time at which the Programme is established or updated, as the case may be.

⁽²²⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a Specified Denomination of less than Euro 50,000.

Offer to the Public

The offer to the public commences on **[insert relevant date]** and will continue until **[insert relevant date]**.

- Nicht-Öffentliches Angebot
Non-Public Offer

Gründe für das Angebot⁽²³⁾

Reasons for the Offer

Gründe für das Angebot

[]

Reasons for the Offer

[]

Angebotsstatistiken, erwarteter Zeitplan und erforderliche Maßnahmen zur Umsetzung des Angebots⁽²⁴⁾

Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer

Bedingungen, denen das Angebot unterliegt

[Einzelheiten einfügen]

Conditions, to Which the Offer Is Subject

[specify details]

Bedingungen, denen das Angebot unterliegt

[Einzelheiten einfügen]

Conditions, to Which the Offer Is Subject

[specify details]

Gesamtsumme des Angebots, wobei zwischen den zum Verkauf und den zur Zeichnung angebotenen Schuldverschreibungen zu unterscheiden ist. Ist der Betrag nicht festgelegt, Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum

[Einzelheiten einfügen]

Total Amount of the Offer; if the Amount Is Not Fixed, Description of the Arrangements and Time for Announcing to the Public the Definitive Amount of the Offer

[specify details]

Beschreibung des Prozesses für die Umsetzung des Angebots

[Einzelheiten einfügen]

Description of the Application Process

[specify details]

Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner

[Einzelheiten einfügen]

Description of the Possibility to Reduce Subscriptions and the Manner for Refunding Excess Amounts Paid by Applicants

[specify details]

⁽²³⁾ Siehe „Use of Proceeds“ im DIP-Prospekt. Falls die Gründe für das Angebot andere sind als die Erzielung eines Profits und/oder die Absicherung von Risiken, sind diese Gründe einzufügen. Falls solche Gründe eingefügt werden, sind nachfolgend Angaben zum geschätzten Nettoerlös und zu den geschätzten Gesamtkosten zu machen. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

See "Use of Proceeds" in the DIP Prospectus. If the reasons for the offer are different from making profit and/or hedging certain risks insert those reasons. If such reasons are inserted, include disclosure of estimated net proceeds and estimated total expenses. Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽²⁴⁾ Nur im Fall eines öffentlichen Angebots einfügen. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
Insert only in the case of a public offer. Insert only in the case of a Specified Denomination of less than Euro 50,000.

Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)

Details of the Minimum and/or Maximum Amount of Application (Whether in Number of Notes or Aggregate Amount to Invest)

[Einzelheiten einfügen]

[specify details]

Methode und Fristen für die Bedienung der Schuldverschreibungen und ihre Lieferung

Method and Time Limits for Paying Up the Notes and for Their Delivery

[Lieferung gegen Zahlung] [Lieferung frei von Zahlung] **[[Einzelheiten einfügen]**

[Delivery against payment] [Delivery free of payment] [specify details]

Beschreibung des Termins, an dem das Ergebnis des öffentlichen Angebots offengelegt wird, und Art und Weise, in der dies geschehen wird

Description of the Date, on Which the Result of the Offer Will Be Made Public, and the Manner, in Which this Will Take Place

[Einzelheiten einfügen]

[specify details]

Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit der Zeichnungsrechte und die Behandlung der nicht ausgeübten Zeichnungsrechte

The Procedure for the Exercise of any Right of Pre-emption, the Negotiability of Subscription Rights and the Treatment of Subscription Rights not Exercised

[Einzelheiten einfügen]

[specify details]

Plan für die Aufteilung der Schuldverschreibungen und deren Zuteilung⁽²⁵⁾ **Plan of Distribution of the Notes and Their Allotment**

Angabe der verschiedenen Kategorien der potenziellen Investoren, denen die Schuldverschreibungen angeboten werden. Erfolgt das Angebot gleichzeitig auf den Märkten in zwei oder mehreren Ländern und wurde/wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche.

The Various Categories of Potential Investors to Which the Securities Are Offered. If the Offer Is Being Made Simultaneously in the Markets of Two or More Countries and If a Tranche Has Been or Is Being Reserved for Certain of These, Indicate Any Such Tranche.

[Berufsmäßige oder gewerbliche Investoren] [Nicht berufsmäßige oder gewerbliche Investoren] **[Einzelheiten einfügen]**

[Professional Investors] [Non-Professional Investors] [specify details]

Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist.

Process for Notification to Applicants of the Amount Allotted and Indication Whether Dealing May Begin before Notification Is Made.

[Einzelheiten einfügen]

[specify details]

⁽²⁵⁾ Nur im Fall eines öffentlichen Angebots einfügen. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
Insert only in the case of a public offer. Insert only in the case of a Specified Denomination of less than Euro 50,000.

Kursfestsetzung⁽²⁶⁾
Pricing

Angabe des Kurses, zu dem die Schuldverschreibungen angeboten werden, oder der Methode, mittels derer der Angebotskurs festgelegt wird, und des Verfahrens für die Offenlegung. Angabe der Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden.

[Einzelheiten einfügen]

An Indication of the Expected Price at Which the Notes Will Be Offered or the Method of Determining the Price and the Process for Its Disclosure. Indicate the Amount of Any Expenses and Taxes Specifically Charged to the Subscriber or Purchaser.

[specify details]

Platzierung und Emission⁽²⁷⁾
Placing and Underwriting

Name[n] und Anschrift[en] [des Koordinators] [der Koordinatoren] des globalen Angebots oder einzelner Teile des Angebots und – sofern der Emittentin oder dem Anbietenden bekannt – Angaben zu den Platzierern in den einzelnen Ländern des Angebots.

[Einzelheiten einfügen]

Name[s] and Address[es] of the Co-ordinator[s] of the Global Offer and of Single Parts of the Offer of the Notes and, to the Extent Known to the Issuer or to the Offeror, of the Placers in the Various Countries where the Offer Takes Place.

[specify details]

Interessen von Seiten natürlicher oder juristischer Personen, die an der Emission bzw. dem Angebot beteiligt sind

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- Mit Ausnahme der an [den Manager] [das Bankenkonsortium] zu zahlenden Gebühren haben die an der Emission bzw. dem Angebot der Schuldverschreibungen beteiligten Personen – soweit die Emittentin hiervon Kenntnis hat – kein materielles Interesse an der Emission bzw. dem Angebot.
Save for the fees payable to the [Manager] [Management Group], so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.

- Andere Interessen

[jegliches Interesse, das für die Emission bzw. das Angebot von ausschlaggebender Bedeutung ist, unter Spezifizierung der involvierten Personen und der Wesensart der Interessensarten einfügen]

Other Interests

[insert any interest material to the issue or the offering, specifying persons involved and types of interest]

⁽²⁶⁾ Nur im Fall eines öffentlichen Angebots einfügen. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a public offer. Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽²⁷⁾ Nur im Fall eines öffentlichen Angebots einfügen. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a public offer. Insert only in the case of a Specified Denomination of less than Euro 50,000.

Vertriebsmethode
Method of Distribution

- Nicht syndiziert
Non-Syndicated
- Syndiziert
Syndicated

Datum des Übernahmevertrags⁽²⁸⁾ []
Date of Subscription Agreement

Einzelheiten bezüglich des Managers bzw. des Bankenkonsortiums
Details with regard to the Manager or the Management Group

- Manager **[Namen [und Adresse]⁽²⁹⁾ des Managers einfügen]**

Manager **[insert name [and address] of Manager]**
 - Feste Übernahmeverpflichtung
Firm Commitment
 - Ohne feste Übernahmeverpflichtung
Without Firm Commitment
- Bankenkonsortium **[Namen [und Adressen sowie eingegangene Übernahmeverpflichtungen]⁽³⁰⁾ der Manager einfügen]**

Management Group **[insert names [and addresses and under-writing commitments] of Managers]**
 - Feste Übernahmeverpflichtung
Firm Commitment
 - Ohne feste Übernahmeverpflichtung
Without Firm Commitment
- Kursstabilisierender Manager **[Einzelheiten einfügen] [Keiner]**
Stabilising Manager **[insert details/None] [None]**

Sekundärhandel
Secondary Trading

- verbindliche Zusage, als Intermediär[e] im Sekundärhandel tätig zu sein **[Namen und Adressen sowie Einzelheiten der eingegangenen Zusage der Manager einfügen]⁽³¹⁾**

binding commitment to act as [intermediary] [intermediaries] in secondary trading **[insert names and addresses of the Managers and details of the commitment entered into by the Managers]**

⁽²⁸⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽²⁹⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽³⁰⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen. Es sind die Namen und Adressen der (juristischen) Personen einzufügen, die sich zu der Übernahme der Emission verpflichten bzw. die sich zu der Platzierung der Emission ohne eine feste Übernahmeverpflichtung oder auf der Grundlage einer „best efforts“ Zusage verpflichten, sofern es sich bei diesen (juristischen) Personen nicht um die Manager handelt.

Insert only in the case of a Specified Denomination of less than Euro 50,000. Insert names and addresses of entities agreeing to underwrite the issue on a firm commitment basis or to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.

⁽³¹⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a Specified Denomination of less than Euro 50,000.

- unverbindliche Zusage, als Intermediär[e] im Sekundärhandel tätig zu sein
non-binding commitment to act as [intermediary] [intermediaries] in secondary trading
- keine Zusage [der Manager] [des Managers] als Intermediär[e] im Sekundärhandel tätig zu sein
no commitment of the Manager[s] to act as [intermediary] [intermediaries] in secondary trading

**[Namen und Adressen sowie Einzelheiten der eingegangenen Zusage der Manager einfügen]⁽³²⁾
*[insert names and addresses of the Managers and details of the commitment entered into by the Managers]***

**Provisionen
Commissions**

- Management- und Übernahmeprovision []
Management and Underwriting Commission
 - Verkaufsprovision []
Selling Concession
 - Börsenzulassungsprovision []
Listing Commission
 - Andere []
Other
- Gesamtprovision⁽³³⁾ [] % des Gesamtnennbetrags
Total Commission and Concession [] *per cent. of the Aggregate Principal Amount*

**Geschätzter Nettoerlös und geschätzte Gesamtkosten
Estimated Net Proceeds and Estimated Total Expenses**

- Geschätzter Nettoerlös []⁽³⁴⁾
Estimated net proceeds
- Geschätzte Gesamtkosten **[Aufstellung der Kosten einfügen]**
Estimated total expenses ***[insert breakdown of expenses]***

⁽³²⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽³³⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽³⁴⁾ Falls der Erlös für mehr als einen Zweck verwendet werden soll, sind die verschiedenen Zwecke in der Reihenfolge ihrer Bedeutung anzuführen. Falls der geschätzte Nettoerlös nicht ausreichen wird, um die vorgeschlagenen Verwendungszwecke zu finanzieren, sind außerdem der Betrag und die Quellen anderer benötigter Mittel anzugeben. Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
If the proceeds are intended for more than one use present the different ways in which the proceeds will be used in order of priority. In addition, if the estimated net proceeds will not be sufficient to fund the identified use of proceeds, insert the amount and sources of other funds needed. Insert only in the case of a Specified Denomination of less than Euro 50,000.

Ratings

Die Schuldverschreibungen haben das folgende Rating:⁽³⁵⁾

Standard & Poor's: [relevantes Rating einfügen]⁽³⁶⁾

Moody's: [relevantes Rating einfügen]

Fitch Ratings: [relevantes Rating einfügen]

Sonstige: [relevantes Rating einfügen]

The Notes have been rated as follows:

Standard & Poor's: [insert relevant Rating]

Moody's: [insert relevant Rating]

Fitch Ratings: [insert relevant Rating]

Other: [insert relevant Rating]

□ Emissionsrendite⁽³⁷⁾

Issue Yield

Erwartete Rendite (Die erwartete Rendite wird am Tag der Begebung und auf der Basis des Ausgabepreises berechnet. Daher wird keine Aussage über die zukünftig zu erwartende Rendite gemacht.)

[] [, berechnet nach der ICMA Methode, nach der die Effektivverzinsung von Schuldverschreibungen unter Berücksichtigung der täglichen Stückzinsen ermittelt wird] [andere Berechnungsmethode der Erwarteten Rendite in Kurzform einfügen]⁽³⁸⁾

Anticipated Yield (The anticipated yield is calculated at the Issue Date on the basis of the Issue Price. Therefore, no statement can be made with regard to future yield.)

[] [, calculated in accordance with the ICMA method, which determines the effective interest rate of notes by taking into account accrued interest on a daily basis] [insert other method of calculating the Anticipated Yield in abbreviated form]

□ Zinssätze in der Vergangenheitsbetrachtung⁽³⁹⁾

Historic Interest Rates

Einzelheiten hinsichtlich der Entwicklung des Referenzzinssatzes können auf Bildschirmseite [relevante Bildschirmseite einfügen] abgerufen werden.

Details relating to the performance of the Reference Interest Rate can be obtained from Screen Page [insert relevant Screen Page].

⁽³⁵⁾ Falls die Schuldverschreibungen/Pfandbriefe Ratings erhalten haben, sind diese Ratings einzufügen. Ansonsten sind die Ratings einzufügen, die die Emittentin (im Fall von Schuldverschreibungen) oder die Pfandbriefe erhalten haben.

If the Notes/Pfandbriefe have been rated insert such ratings. Otherwise insert the ratings allocated to the Issuer (in the case of Notes) or the Pfandbriefe.

⁽³⁶⁾ Falls die Rating-Agentur eine Erklärung über die Bedeutung des Ratings veröffentlicht hat, ist diese Erklärung in Kurzform einzufügen. Dies gilt nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000

If the rating agency has published an explanation of the meaning of the rating insert such explanation in the abbreviated form. This applies only in the case of a Specified Denomination of less than Euro 50,000.

⁽³⁷⁾ Nur im Fall von festverzinslichen Schuldverschreibungen/Pfandbriefen einfügen.

Insert only in the case of Fixed Rate Notes/Pfandbriefe.

⁽³⁸⁾ Nur im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of a Specified Denomination of less than Euro 50,000.

⁽³⁹⁾ Nur im Fall von variabel verzinslichen Schuldverschreibungen/Pfandbriefen und im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.

Insert only in the case of Floating Rate Notes/Pfandbriefe and in the case of a Specified Denomination of less than Euro 50,000.

- Einzelheiten hinsichtlich der Entwicklung des Referenzzinssatzes; Erklärung darüber, wie die Entwicklung des Referenzzinssatzes den Wert der Anlage beeinträchtigen kann; hiermit zusammenhängende Risiken und weitere Informationen, die sich auf den Referenzzinssatz beziehen⁽⁴⁰⁾
Details Relating to the Performance of the Reference Interest Rate; Explanation of How Performance Effects Value of Investment; Associated Risks and Other Information Concerning the Reference Interest Rate

[Einzelheiten einfügen in Bezug darauf, wo (i) Informationen (a) hinsichtlich der Entwicklung des Referenzzinssatzes in der Vergangenheit, (b) hinsichtlich der Entwicklung des Referenzzinssatzes in der Zukunft, (c) hinsichtlich der Volatilität des Referenzzinssatzes, (ii) eine umfassende Beschreibung etwaiger Vorfälle, die eine Marktzerüttung oder eine Unterbrechung der Abrechnung bewirken und sich auf den Referenzzinssatz auswirken, (iii) eine umfassende Beschreibung etwaiger Anpassungsregeln bei Vorfällen, die den Referenzzinssatz beeinflussen, sofern diese noch nicht in den Emissionsbedingungen erfasst worden sind, (iv) eine klare und umfassende Erklärung darüber, wie der Wert der Anlage durch den Referenzzinssatz beeinflusst wird, und (v) eine Darstellung der Umstände, in denen das Anlagerisiko am größten und am offensichtlichsten ist, erhalten werden können. Sofern möglich, sind Grafiken und/oder Beispiele beizufügen. Fällt der Referenzzinssatz nicht unter eine der oben angegebenen Kategorien, sind gleichwertige Informationen einzufügen.]

[Insert details on how (i) information relating to (a) past performance of the Reference Interest Rate, (b) future performance of the Reference Interest Rate, (c) volatility of the Reference Interest Rate, (ii) a comprehensive description of any market disruption or settlement disruption events affecting the Reference Interest Rate, (iii) a comprehensive description of any adjustment rules relating to events concerning the Reference Interest Rate and not already dealt with in the Terms and Conditions of the Notes, (iv) a clear and comprehensive explanation of how the value of the investment is affected by the Reference Interest Rate and (v) information relating to the circumstances in which investment risk is greatest and most evident can be obtained. If possible, provide charts and/or examples. Insert equivalent information where the Reference Interest Rate does not fall within the categories specified above.]

- Zusätzliche Risikofaktoren⁽⁴¹⁾**
Additional Risk Factors
- Zusätzliche Steueroffenlegung⁽⁴²⁾** []
Additional Tax Disclosure
- Zusätzliche Verkaufsbeschränkungen** []
Additional Selling Restrictions

Wertpapierkennnummern
Security Identification Codes

- Common code []
Common Code
- ISIN Code []
 ISIN Code

⁽⁴⁰⁾ Nur im Fall von variabel verzinslichen Schuldverschreibungen/Pfandbriefen und im Fall einer festgelegten Stückelung von weniger als Euro 50.000 einfügen.
Insert only in the case of Floating Rate Notes/Pfandbriefe and in the case of a Specified Denomination of less than Euro 50,000.

⁽⁴¹⁾ Es sind etwaige produktspezifische Risikofaktoren, die nicht im Abschnitt „Risk Factors“ im DIP-Prospekt enthalten sind, einzufügen. Falls solche zusätzlichen Risikofaktoren einzufügen sind, ist zu bedenken, ob sie „wichtige neue Umstände“ gemäß Artikel 16 der Prospektrichtlinie darstellen. Wäre dies der Fall, müsste ein Nachtrag zum DIP-Prospekt erstellt werden.
Insert any product specific risk factors which are not covered under “Risk Factors” in the DIP Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute “significant new factors” pursuant to Article 16 of the Prospectus Directive and consequently trigger the need for a supplement to the DIP Prospectus.

⁽⁴²⁾ Quellensteuerangaben für Aufnahmestaaten, in denen ein öffentliches Angebot für die Schuldverschreibungen abgegeben wird oder in denen die Zulassung der Schuldverschreibungen zum Handel beantragt wird, einfügen.
Insert information relating to withholding taxes in host member states in which the Notes will be publicly offered or an admission to trading of the Notes is being sought.

- Wertpapierkennnummer (WKN) []
German Security Code
- Sonstige Wertpapiernummer []
Any Other Security Code

**[Börsenzulassungsantrag und Antrag auf Zulassung zum Handel:⁽⁴³⁾
Listing and Admission to Trading Application:**

Diese endgültigen Bedingungen enthalten die endgültigen Bedingungen, die für die Börsenzulassung und die Zulassung zum Handel der in diesen endgültigen Bedingungen beschriebenen Emission von Schuldverschreibungen unter dem Programm (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind.

*These Final Terms comprise the final terms required to list and to have admitted to trading the issue of Notes described herein pursuant to the Programme (as from **[insert issue date of the Notes]**).*

Die Emittentin übernimmt die Verantwortung für die in diesen endgültigen Bedingungen enthaltenen Informationen. **[[relevante Informationen einfügen]** wurde[n] aus **[relevante Informationsquelle einfügen]** exzerpiert. Die Emittentin bestätigt, dass diese Information[en] genau wiedergegeben wurde[n] und dass – soweit die Emittentin hiervon Kenntnis hat und anhand von Information[en], die von **[relevante Informationsquelle einfügen]** veröffentlicht wurde[n], hat feststellen können – keine Fakten ausgelassen wurden, aufgrund derer die wiedergegebene[n] Information[en] ungenau oder irreführend sein könnte[n].]

*The Issuer accepts responsibility for the information contained in these Final Terms. **[[insert relevant information]** has been extracted from **[insert relevant source of information]**. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by **[insert relevant source from which information was ascertained]**, no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

Düsseldorfer Hypothekenbank Aktiengesellschaft

[authorised signatory]

[authorised signatory]

⁽⁴³⁾ Nur in derjenigen Fassung der endgültigen Bedingungen einzufügen, die der betreffenden Börse, an der die Schuldverschreibungen/Pfandbriefe zugelassen werden sollen, vorgelegt wird.
Insert only in the version of the Final Terms which will be submitted to the relevant stock exchange in the case of Notes/Pfandbriefe to be listed on such stock exchange.

TERMS AND CONDITIONS OF THE NOTES

GERMAN LANGUAGE VERSION (DEUTSCHE FASSUNG DER EMISSIONSBEDINGUNGEN)

Die Bedingungen der Schuldverschreibungen (die **Emissionsbedingungen**) sind nachfolgend in zwei Teile gegliedert:

TEIL 1 enthält als Grundbedingungen (die **Grundbedingungen**) Bedingungen (i) für Serien von Inhaberschuldverschreibungen, die keine Pfandbriefe sind und durch Globalurkunden verbrieft sind (TEIL 1A.), (ii) für Serien von Pfandbriefen, die durch Globalurkunden verbrieft sind (TEIL 1B.), und (iii) für Serien von Jumbo-Pfandbriefen (TEIL 1C.).

TEIL 2 enthält als Zusatz (der **Zusatz**) zu den Grundbedingungen TEIL 1A. und TEIL 1B. Bedingungen für Serien von Schuldverschreibungen (einschließlich Pfandbriefe), die durch Einzelurkunden verbrieft sind.

Die Grundbedingungen und der Zusatz bilden zusammen die Emissionsbedingungen.

[Diese Serie von Inhaberschuldverschreibungen (die **Schuldverschreibungen**)] [Diese Serie von Hypothekendarlehen (die **Schuldverschreibungen**)] [Diese Serie von Öffentlichen Pfandbriefen (die **Schuldverschreibungen**)] wird gemäß einem Agency Agreement vom 7. Juli 2006 (in seiner jeweiligen abgeänderten, ergänzten bzw. neu gefassten Fassung das **Agency Agreement**) zwischen Düsseldorf Hypothekendarlehenbank Aktiengesellschaft als Emittentin (die **Emittentin**), Deutsche Bank Aktiengesellschaft als Emissionsstelle (die **Emissionsstelle**), wobei dieser Begriff die nach dem Agency Agreement etwa nachfolgenden Emissionsstellen einschließt) und den anderen darin genannten Parteien begeben. Kopien des Agency Agreement können kostenlos bei der bezeichneten Geschäftsstelle der Emissionsstelle, bei den bezeichneten Geschäftsstellen einer jeden Zahlstelle (wie nachstehend angegeben) sowie bei der Hauptgeschäftsstelle der Emittentin bezogen werden.

[falls nicht-konsolidierte Bedingungen Anwendung finden:

Die auf die Schuldverschreibungen anwendbaren Bedingungen (die **Emissionsbedingungen**) gelten für die Schuldverschreibungen so, wie sie durch die Bestimmungen der beigefügten endgültigen Bedingungen (die **endgültigen Bedingungen**) vervollständigt, geändert, ergänzt oder ganz oder teilweise ersetzt werden.

Die Leerstellen in den anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den endgültigen Bedingungen enthaltenen Angaben ausgefüllt, so als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären;

sofern die endgültigen Bedingungen Änderungen, Ergänzungen oder die (vollständige oder teilweise) Ersetzung bestimmter Emissionsbedingungen vorsehen, gelten die betreffenden Bestimmungen der Emissionsbedingungen als entsprechend geändert, ergänzt oder ersetzt;

alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den endgültigen Bedingungen nicht ausdrücklich ausgefüllt oder die gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen;

sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Emissionsbedingungen gestrichen, so dass die Bestimmungen der endgültigen Bedingungen Geltung erhalten.]

ENGLISH LANGUAGE VERSION

The terms and conditions of the notes (the **Terms and Conditions of the Notes**) are set forth below in two Parts:

PART 1 sets out the basic terms (the **Basic Terms**) comprising terms and conditions that apply (i) to series of bearer notes (other than Pfandbriefe) which are represented by global notes (PART 1A.), (ii) to series of Pfandbriefe which are represented by global notes (PART 1B.) and (iii) to series of Jumbo-Pfandbriefe (PART 1C.).

PART 2 sets forth as supplement to PART 1A. and PART 1B. (the **Supplement**) to the Basic Terms, terms and conditions that apply to series of notes (including Pfandbriefe) represented by definitive notes.

The Basic Terms and the Supplement together constitute the Terms and Conditions of the Notes.

This [series of bearer notes (the **Notes**)] [series of Mortgage Pfandbriefe (the **Notes**)] [series of Public Sector Pfandbriefe (the **Notes**)] is issued pursuant to an agency agreement dated 7 July 2006 (such Agreement as amended, supplemented and/or restated from time to time, the **Agency Agreement**) between Düsseldorf Hypothekendarlehenbank Aktiengesellschaft as issuer (the **Issuer**), Deutsche Bank Aktiengesellschaft as fiscal agent (the **Fiscal Agent**, which expression shall include any successor fiscal agent thereunder) and the other parties named therein. Copies of the Agency Agreement may be obtained free of charge at the specified office of the Fiscal Agent, at the specified office of any Paying Agent (as specified below) and at the principal office of the Issuer.

[in the case of Long-Form Conditions insert:

The provisions of these terms and conditions apply to the Notes (the **Terms and Conditions of the Notes**) as completed, modified, supplemented or replaced, in whole or in part, by the terms of the final terms attached hereto (the **Final Terms**).

The blanks in the provisions of these Terms and Conditions of the Notes which are applicable shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions;

any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions of the Notes shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions of the Notes;

alternative or optional provisions of these Terms and Conditions of the Notes as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions of the Notes;

all provisions of these Terms and Conditions of the Notes which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions of the Notes, as required to give effect to the terms of the Final Terms.]

TEIL I – GRUNDBEDINGUNGEN

A. EMISSIONSBEDINGUNGEN FÜR INHABERSCHULDVERSCHREIBUNGEN (AUSGENOMMEN (JUMBO-)PFANDBRIEFE)

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung, Stückelung.* Diese Tranche der Schuldverschreibung wird von der Emittentin in **[festgelegte Währung einfügen]** (die **festgelegte Währung**) im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in [der] [den] Stückelung[en] von **[festgelegte Stückelung(en) einfügen]** (die **festgelegte[n] Stückelung[en]**) begeben. **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen:** Die Schuldverschreibungen werden mit den am **[Tag der Begebung der bereits begebenen Emission einfügen]** begebenen **[Beschreibung der bereits begebenen Emission einfügen]** (die **Originalschuldverschreibungen**) zu einer einzigen Serie zusammengefasst.]

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) ohne Zinsscheine verbrieft **[im Fall von Schuldverschreibungen, in deren Zusammenhang Zinszahlungsansprüche entstehen (können), einfügen:** ; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch eine Dauerglobalurkunde mitverbrieft]. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, die gegen eine Dauerglobalurkunde ausgetauscht werden soll, einfügen:

(3) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **vorläufige Globalurkunde**) ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in [der] [den] festgelegten Stückelung[en], die durch eine Dauerglobalurkunde (die **Dauerglobalurkunde** und, zusammen mit der vorläufigen Globalurkunde, die **Globalurkunden**) ohne Zinsscheine verbrieft sind, ausgetauscht **[im Fall von Schuldverschreibungen, in deren Zusammenhang Zinszahlungsansprüche entstehen (können), einfügen:** ; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die relevante Globalurkunde mitverbrieft]. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen die Dauerglobalurkunde in der

PART I – BASIC TERMS

A. TERMS AND CONDITIONS OF THE NOTES IN BEARER FORM (OTHER THAN (JUMBO-)PFANDBRIEFE)

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This tranche of Notes is being issued by the Issuer in **[insert specified currency]** (the **Specified Currency**) in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in the denominations of **[insert Specified Denomination(s)]** (the **Specified Denomination(s)**). **[in the case of Notes which will increase an existing issue of Notes insert:** The Notes will be consolidated and form a single series with the **[insert description of the existing issue of Notes]** issued on **[insert issue date of the existing issue of Notes]** (the **Original Notes**).

(2) *Form.* The Notes are being issued in bearer form.

[in the case of Notes which are exclusively represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the **Permanent Global Note**) without coupons **[in the case of Notes under which claims for interest payments (may) arise insert:** ; any claim for interest payments under the Notes is represented by the Permanent Global Note]. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and shall be authenticated manually or in facsimile by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

[in the case of Notes which are initially represented by a Temporary Global Note, which will be exchanged for a Permanent Global Note, insert:

(3) *Temporary Global Note – Exchange for Permanent Global Note*

(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination[s] represented by a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**) without coupons **[in the case of Notes under which claims for interest payments (may) arise insert:** ; any claim for interest payments under the Notes is represented by the relevant Global Note]. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated manually or in facsimile by or on behalf of the Fiscal Agent. Definitive Notes and coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note in the form and subject to

in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegt. Der Austausch darf nicht weniger als 40 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegen. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden, denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern. **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstücken, einfügen:** Im Zuge des Austauschs der vorläufigen Globalurkunde gegen die Dauerglobalurkunde werden die Schuldverschreibungen mit den Originalschuldverschreibungen zu einer einzigen Serie zusammengefasst.]]

(4) *Clearing System.* Die Globalurkunden werden von einem oder im Namen eines Clearing Systems verwahrt, im Falle der Dauerglobalurkunde bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **Clearing System** bezeichnet **[bei mehr als einem Clearing System einfügen:** jeweils: [Clearstream Banking AG, Frankfurt am Main (CBF)] [,] [und] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [und] [Euroclear Bank S.A./N.V., als Betreiberin des Euroclear Systems (Euroclear)] [,] [und] **[anderes Clearing System angeben]** und jeder Funktionsnachfolger.

(5) *Gläubiger von Schuldverschreibungen.* **Gläubiger** bezeichnet jeden Inhaber von Miteigentumsanteilen oder anderen Rechten an der Globalurkunde, die in Übereinstimmung mit den Bestimmungen des Clearing Systems auf einen neuen Gläubiger übertragen werden können.

§ 2 STATUS

Die Schuldverschreibungen begründen direkte, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

§ 3 ZINSEN

[bei festverzinslichen Schuldverschreibungen einfügen:

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden auf der Grundlage ihres Nennbetrags verzinst, und zwar **[bei Stufenzinsschuldverschreibungen einfügen:** in dem Zeitraum] vom **[Verzinsungsbeginn einfügen]** (der **Verzinsungsbeginn**) (einschließlich) bis zum

the conditions provided in subparagraph (a) above on a date (the **Exchange Date**) not later than 180 days after the issue date of the Temporary Global Note. The Exchange Date shall not be earlier than 40 days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the issue date of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)). **[in the case of Notes which will increase an existing issue of Notes insert:** Upon exchange of the Temporary Global Note for the Permanent Global Note, the Notes will be consolidated and form a single series with the Original Notes.]]

(4) *Clearing System.* The Global Notes will be kept in custody by or on behalf of a Clearing System, in the case of the Permanent Global Note until all obligations of the Issuer under the Notes have been satisfied. **Clearing System** means **[if more than one Clearing System insert:** each of] the following: [Clearstream Banking AG, Frankfurt am Main (CBF)][,] [and] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [and] [Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear)] [,] [and] **[specify other Clearing System]** and any successor in such capacity.

(5) *Holder of Notes.* **Holder** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

§ 2 STATUS

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated present and future obligations of the Issuer unless such other obligations take priority by mandatory provisions of law.

§ 3 INTEREST

[in the case of Fixed Rate Notes insert:

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of **[insert in the case of Fixed Rate Notes without any change in the Rate of Interest until Maturity the relevant Rate of Interest which will remain unchanged until Maturity]** [in-

[bei festverzinslichen Schuldverschreibungen ohne Wechsel des Zinssatzes bis zum Fälligkeitstag einfügen: Fälligkeitstag (wie in § 5 (1) definiert)] [bei Stufenzinsschuldverschreibungen den (ersten) Zinszahlungstag einfügen, an dem der Zinssatz steigt oder fällt] (ausschließlich) mit [bei festverzinslichen Schuldverschreibungen ohne Wechsel des Zinssatzes den Zinssatz, der bis zur Fälligkeit unverändert bleibt, einfügen] [bei Stufenzinsschuldverschreibungen den für die erste Zinsperiode relevanten Zinssatz einfügen] % *per annum* [bei Stufenzinsschuldverschreibungen einfügen: [,] [und] in dem Zeitraum vom [(ersten) Zinszahlungstag, an dem der Zinssatz steigt oder fällt, einfügen] (einschließlich) bis zum [zweiten Zinszahlungstag einfügen, an dem der Zinssatz steigt oder fällt] [falls es keinen weiteren Wechsel des Zinssatzes geben wird, einfügen: Fälligkeitstag (wie in § 5 (1) definiert)] (ausschließlich) mit [zweiten Zinssatz einfügen] % *per annum* [falls es einen weiteren Wechsel des Zinssatzes gibt, einfügen: und in dem Zeitraum vom [zweiten Zinszahlungstag, an dem sich der Zinssatz ändert, einfügen] (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit [relevanten Zinssatz einfügen] % *per annum*]. [Weitere Zinswechsel sowie weitere Zinsperioden sind nach Bedarf und, falls erforderlich, in Tabellenform einzufügen.] Die Zinsen sind nachträglich am [Zinszahlungstage einfügen] eines jeden Jahres zahlbar (jeweils ein Zinszahlungstag). Die erste Zinszahlung erfolgt am [ersten Zinszahlungstag einfügen] [sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, einfügen: und beläuft sich auf [anfänglichen Bruchteilszinsbetrag für die erste festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [erste festgelegte Stückelung einfügen] und [weitere anfängliche Bruchteilszinsbeträge für jede weitere festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [weitere festgelegte Stückelungen einfügen]]. [falls der Fälligkeitstag kein regulärer Zinszahlungstag ist, einfügen: Die Zinsen für den Zeitraum vom [den letzten dem Fälligkeitstag vorausgehenden Zinszahlungstag einfügen] (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf [abschließenden Bruchteilszinsbetrag für die erste festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [erste festgelegte Stückelung einfügen] und [weitere abschließende Bruchteilszinsbeträge für jede weitere festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [weitere festgelegte Stückelungen einfügen].

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, der (gemäß diesem § 3 zu bestimmende) auf die Schuldverschreibungen zu zahlende Zinssatz ist höher als der Verzugszinssatz; in letzterem Fall bleibt der auf die Schuldverschreibungen zu zahlende Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.

(3) *Berechnung des Zinsbetrags.* Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen Zeitraum von weniger oder mehr als einem Jahr zu berech-

sert in the case of step-up or step-down Notes the Rate of Interest for the first interest period] per cent. *per annum* [insert in the case of step-up or step-down Notes: in the period] from, and including, [insert Interest Commencement Date] (the Interest Commencement Date) to, but excluding, [insert in the case of Fixed Rate Notes without any change in the Rate of Interest until Maturity: the Maturity Date (as defined in § 5 (1))] [in the case of step-up or step-down Notes insert (first) Interest Payment Date, on which the rate of interest increases or decreases] [insert in the case of step-up or step-down Notes: [,] [and] at the rate of [insert second Rate of Interest] per cent. *per annum* in the period from, and including, [insert first Interest Payment Date, on which the rate of interest increases or decreases] to, but excluding, [insert second Interest Payment Date, on which the Rate of Interest increases or decreases again] [insert if there will be no further increase or decrease of the Rate of Interest: the Maturity Date (as defined in § 5 (1))] [insert in the case of another change of the Rate of Interest: and at the rate of [insert relevant Rate of Interest] per cent. *per annum* in the period from, and including, [insert second Interest Payment Date, on which the Rate of Interest increases or decreases] to, but excluding the Maturity Date (as defined in § 5 (1)). [Insert further increases or decreases in the Rate of Interest and further Interest Periods, as applicable, and in table form, if necessary.] Interest shall be payable in arrear on [insert Interest Payment Dates] in each year (each such date, an Interest Payment Date). The first payment of interest shall be made on [insert first Interest Payment Date] [if first Interest Payment Date is not first anniversary of Interest Commencement Date insert: and will amount to [insert Initial Broken Amount per first Specified Denomination] per Note in a denomination of [insert first Specified Denomination] and [insert further Initial Broken Amount(s) per further Specified Denomination] per Note in a denomination of [insert further Specified Denomination(s)]. [if the Maturity Date is not a regular Interest Payment Date insert: Interest in respect of the period from, and including, [insert Interest Payment Date preceding the Maturity Date] to, but excluding, the Maturity Date will amount to [insert Final Broken Amount per first Specified Denomination] per Note in a denomination of [insert first Specified Denomination] and [insert further Final Broken Amount(s) per further Specified Denomination] per note in a denomination of [insert further Specified Denomination(s)].

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the rate of interest payable under the Notes (which shall be determined in accordance with this § 3) is higher than the Default Rate of Interest, in which event the rate of interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.

(3) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for a period of less or more than a full year, such

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (*BGB*).

nen ist, erfolgt die Berechnung des Zinsbetrags, indem der Zinssatz oder gegebenenfalls der Verzugszinssatz auf jede festgelegte Stückelung angewendet wird, diese Summe mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und das hieraus resultierende Ergebnis auf die nächste Untereinheit der festgelegten Währung gerundet wird, wobei eine halbe Untereinheit aufgerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktconvention erfolgt.]

[bei variabel verzinslichen Schuldverschreibungen, deren Zinssatz mittels Bildschirmfeststellung ermittelt wird, einfügen:

(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden in der Höhe ihres Nennbetrags ab dem **[Verzinsungsbeginn einfügen]** (der **Verzinsungsbeginn**) (einschließlich) bis zum ersten Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) **Zinszahlungstag** bedeutet

[im Fall von festgelegten Zinszahlungstagen einfügen: jeder **[festgelegte Zinszahlungstage einfügen].]**

[im Fall von festgelegten Zinsperioden einfügen: (so weit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der **[relevante Zahl einfügen]** [Wochen] [Monate] **[andere festgelegte Zinsperiode einfügen]** nach dem vorausgehenden Zinszahlungstag oder, im Falle des ersten Zinszahlungstags, nach dem Verzinsungsbeginn liegt.]

(c) Sofern (i) es in dem Kalendermonat, in den der Zinszahlungstag fallen sollte, keinen entsprechend nummerierten Tag gibt oder (ii) ein Zinszahlungstag ansonsten auf einen Tag fiel, der kein **[TARGET]** (wie nachstehend definiert) [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

[bei Anwendung der Modified Following Business Day Convention einfügen: auf den nächstfolgenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag verschoben, es sei denn, der Zinszahlungstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag vorgezogen.]

[bei Anwendung der FRN Convention einfügen: im Fall von (i) auf den letzten **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag im jeweiligen Monat verschoben, wobei jeder nachfolgende Zinszahlungstag der jeweils letzte **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag des Monats ist, der **[relevante Zahl einfügen]** [Monate] **[andere festgelegte Zinsperiode einfügen]** nach dem vorausgehenden anwendbaren Zinszahlungstag liegt, und im Fall von (ii) auf den nächstfolgenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag verschoben, es sei denn, der Zinszahlungstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Ge-

amount of interest shall be calculated by applying the rate of interest or the Default Rate of Interest (as applicable) to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.]

[in the case of Floating Rate Notes whose Rate of Interest shall be determined by Screen Rate Determination insert:

(1) *Interest Payment Dates.*

(a) The Notes bear interest on their principal amount from, and including, **[insert Interest Commencement Date]** (the **Interest Commencement Date**) to, but excluding, the first Interest Payment Date (as defined below) and thereafter from, and including, each Interest Payment Date to, but excluding, the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

(b) **Interest Payment Date** means

[in the case of specified Interest Payment Dates insert: each **[insert specified Interest Payment Dates].]**

[in the case of specified Interest Periods insert: each date which (except as otherwise provided for in these Terms and Conditions of the Notes) falls **[insert relevant number]** [weeks] [months] **[insert other specified Interest Periods]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

(c) If (i) there is no numerically corresponding day in the calendar month into which an Interest Payment Date should fall or (ii) any Interest Payment Date would otherwise fall on a day which is not a **[TARGET]** (as defined below) [,] [London] [and] **[insert other relevant financial centres]** Business Day (as defined below), the Interest Payment Date shall be:

[if Modified Following Business Day Convention insert: postponed to the next day which is a **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day unless the Interest Payment Date would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day.]

[if FRN Convention insert: in the case of (i) postponed to the last day that is a **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day in the relevant month with each subsequent Interest Payment Date being the last **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day in the month which falls **[insert relevant number]** [months] **[insert other specified Interest Period]** after the preceding applicable Interest Payment Date, or in the case of (ii) postponed to the next day which is a **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day unless the Interest Payment Date would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day and each subsequent Interest Payment

schäftstag vorgezogen und ist jeder nachfolgende Zinszahlungstag der jeweils letzte [TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] Geschäftstag des Monats, der [relevante Zahl einfügen] Monate [andere festgelegten Zinsperiode einfügen] nach dem vorausgehenden anwendbaren Zinszahlungstag liegt.]

[bei Anwendung der Following Business Day Convention einfügen: auf den nächstfolgenden [TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention einfügen: auf den unmittelbar vorausgehenden [TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] Geschäftstag vorgezogen.]

- (d) In diesem § 3 bezeichnet [TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System [und das Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET oder TARGET System) geöffnet sind] [ist] [und Geschäftsbanken (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind und Zahlungen in [London] [und] [sämtliche relevanten Finanzzentren einfügen] abwickeln.

(2) **Zinssatz.** [im Fall von Bildschirmfeststellung einfügen: Der Zinssatz (der **Zinssatz**) für jede Zinsperiode (wie nachstehend definiert) ist [im Fall von umgekehrt variabel verzinslichen Schuldverschreibungen einfügen: die von der Berechnungsstelle berechnete und als Prozentsatz *per annum* ausgedrückte Differenz aus [relevanten Zinssatz einfügen] % und dem] [der] [relevanten Referenzzinssatz einfügen] (der **Referenzzinssatz**); hierbei handelt es sich um:

- (a) den Angebotssatz (ausgedrückt als Prozentsatz *per annum*) (wenn nur ein Angebotssatz auf der [Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“ (wie nachstehend definiert) angezeigt ist), oder
- (b) das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste [falls der Referenzzinssatz EURIBOR ist, einfügen: Tausendstel Prozent, wobei 0,0005] [falls der Referenzzinssatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze, (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung [für die jeweilige Zinsperiode] [mit einer designierten Laufzeit von [relevanten Zeitraum einfügen], die am Feststellungstag beginnt (die **Designierte Zinsperiode**), der oder die auf der [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“ am Feststellungstag (wie nachstehend definiert) gegen [11.00] [relevante Tageszeit einfügen] Uhr ([Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit) angezeigt wird oder werden [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)], wobei alle Festlegungen durch die Berechnungsstelle (wie in § 6 (1) angegeben) erfolgen.

Zinsperiode bezeichnet den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).

Feststellungstag bezeichnet [je]den [zweiten] [andere relevante Zahl von Tagen einfügen] [TARGET] [(wie nachste-

Date shall be the last [TARGET] [,] [London] [and] [insert other relevant financial centres] Business Day in the month which falls [[insert relevant number] [months] [insert other specified Interest Period]] after the preceding applicable Interest Payment Date.]

[if Following Business Day Convention applies, insert: postponed to the next day which is a [TARGET] [,] [London] [and] [insert other relevant financial centres] Business Day.]

[if Preceding Business Day Convention applies, insert: the immediately preceding [TARGET] [,] [London] [and] [insert other relevant financial centres] Business Day.]

- (d) In this § 3 [TARGET] [,] [London] [and] [insert other relevant financial centres] **Business Day** means a day (other than a Saturday or a Sunday) on which the Clearing System [and the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET or TARGET System) are] [is] open [and commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payment in [London] [and] [insert all relevant financial centres].

(2) **Rate of Interest.** [in the case of Screen Rate Determination insert: The rate of interest (the **Rate of Interest**) for each Interest Period (as defined below) shall be [insert in the case of inverse Floating Rate Notes: the difference (as calculated by the Calculation Agent and expressed as a percentage rate *per annum*) between [insert relevant rate of interest] per cent. *per annum* and] [the] [insert relevant Reference Interest Rate] (the **Reference Interest Rate**) being:

- (a) the offered quotation (expressed as a percentage rate *per annum*) (if there is only one quotation on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” (as defined below)); or
- (b) the arithmetic mean (rounded if necessary to the nearest one [if the Reference Interest Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Interest Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the offered quotations, (expressed as a percentage rate *per annum*) for deposits in the Specified Currency [for that Interest Period] [with a designated maturity of [insert relevant period of time] and commencing on the Determination Day (the **Designated Interest Period**)] which appears or appear, as the case may be, on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” as of [11.00 a.m.] [insert relevant time] ([Brussels] [London] [insert other relevant financial centre] time) on the Determination Day (as defined below) [in the case of Margin insert: [plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent (as specified in § 6 (1)).

Interest Period means each period from, and including, the Interest Commencement Date to, but excluding, the first Interest Payment Date and from, and including, each Interest Payment Date to, but excluding, the following Interest Payment Date.

Determination Day means [any] [the] [second] [insert other relevant number of days] [TARGET] [(as defined be-

hend definiert))] [Londoner] [andere relevanten Finanzzentren einfügen] Geschäftstag [(wie nachstehend definiert)] [vor] [nach] dem [ersten Tag] [Zinszahlungstag] [anderen relevanten Tag einfügen] der jeweiligen Zinsperiode. [falls eine von der generellen Definition des Begriffs „Geschäftstag“ abweichende Definition benötigt wird, einfügen: Nur im Rahmen dieses Absatzes bezeichnet [TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] Geschäftstag einen Tag (außer einem Samstag oder Sonntag), an dem [TARGET geöffnet ist] [[und] Geschäftsbanken in [London] [und] [andere relevante Finanzzentren einfügen] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.] [TARGET bezeichnet das Trans-European Automated Real-Time Gross Settlement Express Transfer System.]]

[im Fall einer Marge einfügen: Die Marge beträgt [Satz einfügen] % *per annum*.]

[Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[irrelevante Bildschirmseite einfügen]“ bedeutet (i) die von [Reuters] [anderen relevanten Informationsanbieter einfügen] als solche bezeichnete Bildschirmseite, oder (ii) diejenige andere Bildschirmseite, die [Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[irrelevante Bildschirmseite einfügen]“ bei dem von [Reuters] [anderen relevanten Informationsanbieter einfügen] betriebenen Dienst ersetzt oder (iii) denjenigen Dienst, der von der Berechnungsstelle als Ersatz-Informationsanbieter für die Anzeige des relevanten Satzes benannt wird.

Wenn im vorstehenden Fall (b) auf [Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[irrelevante Bildschirmseite einfügen]“ fünf oder mehr Angebotssätze angezeigt werden, werden der höchste (falls mehr als ein solcher Höchstsatz angezeigt wird, nur einer dieser Sätze) und der niedrigste (falls mehr als ein solcher Niedrigstsatz angezeigt wird, nur einer dieser Sätze) von der Berechnungsstelle für die Bestimmung des arithmetischen Mittels der Angebotssätze (das wie vorstehend beschrieben auf- oder abgerundet wird) außer Acht gelassen; diese Regel gilt entsprechend für diesen gesamten Absatz (2).

Sollte [Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[irrelevante Bildschirmseite einfügen]“ abgeschafft werden oder nicht mehr zur Verfügung stehen, oder wird im Fall von (a) kein Angebotssatz, oder werden im Fall von (b) weniger als drei Angebotssätze am relevanten Feststellungstag auf der [Reuters] [anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[irrelevante Bildschirmseite einfügen]“ angezeigt (in jedem dieser Fälle zur genannten Zeit), wird die Berechnungsstelle von den [Londoner] [anderes relevantes Finanzzentrum einfügen] Hauptniederlassungen jeder der Referenzbanken (wie nachstehend definiert) [in der Euro-Zone (wie nachstehend definiert)] deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode [gegenüber führenden Banken im [Londoner] [anderes relevantes Finanzzentrum einfügen] Interbanken-Markt [der Euro-Zone] um ca. [11.00] [andere relevante Tageszeit einfügen] Uhr ([Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit) am Feststellungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste [falls der Referenzsatz EURIBOR ist, einfügen: Tausendstel Prozent, wobei 0,0005] [falls der Referenzsatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) dieser Angebotssätze [im Fall einer Marge

low))] [London] [insert other relevant financial centres] Business Day [(as defined below)] [prior to] [after] the [first day] [Interest Payment Date] [insert other relevant day] of the relevant Interest Period. [if a definition is required, which differs from the general Business Day definition, insert: For the purposes of this paragraph only [TARGET] [,] [London] [and] [insert other relevant financial centres] Business Day means a day (other than a Saturday or Sunday) on which [TARGET is open] [[and] commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in [London] [and] [insert other relevant financial centres]. [TARGET means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.]]

[in the case of Margin insert: Margin means [insert rate] per cent. *per annum*.]

[Reuters] [insert other relevant information vendor] Screen Page “[insert relevant Screen Page]” means (i) the display page so designated by [Reuters] [insert other relevant information vendor], or (ii) such other display page as may replace [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” on the service provided by [Reuters] [insert other relevant information vendor], or (iii) the display page of such other service as may be nominated by the Calculation Agent as the replacement information vendor for the purpose of displaying the Reference Interest Rate.

If, in the case of (b) above, five or more such offered quotations are available on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]”, the highest (or, if there is more than one such highest rate, only one of such rates) and the lowest (or, if there is more than one such lowest rate, only one of such rates) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations and this rule shall apply throughout this paragraph (2).

If [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” is cancelled or unavailable or if, in the case of (a) above, no such quotation appears or, in the case of (b) above, fewer than three such offered quotations appear on the relevant Determination Day on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]”, in each case as at such time, the Calculation Agent shall request the principal [Euro-zone (as defined below)] [London] [insert other relevant financial centre] office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the [relevant] [Designated] Interest Period to leading banks in the [London] [insert other relevant financial centre] interbank market [of the Euro-zone] at approximately [11.00 a. m.] [insert other relevant time] ([Brussels] [London] [insert other relevant financial centre] time) on the Determination Day. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one [if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of such offered quotations [in the case of Margin insert: [plus] [minus] the Margin], all as determined by the Calculation Agent.

einfügen: [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Feststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste [falls der Referenzsatz EURIBOR ist, einfügen: Tausendstel Prozent, wobei 0,0005] [falls der Referenzsatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. [11.00] [andere relevante Tageszeit einfügen] Uhr ([Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit) an dem relevanten Feststellungstag Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode von führenden Banken im [Londoner] [anderes relevantes Finanzzentrum einfügen] Interbanken-Markt [der Euro-Zone] angeboten werden [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die relevante Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode, den bzw. die eine Bank oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem relevanten Feststellungstag gegenüber führenden Banken am [Londoner] [anderes relevantes Finanzzentrum einfügen] Interbanken-Markt [der Euro-Zone] nennen (bzw. den diese Bank oder Banken gegenüber der Berechnungsstelle nennen) [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“, wie vorstehend beschrieben, an dem letzten Tag vor dem Feststellungstag, an dem diese Angebotssätze angezeigt wurden [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt)].

Referenzbanken bezeichnen [falls in den endgültigen Bedingungen keine Referenzbanken bestimmt werden, einfügen: im vorstehenden Fall (a) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des relevanten Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite]“ angezeigt wurde, und im vorstehenden Fall (b) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“ angezeigt wurden, als nicht weniger als drei solcher Angebotssätze angezeigt wurden] [falls in den endgültigen Bedingungen Referenzbanken bestimmt werden, sind sie hier einzufügen].

If on any Determination Day only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as specified in the preceding paragraph, the Rate of Interest for the Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately [11.00 a.m.] [insert other relevant time] ([Brussels] [London] [insert other relevant financial centre] time) on the relevant Determination Day, deposits in the Specified Currency for the [relevant] [Designated] Interest Period by leading banks in the [London] [insert other relevant financial centre] interbank market [of the Euro-zone] [in the case of Margin insert: [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the [relevant] [Designated] Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the [relevant] [Designated] Interest Period, at which, on the relevant Determination Day, any one bank or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the [London] [insert other relevant financial centre] interbank market [of the Euro-zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) [in the case of Margin insert: [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]”, as described above, on the last day preceding the Determination Day on which such quotations were offered [in the case of Margin insert: [plus] [minus] the Margin (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period)].

As used herein, **Reference Banks** means [if no Reference Banks are specified in the Final Terms, insert: in the case of (a) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” and, in the case of (b) above, those banks whose offered quotations last appeared on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” when no fewer than three such offered quotations appeared] [if Reference Banks are specified in the Final Terms, insert names here].

[im Fall des Interbanken-Marktes der Euro-Zone einfügen: **Euro-Zone** bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, die einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[sofern ISDA-Feststellung gelten soll, sind die betreffenden Bestimmungen einzufügen und die von der International Swaps and Derivatives Association veröffentlichten 2000 ISDA-Definitionen beizufügen]

[sofern eine andere Methode der Feststellung anwendbar ist, sind die relevanten Bestimmungen anstelle der Bestimmungen dieses Absatzes (2) hier und in den relevanten endgültigen Bedingungen einzufügen]

[falls ein Mindest- und/oder ein Höchstzinssatz gilt, einfügen:

(3) [Mindest-] [und] [Höchst-] Zinssatz.

[falls ein Mindestzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als [Mindestzinssatz einfügen] % *per annum*, so ist der Zinssatz für diese Zinsperiode [Mindestzinssatz einfügen] % *per annum*.]

[falls ein Höchstzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als [Höchstzinssatz einfügen] % *per annum*, so ist der Zinssatz für diese Zinsperiode [Höchstzinssatz einfügen] % *per annum*.]

([4]) *Zinslauf*. Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, der in der Zinsperiode, die dem Fälligkeitstag vorangeht, gemäß diesem § 3 zu bestimmende, auf die Schuldverschreibungen zu zahlende, Zinssatz (der **letzte Zinssatz**) ist höher als der Verzugszinssatz; in diesem Fall bleibt der auf die Schuldverschreibungen zu zahlende letzte Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

([5]) *Berechnung des Zinsbetrags*. Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zu zahlenden Zinsbetrag in Bezug auf jede festgelegte Stückelung für die relevante Zinsperiode berechnen. Der Zinsbetrag wird berechnet, indem der relevante Zinssatz auf jede festgelegte Stückelung angewendet wird, diese Summe mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und der hieraus resultierende Betrag auf die nächste Untereinheit der festgelegten Währung gerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt.

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

[in case of the Interbank market of the Euro-Zone insert: **Euro-Zone** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

[if ISDA Determination applies insert the relevant provisions and attach the 2000 ISDA Definitions published by the International Swaps and Derivatives Association]

[if other method of determination applies, insert herein and in the relevant Final Terms relevant details in lieu of the provisions of this paragraph (2)]

[if Minimum and/or Maximum Rate of Interest applies insert:

(3) [Minimum] [and] [Maximum] Rate of Interest.

[if Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [insert Minimum Rate of Interest] per cent. *per annum*, the Rate of Interest for such Interest Period shall be [insert Minimum Rate of Interest] per cent. *per annum*.]

[if Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [insert Maximum Rate of Interest] per cent. *per annum*, the Rate of Interest for such Interest Period shall be [insert Maximum Rate of Interest] per cent. *per annum*.]

([4]) *Accrual of Interest*. The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Rate of Interest payable under the Notes (which shall be determined in accordance with this § 3) during the Interest Period preceding the due date for redemption (the **Final Rate of Interest**) is higher than the Default Rate of Interest, in which event the Final Rate of Interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

([5]) *Calculation of Amount of Interest*. The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest payable under the Notes in respect of each Specified Denomination for the relevant Interest Period. The amount of interest shall be calculated by applying the relevant rate of interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, with half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (*BGB*).

([6]) *Mitteilungen von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin und den Gläubigern gemäß § [12] baldmöglichst, aber keinesfalls später als am [vierten] **[andere relevante Zahl an Geschäftstagen einfügen]** auf die Berechnung jeweils folgenden Geschäftstag (wie nachstehend definiert), und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § [12] mitgeteilt.

Im Rahmen dieses Absatzes bezeichnet **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in **[Ort der bezeichneten Geschäftsstelle der Berechnungsstelle einfügen]** für Geschäfte geöffnet sind.

([7]) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle, die Zahlstelle[n] und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Berechnungsstelle nicht gegenüber der Emittentin, der Emissionsstelle, [den Zahlstellen] [der Zahlstelle] oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

[bei Nullkupon-Schuldverschreibungen einfügen]:

(1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, die Emissionsrendite der Schuldverschreibungen von **[Emissionsrendite einfügen]** % *per annum* ist höher als der Verzugszinssatz; in letzterem Fall verzinsen sich die Schuldverschreibungen während der Verzugszinsperiode in Höhe der Emissionsrendite. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

(3) *Berechnung der auflaufenden Zinsen.* Falls die Emittentin die Schuldverschreibungen am Fälligkeitstag nicht einlöst, werden die auflaufenden Zinsen durch Anwendung der Emissionsrendite oder gegebenenfalls des Verzugszinssatzes auf jede festgelegte Stückelung, Multiplikation des resultierenden Betrags mit dem anwendbaren

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

([6]) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, the amount of interest for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § [12] as soon as possible after their determination, but in no event later than the [fourth] **[insert other relevant number of Business Days]** Business Day (as defined below) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § [12].

For the purposes of this paragraph only **Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in **[insert place of specified office of the Calculation Agent]**.

([7]) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent[s] and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agent[s] or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

[in the case of Zero Coupon Notes insert]:

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Amortisation Yield of the Notes of **[insert Amortisation Yield]** per cent. *per annum* is higher than the Default Rate of Interest established by law, in which event interest shall accrue at a rate consistent with the Amortisation Yield during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

(3) *Calculation of Accrued Interest.* If the Issuer fails to redeem the Notes when due, accrued interest is calculated by applying the amortisation yield or the Default Rate of Interest (as applicable) to the Specified Denomination, multiplying the resulting amount by the applicable Day Count Fraction (as defined below) and rounding the re-

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (BGB).

Zinstagequotienten (wie nachstehend definiert) und Rundung des resultierenden Betrags auf die nächste Untereinheit der festgelegten Währung berechnet, wobei eine halbe Untereinheit aufgerechnet wird oder die Rundung ansonsten gemäß der anwendbaren Marktconvention erfolgt.

[bei festverzinslichen Schuldverschreibungen, variabel verzinslichen Schuldverschreibungen und Nullkupon-Schuldverschreibungen einfügen:

[(*)] Zinstagequotient. Zinstagequotient bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum **[nicht einfügen, falls Actual/Actual (ICMA) oder 30/360 (im Fall von festverzinslichen Schuldverschreibungen) einschlägig ist: (der Zinsberechnungszeitraum):]**

[bei festverzinslichen Schuldverschreibungen, auf die Actual/Actual (ICMA) anwendbar ist, einfügen:

1. im Falle von Schuldverschreibungen, bei denen die Anzahl der Tage in der relevanten Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum relevanten Zahlungstag (ausschließlich desselben) (der **relevante Zeitraum**) kürzer ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, oder ihr entspricht, die Anzahl der Tage in dem betreffenden relevanten Zeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; oder

2. im Falle von Schuldverschreibungen, bei denen der relevante Zeitraum länger ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, die Summe aus:

der Anzahl der Tage in dem relevanten Zeitraum, die in die Feststellungsperiode fallen, in welcher der relevante Zeitraum beginnt, geteilt durch das Produkt (x) der Anzahl der Tage in der Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; und

der Anzahl der Tage in dem relevanten Zeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr.

Feststellungsperiode ist der Zeitraum von einem Feststellungstermin (einschließlich) bis zum nächsten Feststellungstermin (ausschließlich); dies schließt dann, wenn der Verzinsungsbeginn kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin vor dem Verzinsungsbeginn anfängt, und dann, wenn der letzte Zinszahlungstag kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstag nach dem letzten Zinszahlungstag endet.

Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein **Feststellungstermin**) beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen].]**

[im Fall von festverzinslichen Schuldverschreibungen, auf die 30/360 anwendbar ist, einfügen: die Anzahl von Tagen in der Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum relevanten Zahlungstag (ausschließlich desselben) (wobei die Zahl der Tage auf der Basis von 12 Monaten zu jeweils 30 Tagen berechnet wird), geteilt durch 360.]

[im Fall von Actual/Actual (ISDA) oder Actual/365 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil des

sulting figure to the nearest sub-unit of the relevant Specified Currency, with half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

[in the case of Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes insert:

[(*)] Day Count Fraction. Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time **[do not insert if Actual/Actual (ICMA) or 30/360 (in the case of Fixed Rate Notes) applies: (the Calculation Period):]**

[in the case of Fixed Rate Notes to which Actual/Actual (ICMA) applies insert:

1. in the case of Notes where the number of days in the relevant period from, and including, the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified below) that would occur in one calendar year; or

2. in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year; and

the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year.

Determination Period means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Determination Date, as the case may be.

The number of interest determination dates per calendar year (each a **Determination Date**) is **[insert number of regular interest payment dates per calendar year].]**

[in the case of Fixed Rate Notes to which 30/360 applies insert: the number of days in the period from, and including, the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.]

[in the case of Actual/Actual (ISDA) or Actual/365 insert: the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period

Zinsberechnungszeitraums in ein Schaltjahr fällt, die Summe von (A) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365.)]

[im Fall von Actual/365 (Fixed) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[im Fall von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[im Fall von 30/360, 360/360 oder Bond Basis einfügen: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der den letzten Tag enthaltende Monat nicht wie ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht wie ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[im Fall von 30E/360 oder Eurobond Basis einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag des letzten Zinsberechnungszeitraums ist der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht wie ein auf 30 Tage verlängerter Monat zu behandeln ist).]

§ 4 ZAHLUNGEN

(1) [(a)] *Zahlungen von Kapital.* Zahlungen von Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

[im Fall von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind, einfügen:

(b) *Zahlungen von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen auf die Schuldverschreibungen zu leistende Zahlungen in der frei handelbaren und konvertierbaren Wäh-

falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365.)]

[in the case of Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.]

[in the case of Actual/360 insert: the actual number of days in the Calculation Period divided by 360.]

[in the case of 30/360, 360/360 or Bond Basis insert: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[in the case of 30E/360 or Eurobond Basis insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) [(a)] *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.

[in the case of Notes other than Zero Coupon Notes insert:

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

[in the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by a Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided for in § 1 (3) (b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due

zung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des [im Fall von **TEFRA D Schuldverschreibungen einfügen:** § 1 (3) und des] Absatzes (1) dieses § 4 bezeichnet **Vereinigte Staaten** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des **District of Columbia**) sowie deren Territorien (einschließlich Puerto Rico, U. S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag (wie nachstehend definiert) ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet **Zahltag** einen Tag (außer einem Samstag oder Sonntag), an dem (i) Geschäftsbanken und Devisenmärkte Zahlungen am jeweiligen Ort der Vorlage abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind und sowohl (ii) das Clearing System und (iii) **[soweit erforderlich und, falls die festgelegte Währung nicht Euro ist, in der Regel einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] **[soweit erforderlich und, falls die festgelegte Währung Euro ist, einfügen:** [und] das [Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System] **[TARGET System] geöffnet ist].**

(6) *Bezugnahmen auf Kapital [falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen: und Zinsen].* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 5 (1) angegeben); **[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen:** den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen (wie nachstehend angegeben);] **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen (wie nachstehend angegeben);] **[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen (wie nachstehend angegeben);] **[im Fall von Nullkupon-Schuldverschreibungen einfügen:** den Amortisationsbetrag der Schuldverschreibungen (wie nachstehend angegeben);] **[im Fall von Raten-Schuldverschreibungen einfügen:** die auf die Schuldverschreibungen zu leistende(n) Rate(n) (wie in § 5 (1) angegeben);] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge (außer Zinsen). **[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen:** Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge (wie in § 7 definiert) ein.]

(7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Düsseldorf Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht

date is the currency of the country of the Specified Currency.

(3) *United States.* For purposes of [in the case of **TEFRA D Notes insert:** § 1 (3) and] paragraph (1) of this § 4, **United States** means the United States of America (including the States thereof and the **District of Columbia**) and its possessions (including Puerto Rico, the U. S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day (as defined below) then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Business Day** means a day (other than a Saturday or a Sunday) on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and both (ii) the Clearing System, and (iii) **[insert, as applicable, and, generally, if the Specified Currency is not Euro:** commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable, and if the Specified Currency is Euro:** [and] the [Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System] **[TARGET System] is open].**

(6) *References to Principal [if Notes are subject to Early Redemption for Reasons of Taxation insert: and Interest].* References in these Terms and Conditions of the Notes to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 5 (1)); **[if Notes are subject to Early Redemption for Reasons of Taxation insert:** the Early Redemption Amount of the Notes (as specified below);] **[if redeemable at the option of the Issuer for other than Reasons for Taxation insert:** the Call Redemption Amount of the Notes (as specified below);] **[if redeemable at the option of the Holder insert:** the Put Redemption Amount of the Notes (as specified below);] **[in the case of Zero Coupon Notes insert:** the Amortised Face Amount of the Notes (as specified below);] **[in the case of Instalment Notes insert:** the Instalment Amount(s) of the Notes (as specified in § 5 (1));] and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. **[If Notes are subject to Early Redemption for Reasons of Taxation insert:** References in these Terms and Conditions of the Notes to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7) which may be payable under § 7.]

(7) *Deposit of Principal and Interest.* The Issuer may deposit with the Local Court (*Amtsgericht*) in Düsseldorf principal or interest not claimed by Holders within twelve

innerhalb von zwölf Monaten nach dem relevanten Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht im Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die Ansprüche der Gläubiger gegen die Emittentin.

**§ 5
RÜCKZAHLUNG**

(1) *Rückzahlung bei Endfälligkeit.*

[im Fall von Schuldverschreibungen, die keine Raten-Schuldverschreibungen sind, einfügen:

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstags diesen Fälligkeitstag einfügen] [im Fall eines Rückzahlungsmonats einfügen:** in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der **Fälligkeitstag**) zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht **[falls die Schuldverschreibungen zu ihrem Nennbetrag zurückgezahlt werden, einfügen:** dem Nennbetrag der Schuldverschreibung] **[ansonsten den Rückzahlungsbetrag für die jeweilige Stückelung einfügen, der nicht niedriger sein darf als der Nennbetrag der Schuldverschreibungen].**

[im Fall von Raten-Schuldverschreibungen einfügen:

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an **[dem] [den]** nachstehenden Ratenzahlungstermin**[en]** in **[der] [den]** folgenden Rate $[n]$ zurückgezahlt:

Ratenzahlungstermin $[e]$ / Rate $[n]$ (je festgelegte Stückelung)	[Ratenzahlungstermin (e) einfügen] [Rate (n) einfügen]
[_____]	[_____]
[_____]	[_____]

[falls bei den Schuldverschreibungen eine vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen:

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt und nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als **[30] [andere Mindestkündigungsfrist einfügen]** und nicht mehr als **[60] [andere Höchstkündigungsfrist einfügen]** Tagen gegenüber der Emissionsstelle und gemäß § **[12]** gegenüber den Gläubigern gekündigt (wobei diese Kündigung unwiderruflich ist) und **[im Fall von festverzinslichen Schuldverschreibungen einfügen:** jederzeit] **[im Fall von variabel verzinslichen Schuldverschreibungen einfügen:** an jedem Zinszahlungstag] zurückgezahlt werden, falls die Emittentin bei der nächsten fälligen Zahlung auf die Schuldverschreibungen verpflichtet ist oder sein wird, zusätzliche Beträge gemäß § **7** zu zahlen, und zwar als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die erste Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam),

wobei eine solche Kündigung nicht früher als 90 Tage vor dem frühest möglichen Termin erfolgen darf, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge in Bezug auf die Schuldverschreibungen zu zahlen, falls zu diesem Zeitpunkt eine Zahlung fällig wäre.

months after the relevant due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

**§ 5
REDEMPTION**

(1) *Redemption at Maturity.*

[in the case of Notes other than Instalment Notes insert:

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date] [in the case of a Redemption Month insert:** the Interest Payment Date falling in **[insert Redemption Month]]** (the **Maturity Date**). The Final Redemption Amount in respect of each Note shall be **[if the Notes are redeemed at their principal amount insert:** its principal amount] **[otherwise insert Final Redemption Amount per denomination, which shall not be less than the principal amount of the Notes].**

[in the case of Instalment Notes insert:

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on the Instalment Date $[s]$ and in the Instalment Amount $[s]$ set forth below:

Instalment Date $[s]$ / Instalment Amount $[s]$ (per Sepecified Denomination)	[insert Instalment Date (s)] [insert Instalment Amount (s)]
[_____]	[_____]
[_____]	[_____]

[if the Notes are subject to Early Redemption for Reasons of Taxation insert:

(2) *Early Redemption for Reasons of Taxation.* The Notes will be redeemed at the option of the Issuer in whole, but not in part, **[in the case of Fixed Rate Notes insert:** at any time] **[in the case of Floating Rate Notes insert:** on any Interest Payment Date] on giving not less than **[30] [insert other minimum notice period]** days' nor more than **[60] [insert other maximum notice period]** days' prior notice of redemption to the Fiscal Agent and, in accordance with § **[12]**, to the Holders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § **7** as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the first tranche of this series of Notes is issued,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

Vor Veröffentlichung einer solchen Kündigung wie in diesem § 5 (2) vorgesehen, wird die Emittentin der Emissionsstelle (A) eine durch zwei Mitglieder des Vorstands der Emittentin unterzeichnete Bestätigung liefern, die besagt, dass die Emittentin zu einer solchen Rückzahlung berechtigt ist, und die die tatsächlichen Umstände darstellt, die aufzeigen, dass die oben aufgeführten Voraussetzungen einer Rückzahlung der Schuldverschreibungen durch die Emittentin vorliegen und (B) ein Rechtsgutachten von unabhängigen und angesehenen Rechtsberatern liefern, das besagt, dass die Emittentin verpflichtet ist bzw. verpflichtet sein wird, aufgrund einer solchen Änderung oder Ergänzung zusätzliche Beträge gemäß § 7 zu zahlen.

Die gemäß diesem § 5 (2) gekündigten Schuldverschreibungen werden zu ihrem vorzeitigen Rückzahlungsbetrag zuzüglich etwaiger bis zu dem Rückzahlungstag (ausgeschlossen) aufgelaufener Zinsen zurückgezahlt.]

[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, einfügen:

[(3)] Vorzeitige Rückzahlung nach Wahl der Emittentin.

- (a) Die Emittentin kann, nachdem sie gemäß Unterabsatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise [am] [an den] Wahl-Rückzahlungstag[en] (Call) [zum] [zu den] Wahl-Rückzahlungsbetrag [beträgen] (Call), wie nachstehend angegeben, nebst etwaigen bis zum jeweils relevanten Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[falls ein Mindestrückzahlungsbetrag oder ein erhöhter Rückzahlungsbetrag Anwendung findet, einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrags von [mindestens [Mindestrückzahlungsbetrag einfügen]] [und] höchstens [erhöhten Rückzahlungsbetrag einfügen]] erfolgen.]

Wahl-Rückzahlungstag[e] (Call):	[Wahl-Rückzahlungstag[e] (Call) einfügen]
Wahl-Rückzahlungsbetrag [beträge] (Call):	[Wahl-Rückzahlungsbetrag/-beträge (Call) einfügen]
[_____]	[_____]
[_____]	[_____]

[falls der Gläubiger das Wahlrecht hat, die Schuldverschreibungen zur vorzeitigen Rückzahlung zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [(4)] dieses § 5 verlangt hat.]

- (b) Die Kündigung ist den Gläubigern durch die Emittentin gemäß § [12] mit einer Kündigungsfrist von nicht weniger als [5] **[andere Mindestkündigungsfrist einfügen]** und nicht mehr als [60] **[andere Höchstkündigungsfrist einfügen]** Tagen und der Emissionsstelle bekannt zu geben, wobei die Kündigung gegenüber der Emissionsstelle mindestens [3] **[andere Mindestkündigungsfrist einfügen]** Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen hat). Sie ist unwiderruflich und beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestfrist einfügen; diese ist in der Regel identisch mit der Mindestkündigungsfrist]** und

Prior to the publication of any notice of redemption pursuant to this § 5 (2), the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two members of the Managing Board of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem the Notes and set out above have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts pursuant to § 7 as a result of such change or amendment.

Notes redeemed pursuant to this § 5 (2) will be redeemed at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption.]

[if the Notes are subject to Early Redemption at the Option of the Issuer insert:

[(3)] Early Redemption at the Option of the Issuer.

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem all or some only of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to, but excluding, each relevant Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert:** Any such redemption must be of a principal amount of [not less than [insert Minimum Redemption Amount]] [[or of] not more than [insert Higher Redemption Amount]].]

Call Redemption Date(s):	[insert Call Redemption Date(s)]
Call Redemption Amount(s):	[insert Call Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

[if the Notes are subject to Early Redemption at the Option of the Holder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under paragraph [(4)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders in accordance with § [12] on giving not less than [5] **[insert other minimum notice period]** days' nor more than [60] **[insert other maximum notice period]** days' prior notice of redemption and to the Fiscal Agent (with the notice to the Fiscal Agent to be given not less than [3] **[insert other minimum notice period]** days before the giving of the notice to the Holders). Such notice shall be irrevocable and shall specify:
- (i) the series of Notes subject to redemption;
 - (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than **[insert minimum period; such minimum period being the same, generally, as the minimum**

nicht mehr als **[Höchstfrist einfügen; diese ist in der Regal identisch mit der Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und

(iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die betreffenden Schuldverschreibungen zurückgezahlt werden.

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen nach den Regeln des relevanten Clearing Systems ausgewählt.]

[falls der Gläubiger das Wahlrecht hat, die Schuldverschreibungen zur vorzeitigen Rückzahlung zu kündigen, einfügen:

[4)] Vorzeitige Rückzahlung nach Wahl des Gläubigers.

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger [am] [an den] Wahl-Rückzahlungstag[en] (Put) [zum] [zu den] Wahl-Rückzahlungsbetrag] [beträgen] (Put), wie nachstehend angegeben, insgesamt und nicht teilweise nebst etwaigen bis zum jeweils relevanten Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag[e] (Put)/Wahl-Rückzahlungsbetrag [beträge] (Put)	Wahl-Rückzahlungstag[e] (Put) einfügen [Wahl-Rückzahlungsbetrag/-beträge] (Put) einfügen]
[_____]	[_____]
[_____]	[_____]

[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist oder falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzuzahlen, einfügen:

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts [nach Absatz ([3]) dieses § 5 oder] nach Absatz ([2]) dieses § 5 verlangt hat.]

(b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als [30] **[andere Mindestkündigungsfrist einfügen]** Tage und nicht mehr als [60] **[andere Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung (**Ausübungserklärung**), wie sie von der eingetragenen Geschäftsstelle der Emittentin erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden. Um das Recht, Rückzahlung verlangen zu können, auszuüben, muss der Gläubiger dann, wenn die Schuldverschreibungen über [ein] Clearing System[e] gehalten werden, innerhalb der Kündigungsfrist die Emissionsstelle über eine solche Rechtsausübung in Übereinstimmung mit den Richtlinien des [der] relevanten Clearing [Systems] [Systeme] in einer für [das] [die] relevante[n] Clearing System[e] [jeweils] akzeptablen Weise in Kenntnis setzen (wobei diese Richtlinien vorsehen können, dass die Emissionsstelle auf Weisung des Gläubigers von [dem] [den] relevanten Clearing System[en] oder einer [gemeinsamen] Verwahrstelle in elektronischer Form über die Rechtsausübung in

notice period] nor more than **[insert maximum period; such maximum period being the same, generally, as the maximum notice period]** days after the date on which notice is given by the Issuer to the Holders; and

(iv) the Call Redemption Amount at which such Notes are to be redeemed.

(c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

[if the Notes are subject to Early Redemption at the Option of a Holder insert:

[4)] Early Redemption at the Option of a Holder.

(a) The Issuer shall, upon the exercise of the relevant option by the Holder of any Note, redeem such Note on the Put Redemption Date[s] at the Put Redemption Amount[s] set forth below in whole (but not in part) together with accrued interest, if any, to, but excluding, each relevant Put Redemption Date.

Put Redemption Date(s)/ Put Redemption Amount(s)	[insert Put Redemption Date(s)] [insert Put Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

[if the Notes are subject to Early Redemption for Reasons of Taxation or if the Notes are subject to Early Redemption at the Option of the Issuer insert:

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note pursuant to [paragraph ([3]) of this § 5 or pursuant to] paragraph ([2]) of this § 5.]

(b) In order to exercise such option, the Holder must, not less than [30] **[insert other minimum notice period]** nor more than [60] **[insert other maximum notice period]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice (**Put Notice**) in the form available from the registered office of the Issuer. No option so exercised may be revoked or withdrawn. If these Notes are held through [a] Clearing System[s], to exercise the right to require redemption of these Notes the Holder must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of the relevant Clearing System[s] (which may include notice being given on [its] [their] instruction by the relevant Clearing System[s] or any [common] depository for [it] [them] to the Fiscal Agent by electronic means) in a form acceptable to the relevant Clearing System[s] from time to time and at the same time present or procure the presentation of the relevant Global Note to the Fiscal Agent for notation accordingly.]

Kenntnis gesetzt wird). Weiterhin ist für die Rechtsausübung erforderlich, dass zur Vornahme entsprechender Vermerke der Gläubiger zugleich die relevante Globalurkunde der Emissionsstelle vorlegt bzw. die Vorlegung der relevanten Globalurkunde veranlasst.]

[im Fall von Schuldverschreibungen (außer Nullkupon-Schuldverschreibungen) einfügen:

[(5)] Vorzeitiger Rückzahlungsbetrag.

Für die Zwecke von **[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen: Absatz (2) dieses § 5 und] § 9** entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung **[dem Rückzahlungsbetrag] [sonstigen Rückzahlungsbetrag einfügen, der nicht niedriger sein darf als der Nennbetrag der Schuldverschreibungen].]**

[im Fall von Nullkupon-Schuldverschreibungen einfügen:

[(5)] Vorzeitiger Rückzahlungsbetrag.

(a) Für die Zwecke von **[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen: Absatz (2) dieses § 5 und] § 9** entspricht der vorzeitige Rückzahlungsbetrag der Schuldverschreibung dem Amortisationsbetrag der Schuldverschreibung.

(b) Der Amortisationsbetrag einer Schuldverschreibung berechnet sich nach der folgenden Formel:

$$\text{Amortisationsbetrag} = \text{RP} \times (1 + \text{AY})^Y,$$

wobei

RP **[Referenzpreis einfügen]** (der **Referenzpreis**) bezeichnet,

AY **[als Dezimalzahl ausgedrückte Emissionsrendite einfügen]** bezeichnet und

Y ein Bruch ist, dessen Zähler der Anzahl an Tagen (auf der Grundlage des anwendbaren Zinstagequotienten (wie in § 3 definiert) berechnet) von dem Tag der Begebung der ersten Tranche der Schuldverschreibungen (einschließlich) bis zu dem vorgesehenen Fälligkeitstag bzw. (falls zutreffend) bis zu dem Tag, an dem die Schuldverschreibungen fällig und rückzahlbar werden, (ausschließlich) entspricht und dessen Nenner der Anzahl an Tagen in einem Jahr (auf der Grundlage des anwendbaren Zinstagequotienten berechnet) entspricht.

Wenn diese Berechnung für einen Zeitraum, der nicht vollen Jahren entspricht, durchzuführen ist, hat sie im Falle des nicht vollständigen Jahres auf der Grundlage des Zinstagequotienten zu erfolgen.

(c) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, dass die Bezugnahmen in Unterabsatz (b) auf den vorgesehenen Fälligkeitstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einreichung der relevanten Schuldverschreibung (sofern erforderlich) erfolgt, und (ii) der fünfte Tag, nachdem die Emissionsstelle gemäß § [12] mitgeteilt hat, dass ihr die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.]

[in the case of Notes other than Zero Coupon Notes insert:

[(5)] Early Redemption Amount.

For purposes of **[if the Notes are subject to Early Redemption for Reasons of Taxation insert: paragraph (2) of this § 5 and] § 9**, the Early Redemption Amount of a Note shall be **[its Final Redemption Amount] [insert other Redemption Amount, which shall not be less than the principal amount of the Notes].]**

[in the case of Zero Coupon Notes insert:

[(5)] Early Redemption Amount.

(a) For purposes **[if the Notes are subject to Early Redemption for Reasons of Taxation insert: of paragraph (2) of this § 5 and] § 9**, the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount of a Note.

(b) The Amortised Face Amount of a Note shall be calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{RP} \times (1 + \text{AY})^Y,$$

where

RP means **[insert Reference Price]** (the **Reference Price**),

AY means **[insert Amortisation Yield expressed as a decimal]**, and

Y is a fraction, the numerator of which is equal to the number of days (calculated on the basis of the applicable Day Count Fraction (as defined in § 3)) from, and including, the issue date of the first Tranche of Notes to, but excluding, the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is equal to the number of days in one year (calculated on the basis of the applicable Day Count Fraction).

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the applicable Day Count Fraction.

(c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (b) to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of the following dates (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fifth day after notice has been given by the Fiscal Agent in accordance with § [12] that the funds required for redemption have been provided to the Fiscal Agent.]

§ 6

**DIE EMISSIONSSTELLE [,] [UND] DIE ZAHLSTELLE[N]
[UND DIE BERECHNUNGSSTELLE]**

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und die anfänglich bestellte Berechnungsstelle] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Deutschland]
Zahlstelle[n]: [Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
2953 Luxemburg
Luxemburg]

[andere Zahlstellen und deren bezeichnete Geschäftsstellen einfügen]

[Berechnungsstelle: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Deutschland]

[andere Berechnungsstelle oder andere für die Bestimmung bzw. Berechnung des Referenzzinssatzes verantwortliche Partei einfügen]

Die Aufgaben der Emissionsstelle umfassen auch diejenigen einer Zahlstelle. Die Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle unterhalten [,] [und] (ii) eine Zahlstelle (die die Emissionsstelle sein kann) mit einer bezeichneten Geschäftsstelle in einer kontinentaleuropäischen Stadt außerhalb der Bundesrepublik Deutschland unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und] (iii) solange die Schuldverschreibungen an der [Namen der relevanten Börsen einfügen] notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in [jeweiligen Sitz der relevanten Börsen einfügen] und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse[n] oder ihrer [jeweiligen] Aufsichtsbehörde[n] verlangen] [im Fall von Zahlungen in U.S.-Dollar einfügen: [,] [und] [(iv)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] [falls eine Berechnungsstelle bestellt werden soll, einfügen: [und] [(v)] eine Berechnungsstelle [falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen: mit bezeichneter Geschäftsstelle in [vorgeschriebenen Ort einfügen]] unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß**

§ 6

**FISCAL AGENT [,] [AND] PAYING AGENT[S] [AND
CALCULATION AGENT]**

(1) *Appointment; specified offices.* The initial Fiscal Agent [,] [and] the initial Paying Agent[s] [and the initial Calculation Agent] and their respective initial specified offices are:

Fiscal Agent: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Germany]
Paying Agent[s]: [Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
2953 Luxembourg
Luxembourg]

[insert other Paying Agents and their specified offices]

[Calculation Agent: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Germany]

[insert other Calculation Agent or other party responsible for determining or calculating the Reference Interest Rate or the rate of interest]

The Fiscal Agent shall also fulfil the functions of a Paying Agent. The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] (ii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city outside the Federal Republic of Germany **[in the case of Notes listed on a stock exchange insert: [,] [and] (iii) so long as the Notes are listed on the [insert names of relevant Stock Exchanges], a Paying Agent (which may be the Fiscal Agent) with a specified office in [insert locations of relevant Stock Exchanges] and/or in such other places as may be required by the rules of such stock exchange[s] or [its] [their] [respective] supervisory [authority] [authorities]] [in the case of payments in U.S. Dollars insert: [,] [and] [(iv)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York City] [if any Calculation Agent is to be appointed insert: [and] [(v)] a Calculation Agent [if the Calculation Agent is required to maintain a specified office in a required location insert: with a specified office located in [insert required location]]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than [30] [insert other minimum period] nor more than [45] [insert other maximum period] days' prior notice thereof shall have been given to the Holders in accordance with § [12].**

§ [12] vorab unter Einhaltung einer Frist von mindestens [30] **[andere Mindestfrist einfügen]** und nicht mehr als [45] **[andere Höchstfrist einfügen]** Tagen informiert wurden.

Die Emittentin verpflichtet sich, (soweit dies möglich ist) die Emissionsstelle oder eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht zur Vornahme von steuerlichen Einbehalten oder Abzügen nach Maßgabe der Richtlinie 2003/48/EG oder einer anderen Rechtsnorm verpflichtet ist, die der Umsetzung dieser Richtlinie dient oder zu deren Anpassung eingeführt wird.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Emissionsstelle für die Zwecke dieser Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle[n] [, die Berechnungsstelle] und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle nicht gegenüber der Emittentin oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben, Veranlagungen oder staatlichen Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde derselben an der Quelle auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. **[falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen:** In diesem Fall wird die Emittentin im vollen, gesetzlich zulässigen Umfang diejenigen zusätzlichen Beträge (die **zusätzlichen Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht für solche Steuern und Abgaben, die:

- (a) von einer als Depotbank (wie in § [13] ([4]) definiert) oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als durch Einbehalt oder Abzug von Zahlungen auf das Kapital oder von Zinsen durch die Emittentin; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

The Issuer undertakes, to the extent this is possible, to maintain the Fiscal Agent or a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive.

(3) *Agents of the Issuer.* The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions of the Notes by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agent[s] [, the Calculation Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction at source for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by way of withholding or deduction at source in, by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. **[if Notes are subject to Early Redemption for Reasons of Taxation insert:** In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as Custodian (as defined in § [13] ([4]) or collecting agent on behalf of the Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or

- (c) aufgrund oder infolge (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder zwischenstaatliche Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, falls dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § [12] wirksam wird; oder
- (e) deswegen zu zahlen sind, weil eine Schuldverschreibung in der Bundesrepublik Deutschland zur Zahlung vorgelegt wird.]

§ 8 VORLEGUNGSFRIST

Die in § 801 Abs. 1 S. 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre abgekürzt.

§ 9 KÜNDIGUNG

- (1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen gemäß Absatz (2) zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 angegeben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:
- (a) die Emittentin Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt; oder
 - (b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen unterlässt, und diese Unterlassung nicht geheilt werden kann oder, falls sie geheilt werden kann, länger als 60 Tage fort dauert, nachdem die Emissionsstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
 - (c) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen einstellt; oder
 - (d) ein Gericht ein Insolvenzverfahren gegen die Emittentin eröffnet, das nicht innerhalb von 60 Tagen nach dessen Eröffnung aufgehoben oder ausgesetzt wird, oder die Emittentin oder eine Aufsichts- oder sonstige Behörde, deren Zuständigkeit die Emittentin unterliegt, ein solches Verfahren einleitet oder beantragt oder die Emittentin eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft; oder
 - (e) die Emittentin aufgelöst oder liquidiert wird, es sei denn, dass die Auflösung oder Liquidation im Zusammenhang mit einer Verschmelzung oder einem sonstigen Zusammenschluss mit einem anderen Rechtsgebilde erfolgt, sofern dieses andere Rechtsgebilde alle Verbindlichkeiten der Emittentin aus den Schuldverschreibungen übernimmt; oder
 - (f) (i) eine Verbindlichkeit (wie nachstehend definiert) der Emittentin oder einer ihrer Tochtergesellschaften (wie nachstehend definiert) vorzeitig fällig und rückzahlbar wird, weil ein Kündigungsgrund (unabhängig davon, wie sich dieser beschreiben lässt) vorliegt; oder (ii) die Emittentin oder eine ihrer Tochtergesellschaften es

- (c) are deducted or withheld pursuant to (i) any directive or regulation of the European Union concerning the taxation of interest income, or (ii) an international agreement relating to such taxation, to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing or complying with such directive or regulation or international agreement, or
- (d) are payable by reason of a change of law that becomes effective more than 30 days after the relevant payment becomes due or is duly provided for and notice thereof is published in accordance with § [12], whichever occurs later, or
- (e) are payable by reason of any Note being presented for payment in the Federal Republic of Germany.]

§ 8 PRESENTATION PERIOD

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

§ 9 EVENTS OF DEFAULT

- (1) *Events of Default.* Each Holder shall be entitled to declare its Notes due in accordance with paragraph (2) and demand immediate redemption thereof at the Early Redemption Amount (as specified in § 5), together with accrued interest (if any) to the date of repayment, in the event that:
- (a) the Issuer fails to pay principal or interest within 30 days from the relevant due date, or
 - (b) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Holder, or
 - (c) the Issuer announces its inability to meet its financial obligations or ceases its payments, or
 - (d) a court opens insolvency proceedings against the Issuer which shall not have been dismissed or stayed within 60 days after the commencement thereof, or the Issuer or a supervisory or other authority which has jurisdiction over the Issuer institutes or applies for such proceedings or the Issuer offers or makes an arrangement for the benefit of its creditors generally, or
 - (e) the Issuer is dissolved or liquidated, unless such dissolution or liquidation is made in connection with a merger, consolidation or other combination with any other entity, provided that such other entity assumes all obligations of the Issuer arising under the Notes, or
 - (f) (i) any Indebtedness (as defined below) of the Issuer or any of its Subsidiaries (as defined below) becomes due and repayable prematurely by reason of an event of default (however described), or (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness on the due date for pay-

versäumt, eine Zahlung hinsichtlich einer Verbindlichkeit am Fälligkeitstag der Zahlung bzw. nach Ablauf einer etwa einschlägigen Nachfrist vorzunehmen; oder (iii) irgendeine Sicherheit, die von der Emittentin oder von einer ihrer Tochtergesellschaften hinsichtlich einer Verbindlichkeit gewährte wurde, vollstreckbar wird; oder (iv) die Emittentin oder eine ihrer Tochtergesellschaften mit einer Zahlung in Verzug kommt, die sie im Zusammenhang mit einer Garantie und/oder einer Freistellung zu erbringen hat, die sie im Zusammenhang mit einer Verbindlichkeit, die von einer anderen Person eingegangen wurde, gewährt hatte; oder

- (g) die Emittentin ihren Geschäftsbetrieb einstellt oder damit droht.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

Im Rahmen dieses § 9 bezeichnet

Verbindlichkeit jegliche Verschuldung (unabhängig davon, ob es sich hierbei um Kapital, zusätzliche Beträge, Zinsen oder andere Beträge handelt) im Zusammenhang mit etwaigen Schuldverschreibungen, Anleihen, Obligationen, Optionsanleihen, Wandelanleihen oder anderen Wertpapieren oder etwaigem auf sonstige Art und Weise aufgenommenem Geld; und

Tochtergesellschaft in Bezug auf die Emittentin zu einem bestimmten Zeitpunkt eine andere Person (wie nachstehend definiert), (i) deren Geschäfte und (Geschäfts-)Politik die Emittentin kontrolliert oder über die die Emittentin das Recht zur Kontrolle hat, gleich ob auf Grund von Eigenkapital, vertraglicher Vereinbarungen, des Rechts zur Ernennung oder Abberufung von Mitgliedern im Leitungsorgan der Person oder auf sonstige Weise; oder (ii) deren Jahresabschlüsse in Übereinstimmung mit dem maßgeblichen Recht und den allgemein anerkannten Grundsätzen ordnungsgemäßer Buchführung (*generally accepted accounting principles*) mit denen der Emittentin konsolidiert werden; und

Person eine natürliche Person, ein Unternehmen, eine Kapitalgesellschaft, eine Gesellschaft, eine Personengesellschaft, ein Joint Venture, eine Vereinigung, eine Organisation, eine Regierung oder eine staatliche Behörde oder sonstige Rechtsträger, unabhängig davon, ob diese mit einer eigenen Rechtspersönlichkeit ausgestattet sind.

(2) **Benachrichtigung.** Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1), ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank oder auf andere geeignete Weise erbracht werden.]

§ [10] ERSETZUNG

(1) **Ersetzung.** Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger an ihrer Stelle eine andere Gesellschaft als Hauptschuldnerin (die **Nachfolgeschuldnerin**) für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

ment as extended by any applicable grace period, or (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness becomes enforceable, or (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person, or

- (g) the Issuer ceases or threatens to cease to carry on its business.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

For the purposes of this § 9,

Indebtedness means any indebtedness (whether being principal, premium, interest or other amounts) in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any money borrowed otherwise; and

Subsidiary means in relation to the Issuer at any particular time, any other Person (as defined below) (i) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the Person or otherwise; or (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with the Issuer; and

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

(2) **Notice.** Any notice, including any notice declaring Notes due in accordance with paragraph (1), shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Holder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner.]

§ [10] SUBSTITUTION

(1) **Substitution.** The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any company as principal debtor in respect of all obligations arising from or in connection with the Notes (the **Substitute Debtor**) provided that:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
 - (b) die Emittentin und die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten haben und berechtigt sind, an die Emissionsstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der hierin festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben irgendeiner Art abzuziehen oder einzubehalten;
 - (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
 - (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die sicherstellen, dass jeder Gläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne eine Ersetzung stehen würde; und
 - (e) der Emissionsstelle ein oder mehrere Rechtsgutachten von Rechtsanwälten von anerkanntem Ansehen vorgelegt werden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.
- (2) *Bekanntmachung.* Jede Ersetzung ist gemäß § [12] bekannt zu machen.
- (3) *Änderung von Bezugnahmen.* Im Falle einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des weiteren gilt im Falle einer Ersetzung wenn die Nachfolgeschuldnerin weder ihren Sitz noch ihren Steuersitz in der Bundesrepublik Deutschland hat folgendes:
- (a) in § 7 [falls vorzeitige Rückzahlung aus steuerlichen Gründen anwendbar ist, einfügen: und § 5 (2)] gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat ;
 - (b) in § 9 (1) (c) bis (g) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf die Nachfolgeschuldnerin);
 - (c) in § 9 (1) gilt ein weiterer Kündigungsgrund als aufgenommen, der dann besteht, wenn die Garantie gemäß Absatz (1) (d) aus irgendeinem Grund nicht mehr gilt.

§ [11]

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Be-

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Fiscal Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and
- (e) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § [12].

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions of the Notes to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution and where the Substitute Debtor is not domiciled or resident for taxation purposes in the Federal Republic of Germany the following shall apply:

- (a) in § 7 [if Notes are subject to Early Redemption for Reasons of Taxation insert: and § 5 (2)] an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (b) in § 9 (1) (c) to (g) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference according to the preceding sentence to the Substitute Debtor;
- (c) in § 9 (1) a further event of default shall be deemed to have been included; such event of default shall exist in the case that the guarantee pursuant to paragraph (1) (d) is or becomes invalid for any reasons.

§ [11]

FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, Interest Com-

gebung, des Verzinsungsbeginns und/oder des Ausgabe-preises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Emissionsstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig getilgten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ [12] MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind in [einer] führenden Tageszeitung[en] mit allgemeiner Verbreitung in [der Bundesrepublik Deutschland] [,] [und] [Luxemburg] [,] [und] [London] [,] [und] [Frankreich] [,] [und] [der Schweiz] [und] **[anderen Ort einfügen]**, voraussichtlich in [der *Börsen-Zeitung*] [dem *Handelsblatt*] [d'Wort] [dem *Tageblatt*] [der *Financial Times*] [*La Tribune*] [der *Neue Zürcher Zeitung* und *Le Temps*] **[andere Zeitung mit allgemeiner Verbreitung einfügen]** [sowie im Bundesanzeiger] zu veröffentlichen. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilung an das Clearing System.* Solange die Globalurkunde[n] insgesamt im Namen des Clearing System gehalten [wird] [werden], ist die Emittentin berechtigt, eine Zeitungsveröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass in Fällen, in denen die Schuldverschreibungen an einer Börse notiert sind, die Regeln dieser Börse diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt. **[bei Schuldverschreibungen, die an einer Börse notiert sind, einfügen:** Solange irgendwelche Schuldverschreibungen an der **[relevante Börse einfügen]** notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz (1) bekanntzumachen.]

([3]) *Form der von Gläubigern zu machenden Mitteilungen.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen. Solange die Schuldverschreibungen durch [eine] Globalurkunde[n] verbrieft sind, kann eine solche Mitteilung über das Clearing System an die Emissionsstelle in der von der Emissionsstelle und das Clearing System dafür vorgesehenen Weise erfolgen.

§ [13] ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden.

(2) *Erfüllungsort.* Erfüllungsort ist Düsseldorf.

mencement Date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ [12] NOTICES

(1) *Publication.* All notices concerning the Notes shall be published in [a] leading daily newspaper[s] having general circulation in [the Federal Republic of Germany] [,] [and] [Luxembourg] [,] [and] [London] [,] [and] [France] [,] [and] [Switzerland] [and] **[specify other location]** [and the *Bundesanzeiger*]. [These newspapers are] [This newspaper is] expected to be the [*Börsen-Zeitung*] [*Handelsblatt*] [d'Wort] [*Tageblatt*] [*Financial Times*] [*La Tribune*] [*Neue Zürcher Zeitung* and *Le Temps*] **[insert other applicable newspaper having general circulation]**. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

(2) *Notification to Clearing System.* So long as the Global Note[s] [is [are] held in [its] [their] entirety on behalf of the Clearing System, the Issuer may, in lieu of publication in the newspapers set forth in paragraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders, provided that, so long as any Notes are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System. **[in the case of Notes which are listed on any Stock Exchange insert:** So long as any Notes are listed on the **[insert relevant Stock Exchange]**, all notices concerning the Notes shall be published in accordance with paragraph (1).]

([3]) *Form of Notice to be given by any Holder.* Notices to be given by any Holder shall be made by means of a written declaration. So long as the Notes are represented by [a] Global Note[s], such notice may be given to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ [13] APPLICABLE LAW, PLACE OF PERFORMANCE, SUBMISSION TO JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law.

(2) *Place of Performance.* Place of performance shall be Düsseldorf.

(3) *Gerichtsstand*. Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren (**Rechtsstreitigkeiten**) ist das Landgericht Düsseldorf. Die Zuständigkeit des Landgerichts Düsseldorf ist ausschließlich, soweit es sich um Rechtsstreitigkeiten handelt, die von Kaufleuten, juristischen Personen des öffentlichen Rechts, öffentlich-rechtlichen Sondervermögen oder von Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland angestrengt werden. Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Schuldverschreibungen.

(4) *Gerichtliche Geltendmachung*. Jeder Gläubiger von Schuldverschreibungen, die über ein Clearing System gehalten werden, ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsrechtlich befugte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre, oder (iii) auf jede andere Weise, die im Lande der Geltendmachung zur Beweiserhebung prozessual zulässig ist. Für die Zwecke des Vorstehenden bezeichnet **Depotbank** jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems.

§ [14] SALVATORISCHE KLAUSEL

Sollte eine Bestimmung dieser Emissionsbedingungen ganz oder teilweise rechtsunwirksam sein oder werden, so bleiben die übrigen Bestimmungen wirksam. Anstelle der rechtsunwirksamen Bestimmung gilt eine wirksame Regelung, die den wirtschaftlichen Zwecken der rechtsunwirksamen Bestimmung soweit gesetzlich möglich Rechnung trägt.

§ [15] SPRACHE

[falls der deutsche Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. [Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]]

[falls der englische Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in englischer Sprache abgefasst. [Eine Übersetzung in die deutsche Sprache ist bei-

(3) *Submission to Jurisdiction*. The District Court (*Landgericht*) in Düsseldorf shall have non-exclusive jurisdiction for any action or other legal proceedings (**Proceedings**) arising out of or in connection with the Notes. The jurisdiction of the District Court (*Landgericht*) in Düsseldorf shall be exclusive if Proceedings are brought by merchants (*Kaufleute*), legal entities under public law (*juristische Personen des öffentlichen Rechts*), special assets under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). The German courts shall have exclusive jurisdiction over lost or destroyed Notes.

(4) *Enforcement*. Any Holder of Notes held through a Clearing System may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, **Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ [14] SEVERABILITY

Should any provision of these Terms and Conditions of the Notes be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall be deemed substituted by a valid provision which accomplishes as far as legally possible the economic purposes of the invalid provision.

§ [15] LANGUAGE

[if the German text shall be binding insert: These Terms and Conditions of the Notes are written in the German language [and provided with an English language translation. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]

[if the English text shall be binding insert: These Terms and Conditions of the Notes are written in the English language [and provided with a German language translation.

gefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]]

The English text shall be prevailing and binding. The German language translation is provided for convenience only].]

TEIL I – GRUNDBEDINGUNGEN

B. EMISSIONSBEDINGUNGEN FÜR INHABERPFANDBRIEFE (ausgenommen Jumbo-Pfandbriefe)

§ 1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Tranche der **[im Fall von Hypothekendarlehen einfügen: Hypothekendarlehen einfügen]** **[im Fall von öffentlichen Darlehen einfügen: Öffentlichen Darlehen einfügen]** wird von der Emittentin in **[festgelegte Währung einfügen]** (die **festgelegte Währung**) im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in [der] [den] Stückelung[en] von **[festgelegte Stückelung(en) einfügen]** (die **festgelegte[n] Stückelung[en]**) begeben. **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen: Die Schuldverschreibungen werden mit den am [Tag der Begebung der bereits begebenen Emission einfügen] begebenen [Beschreibung der bereits begebenen Emission einfügen] (die Originalschuldverschreibungen) zu einer einzigen Serie zusammengefasst.]]**

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

[im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) ohne Zinsscheine verbrieft **[im Fall von Schuldverschreibungen, in deren Zusammenhang Zinszahlungsansprüche entstehen (können), einfügen: ; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die Dauerglobalurkunde mitverbrieft].** Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und die eigenhändige oder faksimilierte Unterschrift des von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders und ist von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, die gegen eine Dauerglobalurkunde ausgetauscht werden soll, einfügen:

(3) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **vorläufige Globalurkunde**) ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in [der] [den] festgelegten Stückelung[en], die durch eine Dauerglobalurkunde (die **Dauerglobalurkunde** und, zusammen mit der vorläufigen Globalurkunde, die **Globalurkunden**) ohne Zinsscheine verbrieft sind, ausgetauscht **[im Fall von Schuldverschreibungen, in deren Zusammenhang Zinszahlungsansprüche entstehen (können), einfügen: ; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die relevante Globalurkunde mitverbrieft].** Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und die eigenhändige oder faksimilierte

PART I – BASIC TERMS

B. TERMS AND CONDITIONS OF PFANDBRIEFE IN BEARER FORM (other than Jumbo-Pfandbriefe)

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This tranche of **[in the case of mortgage Pfandbriefe insert: Mortgage Pfandbriefe (Hypothekendarlehen)]** **[in the case of public sector Pfandbriefe insert: Public Sector Pfandbriefe (öffentliche Pfandbriefe)]** is being issued by the Issuer in **[insert specified currency]** (the **Specified Currency**) in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in the denomination[s] of **[insert Specified Denomination(s)]** (the **Specified Denomination(s)**). **[in the case of Notes which will increase an existing issue of Notes insert: The Notes will be consolidated and form a single series with the [insert description of the existing issue of Notes] issued on [insert issue date of the existing issue of Notes] (the Original Notes)].]**

(2) *Form.* The Notes are being issued in bearer form.

[in the case of Notes which are exclusively represented by a Permanent Global Note insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the **Permanent Global Note**) without coupons **[in the case of Notes under which claims for interest payments (may) arise insert: ; any claim for interest payments under the Notes is represented by the Permanent Global Note].** The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and manually or in facsimile by the independent trustee appointed by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and shall be authenticated manually or in facsimile by or on behalf of the Fiscal Agent. Definitive Notes and coupons will not be issued.]

[in the case of Notes which are initially represented by a Temporary Global Note, which will be exchanged for a Permanent Global Note, insert:

(3) *Temporary Global Note – Exchange for Permanent Global Note*

(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination[s] represented by a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**) without coupons **[in the case of Notes under which claims for interest payments (may) arise insert: ; any claim for interest payments under the Notes is represented by the relevant Global Note].** The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and manually or in facsimile by the independent trustee appointed by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and shall each be authenticated manually or in facsimile by or

Unterschrift des von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders und sind jeweils von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Einzelkunden und Zins-scheine werden nicht ausgegeben.]

- (b) Die vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen die Dauerglobalurkunde in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegt. Der Austauschtag darf nicht weniger als 40 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegen. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden, denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern. **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen:** Im Zuge des Austauschs der vorläufigen Globalurkunde gegen die Dauerglobalurkunde werden die Schuldverschreibungen mit den Originalschuldverschreibungen zu einer einzigen Serie zusammengefasst.]]

(4) *Clearing System.* Die Globalurkunden werden von einem oder im Namen eines Clearing Systems verwahrt, im Falle der Dauerglobalurkunde bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **Clearing System** bezeichnet **[bei mehr als einem Clearing System einfügen:** jeweils]: [Clearstream Banking AG, Frankfurt am Main (CBF)] [,] [und] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [und] [Euroclear Bank S.A./N.V., als Betreiberin des Euroclear Systems (Euroclear)] [,] [und] **[anderes Clearing System angeben]** und jeder Funktionsnachfolger.

(5) *Gläubiger von Schuldverschreibungen.* **Gläubiger** bezeichnet jeden Inhaber von Miteigentumsanteilen oder anderen Rechten an der Globalurkunde, die in Übereinstimmung mit den Bestimmungen des Clearing Systems auf einen neuen Gläubiger übertragen werden können.

§ 2 STATUS

Die Schuldverschreibungen begründen direkte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen im gleichen Rang mit allen anderen unbesicherten gegenwärtigen und zukünftigen Verbindlichkeiten der Emittentin aus **[bei Hypothekendarlehen einfügen:** Hypothekendarlehen] **[bei öffentlichen Pfandbriefen einfügen:** Öffentlichen Pfandbriefen].]

on behalf of the Fiscal Agent. Definitive Notes and coupons will not be issued.]

- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note in the form and subject to the conditions provided in subparagraph (a) above on a date (the **Exchange Date**) not later than 180 days after the issue date of the Temporary Global Note. The Exchange Date shall not be earlier than 40 days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the issue date of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)). **[in the case of Notes which will increase an existing issue of Notes insert:** Upon exchange of the Temporary Global Note for the Permanent Global Note, the Notes will be consolidated and form a single series with the Original Notes.]]

(4) *Clearing System.* The Global Notes will be kept in custody by or on behalf of a Clearing System, in the case of the Permanent Global Note until all obligations of the Issuer under the Notes have been satisfied. **Clearing System** means **[if more than one Clearing System insert:** each of] the following: [Clearstream Banking AG, Frankfurt am Main (CBF)] [,] [and] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [and] [Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear)] [,] [and] **[specify other Clearing System]** and any successor in such capacity.

(5) *Holder of Notes.* **Holder** means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

§ 2 STATUS

The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are covered in accordance with the German *Pfandbrief Act (Pfandbriefgesetz)* and rank *pari passu* with all other present and future obligations of the Issuer under **[in the case of Mortgage Pfandbriefe insert:** Mortgage Pfandbriefe] **[in the case of Public Sector Pfandbriefe insert:** Public Sector Pfandbriefe].]

§ 3
ZINSEN

[bei festverzinslichen Schuldverschreibungen einfügen:

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden auf der Grundlage ihres Nennbetrags verzinst, und zwar [bei Stufenzinsschuldverschreibungen einfügen: in dem Zeitraum] vom [Verzinsungsbeginn einfügen] (der Verzinsungsbeginn) (einschließlich) bis zum [bei festverzinslichen Schuldverschreibungen ohne Wechsel des Zinssatzes bis zum Fälligkeitstag einfügen: Fälligkeitstag (wie in § 5 (1) definiert)] [bei Stufenzinsschuldverschreibungen den (ersten) Zinszahlungstag einfügen, an dem der Zinssatz steigt oder fällt] (ausschließlich) mit [bei festverzinslichen Schuldverschreibungen ohne Wechsel des Zinssatzes den Zinssatz, der bis zur Fälligkeit unverändert bleibt, einfügen] [bei Stufenzinsschuldverschreibungen den für die erste Zinsperiode relevanten Zinssatz einfügen] % *per annum* [bei Stufenzinsschuldverschreibungen einfügen: .] [und] in dem Zeitraum vom [(ersten) Zinszahlungstag, an dem der Zinssatz steigt oder fällt, einfügen] (einschließlich) bis zum [zweiten Zinszahlungstag einfügen, an dem der Zinssatz steigt oder fällt] [falls es keinen weiteren Wechsel des Zinssatzes geben wird, einfügen: Fälligkeitstag (wie in § 5 (1) definiert)] (ausschließlich) mit [zweiten Zinssatz einfügen] % *per annum* [falls es einen weiteren Wechsel des Zinssatzes gibt, einfügen: und in dem Zeitraum vom [zweiten Zinszahlungstag, an dem sich der Zinssatz ändert, einfügen] (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit [relevanten Zinssatz einfügen] % *per annum*]. [Weitere Zinswechsel sowie weitere Zinsperioden sind nach Bedarf und, falls erforderlich, in Tabellenform einzufügen.] Die Zinsen sind nachträglich am [Zinszahlungstage einfügen] eines jeden Jahres zahlbar (jeweils ein Zinszahlungstag). Die erste Zinszahlung erfolgt am [ersten Zinszahlungstag einfügen] [sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, einfügen: und beläuft sich auf [anfänglichen Bruchteilszinsbetrag für die erste festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [erste festgelegte Stückelung einfügen] und [weitere anfängliche Bruchteilszinsbeträge für jede weitere festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [weitere festgelegte Stückelungen einfügen]]. [falls der Fälligkeitstag kein regulärer Zinszahlungstag ist, einfügen: Die Zinsen für den Zeitraum vom [den letzten dem Fälligkeitstag vorausgehenden Zinszahlungstag einfügen] (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf [abschließenden Bruchteilszinsbetrag für die erste festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [erste festgelegte Stückelung einfügen] und [weitere abschließende Bruchteilszinsbeträge für jede weitere festgelegte Stückelung einfügen] je Schuldverschreibung im Nennbetrag von [weitere festgelegte Stückelungen einfügen].

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

§ 3
INTEREST

[in the case of Fixed Rate Notes insert:

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of [insert in the case of Fixed Rate Notes without any change in the Rate of Interest until Maturity the relevant Rate of Interest which will remain unchanged until Maturity] [insert in the case of step-up or step-down Notes the Rate of Interest for the first interest period] per cent. *per annum* [insert in the case of step-up or step-down Notes: in the period] from, and including, [insert Interest Commencement Date] (the Interest Commencement Date) to, but excluding, [insert in the case of Fixed Rate Notes without any change in the Rate of Interest until Maturity: the Maturity Date (as defined in § 5 (1))] [in the case of step-up or step-down Notes insert (first) Interest Payment Date, on which the rate of interest increases or decreases] [insert in the case of step-up or step-down Notes: .] [and] at the rate of [insert second Rate of Interest] per cent. *per annum* in the period from, and including, [insert first Interest Payment Date, on which the rate of interest increases or decreases] to, but excluding, [insert second Interest Payment Date, on which the Rate of Interest increases or decreases again] [insert if there will be no further increase or decrease of the Rate of Interest: the Maturity Date (as defined in § 5 (1))] [insert in the case of another change of the Rate of Interest: and at the rate of [insert relevant Rate of Interest] per cent. *per annum* in the period from, and including, [insert second Interest Payment Date, on which the Rate of Interest increases or decreases] to, but excluding the Maturity Date (as defined in § 5 (1))]. [Insert further increases or decreases in the Rate of Interest and further Interest Periods, as applicable, and in table form, if necessary.] Interest shall be payable in arrear on [insert Interest Payment Dates] in each year (each such date, an Interest Payment Date). The first payment of interest shall be made on [insert first Interest Payment Date] [if first Interest Payment Date is not first anniversary of Interest Commencement Date insert: and will amount to [insert Initial Broken Amount per first Specified Denomination] per Note in a denomination of [insert first Specified Denomination] and [insert further Initial Broken Amount(s) per further Specified Denomination] per Note in a denomination of [insert further Specified Denomination(s)]]. [if the Maturity Date is not a regular Interest Payment Date insert: Interest in respect of the period from, and including, [insert Interest Payment Date preceding the Maturity Date] to, but excluding, the Maturity Date will amount to [insert Final Broken Amount per first Specified Denomination] per Note in a denomination of [insert first Specified Denomination] and [insert further Final Broken Amount(s) per further Specified Denomination] per note in a denomination of [insert further Specified Denomination(s)].

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the rate of interest payable under the Notes (which shall be determined in

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (*BGB*).

denn, der (gemäß diesem § 3 zu bestimmende) auf die Schuldverschreibungen zu zahlende Zinssatz ist höher als der Verzugszinssatz; in letzterem Fall bleibt der auf die Schuldverschreibungen zu zahlende Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.

(3) *Berechnung des Zinsbetrags.* Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen Zeitraum von weniger oder mehr als einem Jahr zu berechnen ist, erfolgt die Berechnung des Zinsbetrags, indem der Zinssatz oder gegebenenfalls der Verzugszinssatz auf jede festgelegte Stückelung angewendet wird, diese Summe mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und das hieraus resultierende Ergebnis auf die nächste Untereinheit der festgelegten Währung gerundet wird, wobei eine halbe Untereinheit aufgerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktconvention erfolgt.]

[bei variabel verzinslichen Schuldverschreibungen, deren Zinssatz mittels Bildschirmfeststellung ermittelt wird, einfügen:

(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden in der Höhe ihres Nennbetrags ab dem **[Verzinsungsbeginn einfügen]** (der **Verzinsungsbeginn**) (einschließlich) bis zum ersten Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) **Zinszahlungstag** bedeutet

[im Fall von festgelegten Zinszahlungstagen einfügen: jeder **[festgelegte Zinszahlungstage einfügen].]**

[im Fall von festgelegten Zinsperioden einfügen: (so weit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der **[relevante Zahl einfügen]** [Wochen] [Monate] **[andere festgelegte Zinsperiode einfügen]** nach dem vorausgehenden Zinszahlungstag oder, im Falle des ersten Zinszahlungstags, nach dem Verzinsungsbeginn liegt.]

(c) Sofern (i) es in dem Kalendermonat, in den der Zinszahlungstag fallen sollte, keinen entsprechend nummerierten Tag gibt oder (ii) ein Zinszahlungstag ansonsten auf einen Tag fielen, der kein **[TARGET]** (wie nachstehend definiert) [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

[bei Anwendung der Modified Following Business Day Convention einfügen: auf den nächstfolgenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag verschoben, es sei denn, der Zinszahlungstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag vorgezogen.]

[bei Anwendung der FRN Convention einfügen: im Fall von (i) auf den letzten **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag im jeweiligen Monat verschoben, wobei jeder nachfolgende Zinszahlungstag der jeweils letzte **[TARGET]** [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag des Monats ist, der **[relevante Zahl einfügen]** Monate **[andere festge-**

accordance with this § 3) is higher than the Default Rate of Interest, in which event the rate of interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.

(3) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for a period of less or more than a full year, such amount of interest shall be calculated by applying the relevant rate of interest or the Default Rate of Interest (as applicable) to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.]

[in the case of Floating Rate Notes whose Rate of Interest shall be determined by Screen Rate Determination insert:

(1) *Interest Payment Dates.*

(a) The Notes bear interest on their principal amount from, and including, **[insert Interest Commencement Date]** (the **Interest Commencement Date**) to, but excluding, the first Interest Payment Date (as defined below) and thereafter from, and including, each Interest Payment Date to, but excluding, the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

(b) **Interest Payment Date** means

[in the case of specified Interest Payment Dates insert: each **[insert specified Interest Payment Dates].]**

[in the case of specified Interest Periods insert: each date which (except as otherwise provided for in these Terms and Conditions of the Notes) falls **[insert relevant number]** [weeks] [months] **[insert other specified Interest Periods]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

(c) If (i) there is no numerically corresponding day in the calendar month into which an Interest Payment Date should fall or (ii) any Interest Payment Date would otherwise fall on a day which is not a **[TARGET]** (as defined below) [,] [London] [and] **[insert other relevant financial centres]** Business Day (as defined below), the Interest Payment Date shall be:

[if Modified Following Business Day Convention insert: postponed to the next day which is a **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day unless the Interest Payment Date would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day.]

[if FRN Convention insert: in the case of (i) postponed to the last day that is a **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day in the relevant month with each subsequent Interest Payment Date being the last **[TARGET]** [,] [London] [and] **[insert other relevant financial centres]** Business Day in the month which falls **[insert relevant number]** [months] **[insert other specified Interest Period]**] after

legte Zinsperiode einfügen] nach dem vorausgehenden anwendbaren Zinszahlungstag liegt, und im Fall von (ii) auf den nächstfolgenden [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag verschoben, es sei denn, der Zinszahlungstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag vorgezogen und ist jeder nachfolgende Zinszahlungstag der jeweils letzte [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag des Monats, der **[relevante Zahl einfügen]** Monate] **[andere festgelegte Zinsperiode einfügen]** nach dem vorausgehenden anwendbaren Zinszahlungstag liegt.]

[bei Anwendung der Following Business Day Convention einfügen: auf den nächstfolgenden [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention einfügen: auf den unmittelbar vorausgehenden [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** Geschäftstag vorgezogen.]

- (d) In diesem § 3 bezeichnet [TARGET] [,] [Londoner] [und] **[andere relevante Finanzzentren einfügen]** **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System [und das Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET** oder **TARGET System**) geöffnet sind] [ist] [und Geschäftsbanken (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind und Zahlungen in [London] [und] **[sämtliche relevanten Finanzzentren einfügen]** abwickeln.

(2) **Zinssatz. [im Fall von Bildschirmfeststellung einfügen:** Der Zinssatz (der **Zinssatz**) für jede Zinsperiode (wie nachstehend definiert) ist **[im Fall von umgekehrt variabel verzinslichen Schuldverschreibungen einfügen:** die von der Berechnungsstelle berechnete und als Prozentsatz *per annum* ausgedrückte Differenz aus **[relevanten Zinssatz einfügen]** % und dem] [der] **[relevanten Referenzzinssatz einfügen]** (der **Referenzzinssatz**); hierbei handelt es sich um:

- (a) den Angebotssatz (ausgedrückt als Prozentsatz *per annum*) (wenn nur ein Angebotssatz auf der [Reuters] **[anderen relevanten Informationsanbieter einfügen]** Bildschirmseite „**[relevante Bildschirmseite einfügen]**“ (wie nachstehend definiert) angezeigt ist), oder
- (b) das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste **[falls der Referenzzinssatz EURIBOR ist, einfügen:** Tausendstel Prozent, wobei 0,0005] **[falls der Referenzzinssatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze, (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung [für die jeweilige Zinsperiode] [mit einer designierten Laufzeit von **[relevanten Zeitraum einfügen]**, die am Feststellungstag beginnt (die **Designierte Zinsperiode**)], der oder die auf der [Reuters] **[anderen Informationsanbieter einfügen]** Bildschirmseite „**[relevante Bildschirmseite einfügen]**“ am Feststellungstag (wie nachstehend definiert) gegen [11.00] **[relevante Tageszeit einfügen]** Uhr ([Brüsseler] [Londoner] **[anderes relevantes Finanzzentrum einfügen]** Ortszeit) angezeigt wird oder werden **[im Fall einer Marge einfügen:** [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)], wobei alle Festlegungen durch die Berechnungsstelle (wie in § 6 (1) angegeben) erfolgen.

the preceding applicable Interest Payment Date, or in the case of (ii) postponed to the next day which is a [TARGET] [,] [London] [and] **[insert other relevant financial centres]** Business Day unless the Interest Payment Date would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding [TARGET] [,] [London] [and] **[insert other relevant financial centres]** Business Day and each subsequent Interest Payment Date shall be the last [TARGET] [,] [London] [and] **[insert other relevant financial centres]** Business Day in the month which falls **[insert relevant number]** [months] **[insert other specified Interest Period]**] after the preceding applicable Interest Payment Date.]

[if Following Business Day Convention applies, insert: postponed to the next day which is a [TARGET] [,] [London] [and] **[insert other relevant financial centres]** Business Day.]

[if Preceding Business Day Convention applies, insert: the immediately preceding [TARGET] [,] [London] [and] **[insert other relevant financial centres]** Business Day.]

- (d) In this § 3 [TARGET] [,] [London] [and] **[insert other relevant financial centres]** **Business Day** means a day (other than a Saturday or a Sunday) on which the Clearing System [and the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET** or **TARGET System**) are] [is] open [and commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payment in [London] [and] **[insert all relevant financial centres]**].

(2) **Rate of Interest. [in the case of Screen Rate Determination insert:** The rate of interest (the **Rate of Interest**) for each Interest Period (as defined below) shall be **[insert in the case of inverse Floating Rate Notes:** the difference (as calculated by the Calculation Agent and expressed as a percentage rate *per annum*) between **[insert relevant rate of interest]** per cent. *per annum* and] [the] **[insert relevant Reference Interest Rate]** (the **Reference Interest Rate**) being:

- (a) the offered quotation (expressed as a percentage rate *per annum*) (if there is only one quotation on [Reuters] **[insert other information vendor]** Screen Page “**[insert relevant Screen Page]**” (as defined below)); or
- (b) the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Interest Rate is EURIBOR insert:** thousandth of a percentage point, with 0.0005] **[if the Reference Interest Rate is not EURIBOR insert:** hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the offered quotations, (expressed as a percentage rate *per annum*) for deposits in the Specified Currency [for that Interest Period] [with a designated maturity of **[insert relevant period of time]** and commencing on the Determination Day (the **Designated Interest Period**)] which appears or appear, as the case may be, on [Reuters] **[insert other information vendor]** Screen Page “**[insert relevant Screen Page]**” as of [11.00 a.m.] **[insert relevant time]** ([Brussels] [London] **[insert other relevant financial centre]** time) on the Determination Day (as defined below) **[in the case of Margin insert:** [plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent (as specified in § 6 (1)).

Zinsperiode bezeichnet den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).

Feststellungstag bezeichnet [je]den [zweiten] **[andere relevante Zahl von Tagen einfügen]** [TARGET [(wie nachstehend definiert)]] [Londoner] **[andere relevanten Finanzzentren einfügen]** Geschäftstag [(wie nachstehend definiert)] [vor] [nach] dem [ersten Tag] [Zinszahlungstag] **[anderen relevanten Tag einfügen]** der jeweiligen Zinsperiode. **[falls eine von der generellen Definition des Begriffs „Geschäftstag“ abweichende Definition benötigt wird, einfügen:** Nur im Rahmen dieses Absatzes bezeichnet **[TARGET] [,] [Londoner] [und] [andere relevante Finanzzentren einfügen] Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem **[TARGET geöffnet ist] [[und] Geschäftsbanken in [London] [und] [andere relevante Finanzzentren einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.) **[TARGET bezeichnet das Trans-European Automated Real-Time Gross Settlement Express Transfer System.]]**

[im Fall einer Marge einfügen: Die Marge beträgt **[Satz einfügen] % per annum.]**

[Reuters] **[anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“** bedeutet (i) die von [Reuters] **[anderen relevanten Informationsanbieter einfügen]** als solche bezeichnete Bildschirmseite, oder (ii) diejenige andere Bildschirmseite, die [Reuters] **[anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“** bei dem von [Reuters] **[anderen relevanten Informationsanbieter einfügen]** betriebenen Dienst ersetzt oder (iii) denjenigen Dienst, der von der Berechnungsstelle als Ersatz-Informationsanbieter für die Anzeige des relevanten Satzes benannt wird.

Wenn im vorstehenden Fall (b) auf [Reuters] **[anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“** fünf oder mehr Angebotssätze angezeigt werden, werden der höchste (falls mehr als ein solcher Höchstsatz angezeigt wird, nur einer dieser Sätze) und der niedrigste (falls mehr als ein solcher Niedrigstsatz angezeigt wird, nur einer dieser Sätze) von der Berechnungsstelle für die Bestimmung des arithmetischen Mittels der Angebotssätze (das wie vorstehend beschrieben auf- oder abgerundet wird) außer Acht gelassen; diese Regel gilt entsprechend für diesen gesamten Absatz (2).

Sollte [Reuters] **[anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“** abgeschafft werden oder nicht mehr zur Verfügung stehen, oder wird im Fall von (a) kein Angebotssatz, oder werden im Fall von (b) weniger als drei Angebotssätze am relevanten Feststellungstag auf der [Reuters] **[anderen relevanten Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“** angezeigt (in jedem dieser Fälle zur genannten Zeit), wird die Berechnungsstelle von den [Londoner] **[anderes relevantes Finanzzentrum einfügen]** Hauptniederlassungen jeder der Referenzbanken (wie nachstehend definiert) [in der Euro-Zone (wie nachstehend definiert)] deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode [gegenüber führenden Banken im [Londoner] **[anderes relevantes Finanzzentrum einfügen]** Interbanken-Markt [der Euro-Zone] um ca. [11.00] **[andere relevante Tageszeit einfügen]** Uhr ([Brüsseler] [Londoner] **[anderes relevantes Finanzzentrum einfügen]** Ortszeit) am Feststellungstag anfordern.

Interest Period means each period from, and including, the Interest Commencement Date to, but excluding, the first Interest Payment Date and from, and including, each Interest Payment Date to, but excluding, the following Interest Payment Date.

Determination Day means [any] [the] [second] **[insert other relevant number of days]** [TARGET [(as defined below)]] [London] **[insert other relevant financial centres]** Business Day [(as defined below)] [prior to] [after] the [first day] [Interest Payment Date] **[insert other relevant day]** of the relevant Interest Period. **[if a definition is required, which differs from the general Business Day definition, insert:** For the purposes of this paragraph only **[TARGET] [,] [London] [and] [insert other relevant financial centres] Business Day** means a day (other than a Saturday or Sunday) on which **[TARGET is open]** [[and] commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[London] [and] [insert other relevant financial centres]**. **[TARGET means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.]]**

[in the case of Margin insert: Margin means [insert rate] per cent. per annum.]

[Reuters] **[insert other relevant information vendor] Screen Page “[insert relevant Screen Page]“** means (i) the display page so designated by [Reuters] **[insert other relevant information vendor]**, or (ii) such other display page as may replace [Reuters] **[insert other information vendor] Screen Page “[insert relevant Screen Page]“** on the service provided by [Reuters] **[insert other relevant information vendor]**, or (iii) the display page of such other service as may be nominated by the Calculation Agent as the replacement information vendor for the purpose of displaying the Reference Interest Rate.

If, in the case of (b) above, five or more such offered quotations are available on [Reuters] **[insert other information vendor] Screen Page “[insert relevant Screen Page]“**, the highest (or, if there is more than one such highest rate, only one of such rates) and the lowest (or, if there is more than one such lowest rate, only one of such rates) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations and this rule shall apply throughout this paragraph (2).

If [Reuters] **[insert other information vendor] Screen Page “[insert relevant Screen Page]“** is cancelled or unavailable or if, in the case of (a) above, no such quotation appears or, in the case of (b) above, fewer than three such offered quotations appear on the relevant Determination Day on [Reuters] **[insert other information vendor] Screen Page “[insert relevant Screen Page]“**, in each case as at such time, the Calculation Agent shall request the principal [Euro-zone (as defined below)] [London] **[insert other relevant financial centre]** office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the [relevant] [Designated] Interest Period to leading banks in the [London] **[insert other relevant financial centre]** interbank market [of the Euro-zone] at approximately [11.00 a.m.] **[insert other relevant time]** ([Brussels] [London] **[insert other relevant financial centre]** time) on the Determination Day. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the

Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste [falls der Referenzsatz EURIBOR ist, einfügen: Tausendstel Prozent, wobei 0,0005] [falls der Referenzsatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) dieser Angebotssätze [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Feststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste [falls der Referenzsatz EURIBOR ist, einfügen: Tausendstel Prozent, wobei 0,0005] [falls der Referenzsatz nicht EURIBOR ist, einfügen: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. [11.00] [andere relevante Tageszeit einfügen] Uhr ([Brüsseler] [Londoner] [anderes relevantes Finanzzentrum einfügen] Ortszeit) an dem relevanten Feststellungstag Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode von führenden Banken im [Londoner] [anderes relevantes Finanzzentrum einfügen] Interbanken-Markt [der Euro-Zone] angeboten werden [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die relevante Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die [relevante] [Designierte] Zinsperiode, den bzw. die eine Bank oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem relevanten Feststellungstag gegenüber führenden Banken am [Londoner] [anderes relevantes Finanzzentrum einfügen] Interbanken-Markt [der Euro-Zone] nennen (bzw. den diese Bank oder Banken gegenüber der Berechnungsstelle nennen) [im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“, wie vorstehend beschrieben, an dem letzten Tag vor dem Feststellungstag, an dem diese Angebotssätze angezeigt wurden [Im Fall einer Marge einfügen: [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt)].

Referenzbanken bezeichnen [falls in den endgültigen Bedingungen keine Referenzbanken bestimmt werden, einfügen: im vorstehenden Fall (a) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des relevanten Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der [Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite]“ angezeigt wurde, und im vorstehenden Fall (b) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der

arithmetic mean (rounded if necessary to the nearest one [if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of such offered quotations [in the case of Margin insert: [plus] [minus] the Margin], all as determined by the Calculation Agent.

If on any Determination Day only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as specified in the preceding paragraph, the Rate of Interest for the Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [if the Reference Rate is EURIBOR insert: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR insert: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately [11.00 a.m.] [insert other relevant time] ([Brussels] [London] [insert other relevant financial centre] time) on the relevant Determination Day, deposits in the Specified Currency for the [relevant] [Designated] Interest Period by leading banks in the [London] [insert other relevant financial centre] interbank market [of the Euro-zone] [in the case of Margin insert: [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the [relevant] [Designated] Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the [relevant] [Designated] Interest Period, at which, on the relevant Determination Day, any one bank or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the [London] [insert other relevant financial centre] interbank market [of the Euro-zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) [in the case of Margin insert: [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” as described above, on the last day preceding the Determination Day on which such quotations were offered [in the case of Margin insert: [plus] [minus] the Margin (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period)].

As used herein, **Reference Banks** means [if no Reference Banks are specified in the Final Terms, insert: in the case of (a) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” and, in the case of (b) above, those banks whose offered quotations last appeared on [Reuters] [insert other information vendor] Screen Page “[insert relevant Screen Page]” when no fewer than three such offered

[Reuters] [anderen Informationsanbieter einfügen] Bildschirmseite „[relevante Bildschirmseite einfügen]“ angezeigt wurden, als nicht weniger als drei solcher Angebotsätze angezeigt wurden] [falls in den endgültigen Bedingungen Referenzbanken bestimmt werden, sind sie hier einzufügen].

[im Fall des Interbanken-Marktes der Euro-Zone einfügen: Euro-Zone bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, die einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[sofern ISDA-Feststellung gelten soll, sind die betreffenden Bestimmungen einzufügen und die von der International Swaps and Derivatives Association veröffentlichten 2000 ISDA-Definitionen beizufügen]

[sofern eine andere Methode der Feststellung anwendbar ist, sind die relevanten Bestimmungen anstelle der Bestimmungen dieses Absatzes (2) hier und in den relevanten endgültigen Bedingungen einzufügen]

[falls ein Mindest- und/oder ein Höchstzinssatz gilt, einfügen:

(3) [Mindest-] [und] [Höchst-] Zinssatz.

[falls ein Mindestzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als [Mindestzinssatz einfügen] % per annum, so ist der Zinssatz für diese Zinsperiode [Mindestzinssatz einfügen] % per annum.]

[falls ein Höchstzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als [Höchstzinssatz einfügen] % per annum, so ist der Zinssatz für diese Zinsperiode [Höchstzinssatz einfügen] % per annum.]

([4]) *Zinslauf*. Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, der in der Zinsperiode, die dem Fälligkeitstag vorangeht, gemäß diesem § 3 zu bestimmende, auf die Schuldverschreibungen zu zahlende, Zinssatz (der **letzte Zinssatz**) ist höher als der Verzugszinssatz; in diesem Fall bleibt der auf die Schuldverschreibungen zu zahlende letzte Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

([5]) *Berechnung des Zinsbetrags*. Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zu zahlenden Zinsbetrag in Bezug auf jede festgelegte Stückelung für die relevante Zinsperiode berechnen. Der Zinsbetrag wird berechnet, indem der rele-

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

quotations appeared] [if Reference Banks are specified in the Final Terms, insert names here].

[in case of the Interbank market of the Euro-Zone insert: Euro-Zone means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

[if ISDA Determination applies insert the relevant provisions and attach the 2000 ISDA Definitions published by the International Swaps and Derivatives Association]

[if other method of determination applies, insert herein and in the relevant Final Terms relevant details in lieu of the provisions of this paragraph (2)]

[if Minimum and/or Maximum Rate of Interest applies insert:

(3) [Minimum] [and] [Maximum] Rate of Interest.

[if Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [insert Minimum Rate of Interest] per cent. per annum, the Rate of Interest for such Interest Period shall be [insert Minimum Rate of Interest] per cent. per annum.]

[if Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [insert Maximum Rate of Interest] per cent. per annum, the Rate of Interest for such Interest Period shall be [insert Maximum Rate of Interest] per cent. per annum.]

([4]) *Accrual of Interest*. The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Rate of Interest payable under the Notes (which shall be determined in accordance with this § 3) during the Interest Period preceding the due date for redemption (the **Final Rate of Interest**) is higher than the Default Rate of Interest, in which event the Final Rate of Interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

([5]) *Calculation of Amount of Interest*. The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest payable under the Notes in respect of each Specified Denomination for the relevant Interest Period. The amount of interest shall be calculated by ap-

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (BGB).

vante Zinssatz auf jede festgelegte Stückelung angewendet wird, diese Summe mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und der hieraus resultierende Betrag auf die nächste Untereinheit der festgelegten Währung gerundet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt.

([6]) Mitteilungen von Zinssatz und Zinsbetrag. Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin und den Gläubigern gemäß § 10 baldmöglichst, aber keinesfalls später als am [vierten] **[andere relevante Zahl an Geschäftstagen einfügen]** auf die Berechnung jeweils folgenden Geschäftstag (wie nachstehend definiert), und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 10 mitgeteilt.

Im Rahmen dieses Absatzes bezeichnet **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in **[Ort der bezeichneten Geschäftsstelle der Berechnungsstelle einfügen]** für Geschäfte geöffnet sind.

([7]) Verbindlichkeit der Festsetzungen. Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle, die Zahlstelle[n] und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Berechnungsstelle nicht gegenüber der Emittentin, der Emissionsstelle, [den Zahlstellen] [der Zahlstelle] oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

[bei Nullkupon-Schuldverschreibungen einfügen:

(1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, die Emissionsrendite der Schuldverschreibungen von **[Emissionsrendite einfügen]** % *per annum* ist höher als der Verzugszinssatz; in letzterem Fall verzinsen sich die Schuldverschreibungen während der Verzugszinsperiode in Höhe der Emissionsrendite. Weitergehende Ansprüche der Gläubiger bleiben unberührt.

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

plying the relevant rate of interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, with half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

([6]) Notification of Rate of Interest and Interest Amount. The Calculation Agent will cause the Rate of Interest, the amount of interest for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § 10 as soon as possible after their determination, but in no event later than the [fourth] **[insert other relevant number of Business Days]** Business Day (as defined below) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 10.

For the purposes of this paragraph only **Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in **[insert place of specified office of the Calculation Agent]**.

([7]) Determinations Binding. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent[s] and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agent[s] or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

[in the case of Zero Coupon Notes insert:

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Amortisation Yield of the Notes of **[insert Amortisation Yield]** per cent. *per annum* is higher than the Default Rate of Interest, in which event interest shall accrue at a rate consistent with the Amortisation Yield during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (*BGB*).

(3) *Berechnung der auflaufenden Zinsen.* Falls die Emittentin die Schuldverschreibungen am Fälligkeitstag nicht einlöst, werden die auflaufenden Zinsen durch Anwendung der Emissionsrendite oder gegebenenfalls des Verzugszinssatzes auf jede festgelegte Stückelung, Multiplikation des resultierenden Betrags mit dem anwendbaren Zinstagequotienten (wie nachstehend definiert) und Rundung des resultierenden Betrags auf die nächste Untereinheit der festgelegten Währung berechnet, wobei eine halbe Untereinheit aufgerechnet wird oder die Rundung ansonsten gemäß der anwendbaren Marktkonvention erfolgt.

[bei festverzinslichen Schuldverschreibungen, variabel verzinslichen Schuldverschreibungen und Nullkupon-Schuldverschreibungen einfügen:

[(*)] Zinstagequotient. Zinstagequotient bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum **[nicht einfügen, falls Actual/Actual (ICMA) oder 30/360 (im Fall von festverzinslichen Schuldverschreibungen) einschlägig ist: (der Zinsberechnungszeitraum)]:**

[bei festverzinslichen Schuldverschreibungen, auf die Actual/Actual (ICMA) anwendbar ist, einfügen:

1. im Falle von Schuldverschreibungen, bei denen die Anzahl der Tage in der relevanten Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum relevanten Zahlungstag (ausschließlich desselben) (der **relevante Zeitraum**) kürzer ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, oder ihr entspricht, die Anzahl der Tage in dem betreffenden relevanten Zeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; oder

2. im Falle von Schuldverschreibungen, bei denen der relevante Zeitraum länger ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, die Summe aus:

der Anzahl der Tage in dem relevanten Zeitraum, die in die Feststellungsperiode fallen, in welcher der relevante Zeitraum beginnt, geteilt durch das Produkt (x) der Anzahl der Tage in der Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; und

der Anzahl der Tage in dem relevanten Zeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr.

Feststellungsperiode ist der Zeitraum von einem Feststellungstermin (einschließlich) bis zum nächsten Feststellungstermin (ausschließlich); dies schließt dann, wenn der Verzinsungsbeginn kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin vor dem Verzinsungsbeginn anfängt, und dann, wenn der letzte Zinszahlungstag kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstag nach dem letzten Zinszahlungstag endet.

Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein **Feststellungstermin**) beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen].**

[im Fall von festverzinslichen Schuldverschreibungen, auf die 30/360 anwendbar ist, einfügen: die Anzahl von Tagen in der Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum relevanten Zahlungstag (ausschließlich desselben) (wobei die Zahl der

(3) *Calculation of Accrued Interest.* If the Issuer fails to redeem the Notes when due, accrued interest is calculated by applying the amortisation yield or the Default Rate of Interest (as applicable) to the Specified Denomination, multiplying the resulting amount by the applicable Day Count Fraction (as defined below) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, with half of such subunit being rounded upwards or otherwise in accordance with applicable market convention.

[in the case of Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes insert:

[(*)] Day Count Fraction. Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time **[do not insert if Actual/Actual (ICMA) or 30/360 (in the case of Fixed Rate Notes) applies: (the Calculation Period)]:**

[in the case of Fixed Rate Notes to which Actual/Actual (ICMA) applies insert:

1. in the case of Notes where the number of days in the relevant period from, and including, the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified below) that would occur in one calendar year; or

2. in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year; and

the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year.

Determination Period means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Determination Date, as the case may be.

The number of interest determination dates per calendar year (each a **Determination Date**) is **[insert number of regular interest payment dates per calendar year].**

[in the case of Fixed Rate Notes to which 30/360 applies insert: the number of days in the period from, and including, the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.]

Tage auf der Basis von 12 Monaten zu jeweils 30 Tagen berechnet wird), geteilt durch 360.]

[im Fall von Actual/Actual (ISDA) oder Actual/365 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil des Zinsberechnungszeitraums in ein Schaltjahr fällt, die Summe von (A) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).]

[im Fall von Actual/365 (Fixed) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[im Fall von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[im Fall von 30/360, 360/360 oder Bond Basis einfügen: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der den letzten Tag enthaltende Monat nicht wie ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht wie ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[im Fall von 30E/360 oder Eurobond Basis einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten und letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag des letzten Zinsberechnungszeitraums ist der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht wie ein auf 30 Tage verlängerter Monat zu behandeln ist).]

§ 4 ZAHLUNGEN

(1) [(a)] *Zahlungen von Kapital.* Zahlungen von Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

[im Fall von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind, einfügen:

(b) *Zahlungen von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[im Fall von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing

[in the case of Actual/Actual (ISDA) or Actual/365 insert: the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[in the case of Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.]

[in the case of Actual/360 insert: the actual number of days in the Calculation Period divided by 360.]

[in the case of 30/360, 360/360 or Bond Basis insert: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[in the case of 30E/360 or Eurobond Basis insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) [(a)] *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.

[in the case of Notes other than Zero Coupon Notes insert:

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

[in the case of interest payable on a Temporary Global Note insert: Payment of interest on Notes represented by a Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided for in § 1 (3) (b).]

Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).]]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen auf die Schuldverschreibungen zu leistende Zahlungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des [im Fall von **TEFRA D Schuldverschreibungen einfügen:** § 1 (3) und des] Absatzes (1) dieses § 4 bezeichnet **Vereinigte Staaten** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des **District of Columbia**) sowie deren Territorien (einschließlich Puerto Rico, U. S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag (wie nachstehend definiert) ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet **Zahltag** einen Tag (außer einem Samstag oder Sonntag), an dem (i) Geschäftsbanken und Devisenmärkte Zahlungen am jeweiligen Ort der Vorlage abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind und sowohl (ii) das Clearing System und (iii) [soweit erforderlich und, falls die festgelegte Währung nicht Euro ist, in der Regel einfügen: Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]] Zahlungen abwickeln und für den allgemeinen Geschäftsverkehr (einschließlich des Handels in Devisen und Fremdwährungseinlagen) geöffnet sind] [soweit erforderlich und, falls die festgelegte Währung Euro ist, einfügen: [und] das [Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System] [TARGET System] geöffnet ist].

(6) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 5 (1) angegeben); den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen (wie nachstehend angegeben);] [falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen (wie nachstehend angegeben);] [im Fall von **Nullkupon-Schuldverschreibungen einfügen:** den Amortisationsbetrag der Schuldverschreibungen (wie nachstehend angegeben);] [im Fall von **Raten-Schuldverschreibungen einfügen:** die auf die Schuldverschreibungen zu leistende(n) Rate(n) (wie in § 5 (1) angegeben);] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge (außer Zinsen).]

(7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Düsseldorf Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem relevanten Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht im Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die Ansprüche der Gläubiger gegen die Emittentin.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *United States.* For purposes of [in the case of **TEFRA D Notes insert:** § 1 (3) and] paragraph (1) of this § 4, **United States** means the United States of America (including the States thereof and the **District of Columbia**) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day (as defined below) then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Business Day** means a day (other than a Saturday or a Sunday) on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and both (ii) the Clearing System, and (iii) [insert, as applicable, and, generally, if the Specified Currency is not Euro: commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [insert all relevant financial centres]] [insert, as applicable, and if the Specified Currency is Euro: [and] the [Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System] [TARGET System] is open].

(6) *References to Principal.* References in these Terms and Conditions of the Notes to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 5 (1)); the Early Redemption Amount of the Notes (as specified below);] [if redeemable at the option of the Issuer insert: the Call Redemption Amount of the Notes (as specified below);] [in the case of **Zero Coupon Notes** the Amortised Face Amount of the Notes (as specified below);] [in the case of **Instalment Notes** insert: the Instalment Amount(s) of the Notes (as specified in § 5 (1));] and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.]

(7) *Deposit of Principal and Interest.* The Issuer may deposit with the Local Court (*Amtsgericht*) in Düsseldorf principal or interest not claimed by Holders within twelve months after the relevant due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5
RÜCKZAHLUNG

(1) Rückzahlung bei Endfälligkeit.

[im Fall von Schuldverschreibungen, die keine Raten-Schuldverschreibungen sind, einfügen:

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstags diesen Fälligkeitstag einfügen] [im Fall eines Rückzahlungsmonats einfügen:** in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der **Fälligkeitstag**) zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht **[falls die Schuldverschreibungen zu ihrem Nennbetrag zurückgezahlt werden, einfügen:** dem Nennbetrag der Schuldverschreibungen] **[ansonsten den Rückzahlungsbetrag für die jeweilige Stückelung einfügen, der nicht niedriger sein darf als der Nennbetrag der Schuldverschreibungen].]**

[im Fall von Raten-Schuldverschreibungen einfügen:

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an [dem] [den] nachstehenden Ratenzahlungstermin[en] in [der] [den] folgenden Rate[n] zurückgezahlt:

Ratenzahlungstermin[e]/ Rate[n] (je festgelegte Stückelung)	[Ratenzahlungstermin(e) einfügen] [Rate(n) einfügen]
[_____]	[_____]
[_____]	[_____]

[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

(2) Vorzeitige Rückzahlung nach Wahl der Emittentin.

(a) Die Emittentin kann, nachdem sie gemäß Unterabsatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise [am] [an den] Wahl-Rückzahlungstag[en] (Call) [zum] [zu den] Wahl-Rückzahlungsbetrag [beträgen] (Call), wie nachstehend angegeben, nebst etwaigen bis zum jeweils relevanten Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[falls ein Mindestrückzahlungsbetrag oder ein erhöhter Rückzahlungsbetrag Anwendung findet, einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrags von [mindestens [Mindestrückzahlungsbetrag einfügen]] [[und] höchstens [erhöhten Rückzahlungsbetrag einfügen]] erfolgen.]

Wahl-Rückzahlungstag[e] [Wahl-Rückzahlungstag[e] (Call)/Wahl- Rückzahlungsbetrag] [beträge] (Call)	[Wahl-Rückzahlungstag[e] (Call) einfügen] [Wahl-Rückzahlungsbetrag/-beträge (Call) einfügen]
[_____]	[_____]
[_____]	[_____]

(b) Die Kündigung ist den Gläubigern durch die Emittentin gemäß § 10 mit einer Kündigungsfrist von nicht weniger als [5] **[andere Mindestkündigungsfrist einfügen]** und nicht mehr als [60] **[andere Höchstkündigungsfrist einfügen]** Tagen und der Emissionsstelle bekannt zu geben, wobei die Kündigung gegenüber der Emissionsstelle mindestens [3] **[andere Mindestkündigungsfrist einfügen]** Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen hat). Sie ist unwiderruflich und beinhaltet die folgenden Angaben:

§ 5
REDEMPTION

(1) Redemption at Maturity.

[in the case of Notes other than Instalment Notes insert:

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date] [in the case of a Redemption Month insert:** the Interest Payment Date falling in **[insert Redemption Month]]** (the **Maturity Date**). The Final Redemption Amount in respect of each Note shall be **[if the Notes are redeemed at their principal amount insert: its principal amount] [otherwise insert Final Redemption Amount per denomination which shall not be less than the principal amount of the Notes].]**

[in case of Instalment Notes insert:

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on the Instalment Date[s] and in the Instalment Amount[s] set forth below:

Instalment Date[s]/ Instalment Amount[s] (per Sepecified Denomination)	[insert Instalment Date(s)] [insert Instalment Amount(s)]
[_____]	[_____]
[_____]	[_____]

[if Notes are subject to Early Redemption at the Option of the Issuer insert:

(2) Early Redemption at the Option of the Issuer.

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem all or some only of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to, but excluding, each relevant Call Redemption Date. **[if Minimum Redemption Amount or Higher Redemption Amount applies insert:** Any such redemption must be of a principal amount of [not less than [insert Minimum Redemption Amount]] [[or of] not more than [insert Higher Redemption Amount].]

Call Redemption Date(s)/ Call Redemption Amount(s)	[insert Call Redemption Date(s)] [insert Call Redemption Amount(s)]
[_____]	[_____]
[_____]	[_____]

(b) Notice of redemption shall be given by the Issuer to the Holders in accordance with § 10 on giving not less than [5] **[insert other minimum notice period]** days' nor more than [60] **[insert other maximum notice period]** days' prior notice of redemption and to the Fiscal Agent (with the notice to the Fiscal Agent to be given not less than [3] **[insert other minimum notice period]** days before the giving of the notice to the Holders). Such notice shall be irrevocable and shall specify:

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestfrist einfügen; diese ist in der Regel identisch mit der Mindestkündigungsfrist]** und nicht mehr als **[Höchstfrist einfügen; diese ist in der Regel identisch mit der Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die betreffenden Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen nach den Regeln des relevanten Clearing Systems ausgewählt.]

§ 6

**DIE EMISSIONSSTELLE [,] [UND] DIE ZAHLSTELLE[N]
[UND DIE BERECHNUNGSSTELLE]**

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [,] [und] die anfänglich bestellte[n] Zahlstelle[n] [und die anfänglich bestellte Berechnungsstelle] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Deutschland]

Zahlstelle[n]: [Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
2953 Luxemburg
Luxemburg]

[andere Zahlstellen und deren bezeichnete Geschäftsstellen einfügen]

[Berechnungsstelle: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Deutschland]

[andere Berechnungsstelle oder andere für die Bestimmung bzw. Berechnung des Referenzzinssatzes verantwortliche Partei einfügen]

Die Aufgaben der Emissionsstelle umfassen auch diejenigen einer Zahlstelle. Die Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle unterhalten [,] [und] (ii) eine Zahlstelle (die die Emissionsstelle sein kann) mit einer bezeichneten Geschäftsstelle in einer kontinentaleuropäischen Stadt außerhalb der Bundesrepublik Deutschland unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und] (iii) solange die Schuldverschrei-**

§ 6

**FISCAL AGENT [,] [AND] PAYING AGENT[S]
[AND CALCULATION AGENT]**

(1) *Appointment; specified offices.* The initial Fiscal Agent [,] [and] the initial Paying Agent[s] [and the initial Calculation Agent] and their respective initial specified offices are:

Fiscal Agent: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Germany]

Paying Agent[s]: [Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
2953 Luxemburg
Luxembourg]

[insert other Paying Agents and their specified offices]

[Calculation Agent: [Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Germany]

[insert other Calculation Agent or other party responsible for determining or calculating the Reference Interest Rate or the rate of interest]

The Fiscal Agent shall also fulfil the functions of a Paying Agent. The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] (ii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city outside the Federal Republic of Germany **[in the case of Notes listed on a stock exchange insert: [,] [and] (iii) so long as the Notes are listed on the [insert names of relevant Stock Exchanges], a Paying Agent (which may be the Fiscal Agent) with a specified office in [insert locations of**

bungen an der **[Namen der relevanten Börsen einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in **[jeweiligen Sitz der relevanten Börsen einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse[n] oder ihrer [jeweiligen] Aufsichtsbehörde[n] verlangen **[im Fall von Zahlungen in U.S.-Dollar einfügen: [,] [und] [(iv)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [und] [(v)]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen: mit bezeichneter Geschäftsstelle in [vorgeschriebenem Ort einfügen]]** unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 10 vorab unter Einhaltung einer Frist von mindestens [30] **[andere Mindestfrist einfügen]** und nicht mehr als [45] **[andere Höchstfrist einfügen]** Tagen informiert wurden.

Die Emittentin verpflichtet sich, (soweit dies möglich ist) die Emissionsstelle oder eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht zur Vornahme von steuerlichen Einbehalten oder Abzügen nach Maßgabe der Richtlinie 2003/48/EG oder einer anderen Rechtsnorm verpflichtet ist, die der Umsetzung dieser Richtlinie dient oder zu deren Anpassung eingeführt wird.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Emissionsstelle für die Zwecke dieser Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle[n] [, die Berechnungsstelle] und die Gläubiger bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle nicht gegenüber der Emittentin oder den Gläubigern im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben, Veranlagungen oder staatlichen Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde derselben an der Quelle auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.]

relevant Stock Exchanges] and/or in such other places as may be required by the rules of such stock exchange[s] or [its] [their] [respective] supervisory [authority] [authorities]] **[in the case of payments in U.S. Dollars insert: [,] [and] [(iv)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York City **[if any Calculation Agent is to be appointed insert: [and] [(v)]** a Calculation Agent **[if the Calculation Agent is required to maintain a specified office in a required location insert: with a specified office located in [insert required location]].** Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than [30] **[insert other minimum period]** nor more than [45] **[insert other maximum period]** days' prior notice thereof shall have been given to the Holders in accordance with § 10.

The Issuer undertakes, to the extent this is possible, to maintain the Fiscal Agent or a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive.

(3) *Agents of the Issuer.* The Fiscal Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions of the Notes by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agent[s] [, the Calculation Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction at source for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by way of withholding or deduction at source in, by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.]

**§ 8
VORLEGUNGSFRIST**

Die in § 801 Abs. 1 S. 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre abgekürzt.

**§ 9
BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN,
ANKAUF UND ENTWERTUNG**

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, von Zeit zu Zeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Emissionsstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

(3) *Entwertung.* Sämtliche vollständig getilgten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

**§ 10
MITTEILUNGEN**

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind in [einer] führenden Tageszeitung[en] mit allgemeiner Verbreitung in [der Bundesrepublik Deutschland] [,] [und] [Luxemburg] [,] [und] [London] [,] [und] [Frankreich] [,] [und] [der Schweiz] [und] **[anderen Ort einfügen]**, voraussichtlich in [der *Börsen-Zeitung*] [dem *Handelsblatt*] [d'Wort] [dem *Tageblatt*] [der *Financial Times*] [*La Tribune*] [der *Neue Zürcher Zeitung* und *Le Temps*] **[andere Zeitung mit allgemeiner Verbreitung einfügen]** [sowie im Bundesanzeiger] zu veröffentlichen. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilung an das Clearing System.* Solange die Globalurkunde[n] insgesamt im Namen des Clearing System gehalten [wird] [werden], ist die Emittentin berechtigt, eine Zeitungsveröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass in Fällen, in denen die Schuldverschreibungen an einer Börse notiert sind, die Regeln dieser Börse diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt. **[bei Schuldverschreibungen, die an einer Börse notiert sind, einfügen:** Solange irgendwelche Schuldverschreibungen an der **[relevante Börse einfügen]** notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz (1) bekanntzumachen.]

([3]) *Form der von Gläubigern zu machenden Mitteilungen.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen. Solange die Schuldverschreibungen durch [eine] Globalurkunde[n] verbrieft sind, kann eine solche Mitteilung über das Clearing System an die Emissionsstelle in der von der Emissionsstelle und das Clearing System dafür vorgesehenen Weise erfol-

**§ 8
PRESENTATION PERIOD**

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

**§ 9
FURTHER ISSUES OF NOTES, PURCHASES AND
CANCELLATION**

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, Interest Commencement Date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 10
NOTICES**

(1) *Publication.* All notices concerning the Notes shall be published in [a] leading daily newspaper[s] having general circulation in [the Federal Republic of Germany] [,] [and] [Luxembourg] [,] [and] [London] [,] [and] [France] [,] [and] [Switzerland] [and] **[specify other location]** [and the *Bundesanzeiger*]. [These newspapers are] [This newspaper is] expected to be the [*Börsen-Zeitung*] [*Handelsblatt*] [d'Wort] [*Tageblatt*] [*Financial Times*] [*La Tribune*] [*Neue Zürcher Zeitung* and *Le Temps*] **[insert other applicable newspaper having general circulation]**. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

(2) *Notification to Clearing System.* So long as the Global Note[s] [is [are] held in [its] [their] entirety on behalf of the Clearing System, the Issuer may, in lieu of publication in the newspapers set forth in paragraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders, provided that, so long as any Notes are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System. **[in the case of Notes which are listed on any Stock Exchange insert:** So long as any Notes are listed on the **[insert relevant Stock Exchange]**, all notices concerning the Notes shall be published in accordance with paragraph (1).]

([3]) *Form of Notice to be given by any Holder.* Notices to be given by any Holder shall be made by means of a written declaration. So long as the Notes are represented by [a] Global Note[s], such notice may be given to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose. If the Notes are represented by definitive

gen. Sofern die Schuldverschreibungen durch Einzelurkunden verbrieft sind, müssen Mitteilungen, die von einem Gläubiger gemacht werden, zusammen mit der relevanten Einzelurkunde oder den relevanten Einzelurkunden an die Emissionsstelle eingereicht werden.

§ 11
**ANWENDBARES RECHT, ERFÜLLUNGSSORT,
GERICHTSSTAND UND GERICHTLICHE
GELTENDMACHUNG**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden.

(2) *Erfüllungsort.* Erfüllungsort ist Düsseldorf.

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren (**Rechtsstreitigkeiten**) ist das Landgericht Düsseldorf. Die Zuständigkeit des Landgerichts Düsseldorf ist ausschließlich, soweit es sich um Rechtsstreitigkeiten handelt, die von Kaufleuten, juristischen Personen des öffentlichen Rechts, öffentlich-rechtlichen Sondervermögen oder von Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland angestrengt werden. Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Schuldverschreibungen.

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen, die über ein Clearing System gehalten werden, ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre, oder (iii) auf jede andere Weise, die im Lande der Geltendmachung zur Beweiserhebung prozessual zulässig ist. Für die Zwecke des Vorstehenden bezeichnet **Depotbank** jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems.

§ 12
SALVATORISCHE KLAUSEL

Sollte eine Bestimmung dieser Emissionsbedingungen ganz oder teilweise rechtsunwirksam sein oder werden,

Notes the notice to be given by any Holder shall be lodged with the Fiscal Agent, together with the relevant definitive Note or Notes.

§ 11
**APPLICABLE LAW, PLACE OF
PERFORMANCE, SUBMISSION TO
JURISDICTION AND ENFORCEMENT**

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law.

(2) *Place of Performance.* Place of performance shall be Düsseldorf.

(3) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Düsseldorf shall have non-exclusive jurisdiction for any action or other legal proceedings (**Proceedings**) arising out of or in connection with the Notes. The jurisdiction of the District Court (*Landgericht*) in Düsseldorf shall be exclusive if Proceedings are brought by merchants (*Kaufleute*), legal entities under public law (*juristische Personen des öffentlichen Rechts*), special assets under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). The German courts shall have exclusive jurisdiction over lost or destroyed Notes.

(4) *Enforcement.* Any Holder of Notes held through a Clearing System may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, **Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 12
SEVERABILITY

Should any provision of these Terms and Conditions of the Notes be or become invalid in whole or in part, the

so bleiben die übrigen Bestimmungen wirksam. Anstelle der rechtsunwirksamen Bestimmung gilt eine wirksame Regelung, die den wirtschaftlichen Zwecken der rechtsunwirksamen Bestimmung soweit gesetzlich möglich Rechnung trägt.

**§ 13
SPRACHE**

[falls der deutsche Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. [Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]]

[falls der englische Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in englischer Sprache abgefasst. [Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]]

other provisions shall remain in force. The invalid provision shall be deemed substituted by a valid provision which accomplishes as far as legally possible the economic purposes of the invalid provision.

**§ 13
LANGUAGE**

[if the German text shall be binding insert: These Terms and Conditions of the Notes are written in the German language [and provided with an English language translation. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]

[if the English text shall be binding insert: These Terms and Conditions of the Notes are written in the English language [and provided with a German language translation. The English text shall be prevailing and binding. The German language translation is provided for convenience only.]

TEIL I – GRUNDBEDINGUNGEN

C. EMISSIONSBEDINGUNGEN FÜR JUMBO-PFANDBRIEFE

§ 1

STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Tranche von **[im Fall von Hypothekendarlehen einfügen: Hypothekendarlehen einfügen]** **[im Fall von öffentlichen Darlehen einfügen: Öffentlichen Darlehen einfügen]** wird von der Emittentin in Euro im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in der Stückelung von Euro 1.000 (die **festgelegte Stückelung**) begeben. **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen: Die Schuldverschreibungen werden mit den am [Tag der Begebung der bereits begebenen Emission einfügen]** begebenen **[Beschreibung der bereits begebenen Emission einfügen]** (die **Originalschuldverschreibungen**) zu einer einzigen Serie zusammengefasst.]

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) ohne Zinsscheine verbrieft; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die Dauerglobalurkunde mitverbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und die eigenhändige oder faksimilierte Unterschrift des von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders und ist von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben. Die Umschreibung von Schuldverschreibungen auf den Namen eines Gläubigers (wie nachstehend definiert) ist ausgeschlossen.

(4) *Clearing System.* Die Dauerglobalurkunde wird von Clearstream Banking AG, Frankfurt bzw. jedem Funktionsnachfolger verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind.

(5) *Gläubiger von Schuldverschreibungen.* *Gläubiger* bezeichnet jeden Inhaber von Miteigentumsanteilen oder anderen Rechten an der Dauerglobalurkunde, die in Übereinstimmung mit den Bestimmungen von Clearstream Banking AG, Frankfurt auf einen neuen Gläubiger übertragen werden können.

§ 2

STATUS

Die Schuldverschreibungen begründen direkte, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Schuldverschreibungen sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen im gleichen Rang mit allen anderen unbesicherten gegenwärtigen und zukünftigen Verpflichtungen der Emittentin aus **[bei Hypothekendarlehen einfügen: Hypothekendarlehen einfügen]** **[bei öffentlichen Darlehen einfügen: Öffentlichen Darlehen einfügen]**.

§ 3

ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden auf der Grundlage ihres Nennbetrags verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (der **Verzinsungsbeginn**) (einschließlich) bis zum Fällig-

PART I – BASIC TERMS

C. TERMS AND CONDITIONS OF JUMBO-PFANDBRIEFE

§ 1

DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This tranche of **[in the case of mortgage *Pfandbriefe* insert: Mortgage *Pfandbriefe* (*Hypothekendarlehen*)]** **[in the case of public sector *Pfandbriefe* insert: Public Sector *Pfandbriefe* (*öffentliche Darlehen*)]** is being issued by the Issuer in Euro in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in the denomination of Euro 1,000 (the **Specified Denomination**.) **[in the case of Notes which will increase an existing issue of Notes insert: The Notes will be consolidated and form a single series with the [insert description of the existing issue of Notes] issued on [insert issue date of the existing issue of Notes] (the Original Notes).]**

(2) *Form.* The Notes are being issued in bearer form.

(3) *Permanent Global Note.* The Notes are represented by a permanent global note (the **Permanent Global Note**) without coupons; any claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed manually by two authorised signatories of the Issuer and manually or in facsimile by the independent trustee appointed by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and shall be authenticated manually or in facsimile by or on behalf of the Fiscal Agent. Definitive Notes and coupons will not be issued. The Notes may not be transcribed to the name of a Holder (as defined below).

(4) *Clearing System.* The Permanent Global Notes will be kept in custody by Clearstream Banking AG, Frankfurt or any successor in its capacity until all obligations of the Issuer under the Notes have been satisfied.

(5) *Holder of Notes.* *Holder* means any holder of a proportionate co-ownership or other beneficial interest or right in the Permanent Global Note which may be transferred to a new Holder in accordance with the provisions of Clearstream Banking AG, Frankfurt.

§ 2

STATUS

The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Notes are covered in accordance with the German *Pfandbrief Act* (*Pfandbriefgesetz*) and rank *pari passu* with all other present and future obligations of the Issuer under **[in the case of Mortgage *Pfandbriefe* insert: Mortgage *Pfandbriefe*]** **[in the case of Public Sector *Pfandbriefe* insert: Public Sector *Pfandbriefe*].]**

§ 3

INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of **[insert the Rate of Interest]** per cent. *per annum* (the **Rate of Interest**) from, and including, **[insert Interest Com-**

keitstag (wie in § 5 (1) definiert) (ausschließlich) mit **[Zinssatz einfügen]** % *per annum* (der **Zinssatz**). Die Zinsen sind nachträglich am **[Zinszahlungstage einfügen]** eines jeden Jahres zahlbar (jeweils ein **Zinszahlungstag**). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]**.

(2) *Zinslauf*. Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des Zinssatzes verzinst.

(3) *Berechnung des Zinsbetrags*. Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen Zeitraum von weniger oder mehr als einem Jahr zu berechnen ist, erfolgt die Berechnung des Zinsbetrags, indem der Zinssatz auf die festgelegte Stückelung angewendet wird, diese Summe mit dem Zinstagequotienten (wie nachstehend definiert) multipliziert und das hieraus resultierende Ergebnis auf einen Cent gerundet wird, wobei ein halber Cent aufgerundet wird.

(4) *Zinstagequotient*. **Zinstagequotient** bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum:

1. im Falle von Schuldverschreibungen, bei denen die Anzahl der Tage in der relevanten Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum relevanten Zahlungstag (ausschließlich desselben) (der **relevante Zeitraum**) kürzer ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, oder ihr entspricht, die Anzahl der Tage in dem betreffenden relevanten Zeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; oder

2. im Falle von Schuldverschreibungen, bei denen der relevante Zeitraum länger ist als die Feststellungsperiode, in die das Ende des relevanten Zeitraums fällt, die Summe aus

der Anzahl der Tage in dem relevanten Zeitraum, die in die Feststellungsperiode fallen, in welcher der relevante Zeitraum beginnt, geteilt durch das Produkt (x) der Anzahl der Tage in der Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr; und

der Anzahl der Tage in dem relevanten Zeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (x) der Anzahl der Tage in dieser Feststellungsperiode und (y) der Anzahl der Feststellungstermine (wie nachstehend angegeben) in einem Kalenderjahr.

Feststellungsperiode ist der Zeitraum von einem Feststellungstermin (einschließlich) bis zum nächsten Feststellungstermin (ausschließlich); dies schließt dann, wenn der Verzinsungsbeginn kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstermin vor dem Verzinsungsbeginn anfängt, und dann, wenn der letzte Zinszahlungstag kein Feststellungstermin ist, den Zeitraum ein, der an dem ersten Feststellungstag nach dem letzten Zinszahlungstag endet.

Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein **Feststellungstermin**) beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen]**.

mencement Date] (the **Interest Commencement Date**) to, but excluding, the Maturity Date (as defined in § 5 (1)). Interest shall be payable in arrear on **[insert Interest Payment Dates]** in each year (each such date, an **Interest Payment Date**). The first payment of interest shall be made on **[insert first Interest Payment Date]**.

(2) *Accrual of Interest*. The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the Rate of Interest.

(3) *Calculation of Amount of Interest*. If the amount of interest payable under the Notes is required to be calculated for a period of less or more than a full year, such amount of interest shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest Cent, half of such Cent being rounded upwards.

(4) *Day Count Fraction*. **Day Count Fraction** means, in respect of the calculation of an amount of interest on any Note for any period of time:

1. in the case of Notes where the number of days in the relevant period from, and including, the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified below) that would occur in one calendar year; or

2. in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year; and

the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year.

Determination Period means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Determination Date, as the case may be).

The number of interest determination dates per calendar year (each a **Determination Date**) is **[insert number of regular interest payment dates per calendar year]**.

**§ 4
ZÄHLUNGEN**

(1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen an Clearstream Banking AG, Frankfurt zur Gutschrift auf den Konten der jeweiligen Kontoinhaber von Clearstream Banking AG, Frankfurt zur Weiterleitung an die Gläubiger.

(2) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an Clearstream Banking AG, Frankfurt oder deren Order von ihrer Zahlungspflicht befreit.

(3) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag (wie nachstehend definiert) ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet **Zahltag** einen Tag (außer einem Samstag oder Sonntag), an dem sowohl Clearstream Banking AG, Frankfurt als auch das Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System geöffnet sind.

**§ 5
RÜCKZAHLUNG UND KÜNDIGUNG**

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** (der **Fälligkeitstag**) zurückgezahlt. Der **Rückzahlungsbetrag** in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Kündigung.* Die Schuldverschreibungen sind sowohl für die Emittentin als auch für die Gläubiger unkündbar.

**§ 6
DIE EMISSIONSSTELLE UND DIE ZAHLSTELLE[N]**

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle und die anfänglich bestellte[n] Zahlstelle[n] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle:	[Deutsche Bank Aktiengesellschaft Große Gallusstraße 10–14 60272 Frankfurt am Main Deutschland]
Zahlstelle[n]:	[Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer 2953 Luxemburg Luxemburg]

[andere Zahlstellen und deren bezeichnete Geschäftsstellen einfügen]

Die Aufgaben der Emissionsstelle umfassen auch diejenigen einer Zahlstelle. Die Emissionsstelle und die Zahlstelle[n] behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird jedoch jederzeit (i) eine Emissionsstelle unterhalten, (ii) eine Zahlstelle (die die Emissionsstelle sein kann) mit einer bezeichneten Geschäftsstelle in einer kontinental-europäischen Stadt außerhalb der Bundesrepublik

**§ 4
PAYMENTS**

(1) *Payment of Principal and Interest.* Payment of principal and Interest in respect of the Notes shall be made to Clearstream Banking AG, Frankfurt for credit to the accounts of the relevant accountholders of Clearstream Banking AG, Frankfurt for onward transfer to the Holders.

(2) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, Clearstream Banking AG, Frankfurt.

(3) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day (as defined below) then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Business Day** means a day (other than a Saturday or a Sunday) on which both Clearstream Banking AG, Frankfurt and the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System are open.

**§ 5
REDEMPTION AND ACCELERATION**

(1) *Redemption at Maturity.* Unless previously redeemed in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the **Maturity Date**). The **Final Redemption Amount** in respect of each Note shall be its principal amount.

(2) *Acceleration.* Neither the Issuer nor the Holders may accelerate the Notes.

**§ 6
FISCAL AGENT AND PAYING AGENT[S]**

(1) *Appointment; specified offices.* The initial Fiscal Agent and the initial Paying Agent[s] and their respective initial specified offices are:

Fiscal Agent:	[Deutsche Bank Aktiengesellschaft Große Gallusstraße 10–14 60272 Frankfurt am Main Germany]
Paying Agent[s]:	[Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer 2953 Luxembourg Luxembourg]

[insert other Paying Agents and their specified offices]

The Fiscal Agent shall also fulfil the functions of a Paying Agent. The Fiscal Agent and the Paying Agent[s] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another Fiscal Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city outside the Federal Republic of Germany and (iii) so long as the Notes are listed on the **[insert names of relevant Stock**

Deutschland unterhalten und (iii) solange die Schuldverschreibungen an der **[Namen der relevanten Börsen einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in **[jeweiligen Sitz der relevanten Börsen einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse[n] oder ihrer **[jeweiligen]** Aufsichtsbehörde[n] verlangen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 9 vorab unter Einhaltung einer Frist von mindestens **[30] [andere Mindestfrist einfügen]** und nicht mehr als **[45] [andere Höchstfrist einfügen]** Tagen informiert wurden.

Die Emittentin verpflichtet sich, (soweit dies möglich ist) die Emissionsstelle oder eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht zur Vornahme von steuerlichen Einbehalten oder Abzügen nach Maßgabe der Richtlinie 2003/48/EG oder einer anderen Rechtsnorm verpflichtet ist, die der Umsetzung dieser Richtlinie dient oder zu deren Anpassung eingeführt wird.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle und die Zahlstelle[n] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben, Veranlagungen oder staatlichen Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde derselben an der Quelle auferlegt, erhoben, eingezogen, einbehalten oder veranlagt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.

§ 8 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, von Zeit zu Zeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden und ihren Gesamtnennbetrag erhöhen. Der Begriff **Schuldverschreibungen** umfasst im Fall einer solchen Erhöhung auch solche zusätzlich begebenen Schuldverschreibungen.

(2) *Ankauf.* Die Emittentin ist berechtigt, von Zeit zu Zeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Gläubigern gemacht werden.

§ 9 MITTEILUNGEN

Alle die Schuldverschreibungen betreffenden Mitteilungen sind in **[einer]** führenden Tageszeitung[en] mit allgemeiner Verbreitung in **[der Bundesrepublik Deutsch-**

Exchanges], a Paying Agent (which may be the Fiscal Agent) with a specified office in **[insert locations of relevant Stock Exchanges]** and/or in such other places as may be required by the rules of such stock exchange[s] or [its] [their] [respective] supervisory [authority] [authorities]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than **[30] [insert other minimum period]** nor more than **[45] [insert other maximum period]** days' prior notice thereof shall have been given to the Holders in accordance with § 9.

The Issuer undertakes, to the extent this is possible, to maintain the Fiscal Agent or a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive.

(3) *Agents of the Issuer.* The Fiscal Agent and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction at source for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by way of withholding or deduction at source in, by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

§ 8 FURTHER ISSUES OF NOTES AND PURCHASES

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, Interest Commencement Date and/or issue price) so as to form a single series with and increase the aggregate principal amount of such Notes. The term **Notes** shall, in the event of such increase, also include such additionally issued Notes.

(2) *Purchases.* The Issuer may from time to time purchase Notes in the open market or otherwise at any price. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

§ 9 NOTICES

All notices concerning the Notes shall be published in **[a]** leading daily newspaper[s] having general circulation in **[the Federal Republic of Germany] [,] [and] [Luxembourg]**

land] [,] [und] [Luxemburg] [und] [anderen Ort einfügen], voraussichtlich in [der *Börsen-Zeitung*] [dem *Handelsblatt*] [,] [und] [*d'Wort*] [und] [andere Zeitung mit allgemeiner Verbreitung einfügen] [sowie im Bundesanzeiger] zu veröffentlichen. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

**§ 10
ANWENDBARES RECHT, ERFÜLLUNGORT UND
GERICHTSSTAND**

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden.

(2) *Erfüllungsort.* Erfüllungsort ist Düsseldorf.

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ist das Landgericht Düsseldorf.

**§ 11
SPRACHE**

[falls der deutsche Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. [Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]]

[falls der englische Text bindend sein soll, einfügen: Diese Emissionsbedingungen sind in englischer Sprache abgefasst. [Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]]

[,] [and] [specify other location] [and the *Bundesanzeiger*]. [These newspapers are] [This newspaper is] expected to be the [*Börsen-Zeitung*] [*Handelsblatt*] [,] [and] [*d'Wort*] [and] [insert other applicable newspaper having general circulation]. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

**§ 10
APPLICABLE LAW, PLACE OF PERFORMANCE AND
SUBMISSION TO JURISDICTION**

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law.

(2) *Place of Performance.* Place of performance shall be Düsseldorf.

(3) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Düsseldorf shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

**§ 11
LANGUAGE**

[if the German text shall be binding insert: These Terms and Conditions of the Notes are written in the German language [and provided with an English language translation. The German text shall be prevailing and binding. The English language translation is provided for convenience only].]

[if the English text shall be binding insert: These Terms and Conditions of the Notes are written in the English language [and provided with a German language translation. The English text shall be prevailing and binding. The German language translation is provided for convenience only].]

TEIL II – ZUSATZ ZU TEIL I –
GUNDBEDINGUNGEN A. UND B.

BEDINGUNGEN FÜR AUF DEN INHABER
LAUTENDE EINZELURKUNDEN

Falls die anwendbaren endgültigen Bedingungen die Begebung von Einzelkunden vorsehen, werden (im Fall von Inhaberschuldverschreibungen) die Emissionsbedingungen für Inhaberschuldverschreibungen (ausgenommen (Jumbo-)Pfandbriefe), die in Globalurkunden verbrieft sind, gemäß TEIL I A. bzw. (im Fall von Inhaberpfandbriefen) die Emissionsbedingungen für Inhaberpfandbriefe, die in Globalurkunden verbrieft sind, gemäß TEIL I B. nach Maßgabe der folgenden Anleitungen und der Bedingungen der anwendbaren endgültigen Bedingungen abgeändert.

[§ 1 (1) (WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN – *Währung, Stückelung*) ist wie folgt zu ersetzen:

(1) *Währung, Stückelung.* Diese Tranche der Schuldverschreibungen wird von der Emittentin in **[festgelegte Währung einfügen]** (die **festgelegte Währung**) im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) begeben und ist eingeteilt in **[Anzahl der Schuldverschreibungen je festgelegter Stückelung einfügen]** Schuldverschreibungen im Nennbetrag von **[festgelegte Stückelung(en) einfügen]** (die **festgelegte[n] Stückelung(en)**). **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen:** Die Schuldverschreibungen werden mit den am **[Tag der Begebung der bereits begebenen Emission einfügen]** begebenen **[Beschreibung der bereits begebenen Emission einfügen]** (die **Originalschuldverschreibungen**) zu einer einzigen Serie zusammengefasst.].

[§ 1 (3) (a) (WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN – *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde*) ist wie folgt zu ersetzen:

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **vorläufige Globalurkunde**) ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird **[falls die vorläufige Globalurkunde ausschließlich gegen Einzelkunden ausgetauscht wird, einfügen:** gegen Einzelkunden in [der] [den] festgelegten Stückelung[en] (die **Einzelkunden**) **[falls die Schuldverschreibungen mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen ausgegeben werden, einfügen:** mit beigefügten [Zinsscheinen (die **Zinsscheine**)] [[,] [und] Talons (die **Talons**) für weitere Zinsscheine] [[und] Rückzahlungsscheinen (die **Rückzahlungsscheine**) für die Zahlung der Tilgungsraten]] **[ausgetauscht] [falls die vorläufige Globalurkunde gegen Einzelkunden und Sammelurkunden ausgetauscht wird, einfügen:** zum Teil gegen Einzelkunden in [der] [den] festgelegten Stückelung[en] (die **Einzelkunden**) **[falls die Schuldverschreibungen mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen ausgegeben werden, einfügen:** mit beigefügten [Zinsscheinen (die **Zinsscheine**)] [[,] [und] Talons (die **Talons**) für weitere Zinsscheine] [[und] Rückzahlungsscheinen (die **Rückzahlungsscheine**) für die Zahlung der Tilgungsraten]] und zum anderen Teil gegen eine oder mehrere Sammelurkunden (jeweils eine **Sammelurkunde**) **[falls die Sammelurkunde mit Zinsscheinen ausgegeben werden, einfügen:** mit beigefügten Sammelzinsscheinen (jeweils ein **Sammelzinsschein**)] **[ausgetauscht; das Recht der Gläubiger, die Auslieferung von Einzelkunden im Austausch gegen Schuldverschreibungen, die durch**

PART II – SUPPLEMENT TO PART I –
BASIC TERMS A. AND B.

TERMS AND CONDITIONS OF DEFINITIVE NOTES IN
BEARER FORM

If the applicable Final Terms provide for the issue of definitive Notes (in the case of Notes issued in bearer form) the Terms and Conditions of the Notes in bearer form (other than (Jumbo-)Pfandbriefe) represented by global Notes set out in PART I A. above, or (in the case of Pfandbriefe issued in bearer form) the Terms and Conditions of Pfandbriefe in bearer form represented by Global Notes set out in PART I B. above shall be modified in accordance with the instructions below, subject to the terms of the applicable Final Terms.

[§ 1 (1) (CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS – *Currency, Denomination*) is to be replaced by:

(1) *Currency, Denomination.* This tranche of Notes is being issued by the Issuer in **[insert specified currency]** (the **Specified Currency**) in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) and is divided into **[insert number of Notes in the Specified Denomination(s)]** Notes in the principal amount of **[insert Specified Denomination(s)]** (the **Specified Denomination(s)**). **[in the case of Notes which will increase an existing issue of Notes insert:** The Notes will be consolidated and form a single series with the **[insert description of the existing issue of Notes]** issued on **[insert issue date of the existing issue of Notes]** (the **Original Notes**)].

[§ 1 (3) (a) (CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS – *Temporary Global Note – Exchange for Permanent Global Note*) is to be replaced by:

(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for **[if the Temporary Global Note is exchangeable for Definitive Notes only insert:** individual Notes in the Specified Denomination[s] in definitive form (the **Definitive Notes**) **[if the Notes are issued with Coupons, Talons and/or Receipts insert:** with attached [coupons (the **Coupons**) [[,] [and] talons (the **Talons**) for further Coupons] [[and] payment receipts (the **Receipts**) in respect of the instalments of principal payable].] **[if the Temporary Global Note is exchangeable for Definitive Notes and Collective Notes insert:** , in part, individual Notes in the Specified Denomination[s] in definitive form (the **Definitive Notes**) **[if the Notes are issued with Coupons, Talons and/or Receipts insert:** with attached [coupons (the **Coupons**) [[,] [and] talons (the **Talons**) for further Coupons] [[and] payment receipts (the **Receipts**) in respect of the instalments of principal payable] and, in the other part, one or more collective Notes (each, a **Collective Note**) **[if the Collective Notes are issued with Coupons insert:** with attached collective coupons (the **Collective Interest Coupons**)]; the right of the Holders to require delivery of Definitive Notes in exchange for Notes which are represented by a Collective Note is governed by § 9a (3) sentence 1 German Securities Custody Act (*Depotgesetz*). The Temporary Global Note **[if the Temporary Global Note is exchangeable for Definitive Notes and Collective Notes insert:** and any Collective Note **[if the Notes are issued with Coupons insert:**

eine Sammelurkunde verbrieft sind, zu fordern, richtet sich nach § 9a Abs. 3 S. 1 Depotgesetz]. Die vorläufige Globalurkunde [falls die vorläufige Globalurkunde gegen Einzelurkunden und Sammelurkunden ausgetauscht wird, einfügen: und jede Sammelurkunde [falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen: und jeder Sammelzinschein] trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin [im Fall von Pfandbriefen einfügen: und [falls die Pfandbriefe mit Zinsscheinen ausgegeben werden, einfügen: , nur im Fall der vorläufigen Globalurkunde [und der Sammelurkunde[n]], die eigenhändige oder faksimilierte Unterschrift des von der Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) bestellten Treuhänders], und die vorläufige Globalurkunde [und jede Sammelurkunde] ist von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen. Die Einzelurkunden [falls die Schuldverschreibungen mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen ausgegeben werden, einfügen: und die [Zinsscheine] [und] [,] [Talons] [[und] [,] Rückzahlungsscheine]] tragen die faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin [im Fall von Pfandbriefen einfügen: und [falls die Pfandbriefe mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen ausgegeben werden, einfügen: , nur im Fall der Einzelurkunden,] die eigenhändige oder faksimilierte Unterschrift des von der BaFin bestellten Treuhänders], und die Einzelurkunden sind von der Emissionsstelle oder in deren Namen mit einer eigenhändigen oder faksimilierten Kontrollunterschrift versehen.

[im Fall von Schuldverschreibungen, die keine TEFRA D Schuldverschreibungen sind, ist § 1 (3) (b) (WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN – Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde) wie folgt zu ersetzen:

- (b) Die vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen Schuldverschreibungen in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegt.]

[im Fall von TEFRA D Schuldverschreibungen ist § 1 (3) (b) (WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN – Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde) wie folgt zu ersetzen:

- (b) Die vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen Schuldverschreibungen in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form und unter den dort aufgestellten Voraussetzungen ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegt. Der Austausch darf nicht weniger als 40 Tage nach dem Tag der Begebung der vorläufigen Globalurkunde liegen. Ein solcher Austausch darf nur in dem Umfang erfolgen, in dem Bescheinigungen vorgelegt werden, denen zufolge der oder die wirtschaftliche(n) Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden

and any Collective Interest Coupon]] shall be signed manually by two authorised signatories of the Issuer [in the case of *Pfandbriefe* insert: and [if the *Pfandbriefe* are issued with Coupons insert: in respect of the Temporary Global Note [and the Collective Note[s]] only,] manually or in facsimile by the independent trustee appointed by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; the **BaFin**)] and the Temporary Global Note [and any Collective Note] shall be authenticated manually or in facsimile by or on behalf of the Fiscal Agent. Definitive Notes [if the Notes are issued with Coupons, Talons and/or Receipts insert: and [Coupons] [and] [,] [Talons] [and] [,] Receipts] shall be signed in facsimile by two authorised signatories of the Issuer [in the case of *Pfandbriefe* insert: and [if the *Pfandbriefe* are issued with Coupons, Talons and/or Receipts insert: , in respect of the Definitive Notes only,] manually or in facsimile by the independent trustee appointed by the BaFin] and the Definitive Notes shall be authenticated manually or in facsimile by or on behalf of the Fiscal Agent.

[in the case of Notes other than TEFRA D Notes, replace § 1 (3) (b) (CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS – Temporary Global Note – Exchange for Permanent Global Note) by:

- (b) The Temporary Global Note shall be exchanged for Notes in the form and subject to the conditions provided in subparagraph (a) above on a date (the **Exchange Date**) not later than 180 days after the issue date of the Temporary Global Note.]

[in the case of TEFRA D Notes, replace § 1 (3) (b) (CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS – Temporary Global Note – Exchange for Permanent Global Note) by:

- (b) The Temporary Global Note shall be exchanged for Notes in the form and subject to the conditions provided in subparagraph (a) above on a date (the **Exchange Date**) not later than 180 days after the issue date of the Temporary Global Note. The Exchange Date shall not be earlier than 40 days after the issue date of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is (are) not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pur-

solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Unterabsatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.] **[im Fall von Schuldverschreibungen, die eine bereits begebene Emission aufstocken, einfügen:** Im Zuge des Austauschs der vorläufigen Globalurkunde gegen Schuldverschreibungen in der in dem vorstehenden Unterabsatz (a) vorgesehenen Form werden die Schuldverschreibungen mit den Originalschuldverschreibungen zu einer einzigen Serie zusammengefasst.]

[§ 1 (4) und (5) (WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN – Clearing System/Gläubiger von Schuldverschreibungen) ist wie folgt zu ersetzen:

(4) *Clearing System.* **Clearing System** bezeichnet **[bei mehr als einem Clearing System einfügen:** jeweils] folgendes: [Clearstream Banking AG, Frankfurt am Main (CBF)] [,] [und] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [und] [Euroclear Bank S.A./N.V., als Betreiberin des Euroclear Systems (Euroclear)] [,] [und] **[anderes Clearing System angeben]** und jeden Funktionsnachfolger.

(5) *Gläubiger von Schuldverschreibungen.* **Gläubiger** bezeichnet, in Bezug auf die bei einem Clearing System oder einem sonstigen zentralen Wertpapierverwahrer hinterlegten Schuldverschreibungen, jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an den hinterlegten Schuldverschreibungen und sonst, **[falls die vorläufige Globalurkunde gegen Einzelkunden und/oder Sammelkunden ausgetauscht wird, einfügen:** [im Falle von Einzelkunden, den Inhaber einer Einzelkunde] [[und] im Falle einer Sammelkunde, den Inhaber einer Sammelkunde]].

(6) *Bezugnahmen auf Schuldverschreibungen.* Bezugnahmen in diesen Emissionsbedingungen auf die **Schuldverschreibungen** schließen Bezugnahmen auf jede die Schuldverschreibungen verbriefende Globalurkunde **[falls die vorläufige Globalurkunde ausschließlich gegen Einzelkunden ausgetauscht wird, einfügen:** und jede Einzelkunde] **[falls die vorläufige Globalurkunde [auch] gegen Sammelkunden ausgetauscht wird, einfügen:** und jede Sammelkunde] **[falls die Schuldverschreibungen mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen begeben werden, einfügen:** und die zugehörigen [Zinsscheine] [,] [und] [Sammelzinsscheine] [,] [und] [Talons] [[und] Rückzahlungsscheine]] ein, es sei denn, aus dem Zusammenhang ergibt sich etwas anderes.]

[im Fall von festverzinslichen Schuldverschreibungen ist § 3 (2) (ZINSEN – Zinslauf) wie folgt zu ersetzen:

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich), längstens jedoch bis zum Ablauf des fünften Tages nach der Bekanntmachung durch die Emissionsstelle gemäß § [12] [10], dass ihr die für die Rückzahlung der Schuldverschreibungen

suant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).] **[in the case of Notes which will increase an existing issue of Notes insert:** Upon exchange of the Temporary Global Note for Notes in the form provided in subparagraph (a) above, the Notes will be consolidated and form a single series with the Original Notes.]

[§ 1 (4) and (5) (CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS – Clearing System/Holder of Notes) is to be replaced by:

(4) *Clearing System.* **Clearing System** means **[if more than one Clearing System insert:** each of] the following: [Clearstream Banking AG, Frankfurt am Main (CBF)] [,] [and] [Clearstream Banking, société anonyme, Luxembourg (CBL)] [,] [and] [Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear)] [,] [and] **[specify other Clearing System]** and any successor in such capacity.

(5) *Holder of Notes.* **Holder** as used herein means, in respect of Notes deposited with any Clearing System or other central securities depositary, any holder of a proportionate co-ownership or other beneficial interest or right in the Notes so deposited and otherwise **[if the Temporary Global Note is exchangeable for Definitive Notes and/or Collective Notes insert:** [in the case of Definitive Notes the bearer of a Definitive Note] [[and] in the case of Collective Notes the bearer of a Collective Note]].

(6) *References to Notes.* References herein to the **Notes** include (unless the context otherwise requires) references to any global note representing the Notes **[if the Temporary Global Note is exchangeable for Definitive Notes only insert:** and any Definitive Notes] **[if the Temporary Global Note is exchangeable [also] for Collective Notes insert:** and any Collective Note[s]] **[if the Notes are issued with Coupons, Talons and/or Receipts insert:** and the [Coupons] [,] [and] [Collective Interest Coupons] [,] [and] [Talons] [[and] Receipts] appertaining thereto].

[in the case of Fixed Rate Notes replace § 3 (2) (INTEREST – Accrual of Interest) by inserting:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes but not beyond the fifth day after notice has been given by the Fiscal Agent in accordance with § [12] [10] that the funds required for redemption have been provided to the Fiscal Agent (the **Default Rate of Interest Period**) at the default rate of interest es-

erforderlichen Mittel zur Verfügung gestellt worden sind, (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, der auf die Schuldverschreibungen zu zahlende Zinssatz ist höher als der Verzugszinssatz; in letzterem Fall bleibt der auf die Schuldverschreibungen zu zahlende Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

[im Fall von variabel verzinslichen Schuldverschreibungen ist § 3 ([4]) (ZINSEN – Zinslauf) wie folgt zu ersetzen:

([4]) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich), längstens jedoch bis zum Ablauf des fünften Tages nach der Bekanntmachung durch die Emissionsstelle gemäß § [12] [10], dass ihr die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind, (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, der in der Zinsperiode, die dem Fälligkeitstag vorangeht, gemäß diesem § 3 zu bestimmende, auf die Schuldverschreibungen zu zahlende, Zinssatz (der **letzte Zinssatz**) ist höher als der Verzugszinssatz; in letzterem Fall bleibt der auf die Schuldverschreibungen zu zahlende letzte Zinssatz während der Verzugszinsperiode anwendbar. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

[im Fall von Nullkupon-Schuldverschreibungen ist § 3 (2) (ZINSEN – Zinslauf) wie folgt zu ersetzen:

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, wird der ausstehende Nennbetrag der Schuldverschreibungen vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich), längstens jedoch bis zum Ablauf des fünften Tages nach der Bekanntmachung durch die Emissionsstelle gemäß § [12] [10], dass ihr die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind, (die **Verzugszinsperiode**) in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen⁽¹⁾ (der **Verzugszinssatz**) verzinst, es sei denn, die Emissionsrendite der Schuldverschreibungen in Höhe von **[Emissionsrendite einfügen]** % *per annum* ist höher als der Verzugszinssatz; in letzterem Fall verzinsen sich die Schuldverschreibungen während der Verzugszinsperiode in Höhe der Emissionsrendite. Weitergehende Ansprüche der Gläubiger bleiben unberührt.]

[§ 4 (1) ([a]) (ZAHLUNGEN – Zahlungen von Kapital) ist wie folgt zu ersetzen:

(1) [(a)] *Zahlungen von Kapital.* Zahlungen von Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von Absatz (2) gegen Vorlage und (außer im Falle von Teilzahlungen) Einreichung der entsprechenden Einzelurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten oder bei der bezeichneten Geschäftsstelle einer anderen Zahlstelle außerhalb der Vereinigten Staaten.]

⁽¹⁾ Der gesetzlich festgelegte Satz für Verzugszinsen beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

established by law⁽¹⁾ (the **Default Rate of Interest**), unless the rate of interest payable under the Notes is higher than the Default Rate of Interest, in which event the rate of interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

[in the case of Floating Rate Notes § 3 ([4]) (INTEREST – Accrual of Interest) is to be replaced by:

([4]) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes but not beyond the fifth day after notice has been given by the Fiscal Agent in accordance with § [12] [10] that the funds required for redemption have been provided to the Fiscal Agent (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Rate of Interest payable under the Notes (which shall be determined in accordance with this § 3) during the Interest Period preceding the due date for redemption (the **Final Rate of Interest**) is higher than the Default Rate of Interest, in which event the Final Rate of Interest payable under the Notes shall continue to apply during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

[in the case of Zero Coupon Notes § 3 (2) (INTEREST – Accrual of Interest) is to be replaced by:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes but not beyond the fifth day after notice has been given by the Fiscal Agent in accordance with § [12] [10] that the funds required for redemption have been provided to the Fiscal Agent (the **Default Rate of Interest Period**) at the default rate of interest established by law⁽¹⁾ (the **Default Rate of Interest**), unless the Amortisation Yield of the Notes of **[insert Amortisation Yield]** per cent. *per annum* is higher than the Default Rate of Interest, in which event interest shall accrue at a rate consistent with the Amortisation Yield during the Default Rate of Interest Period. This does not affect any additional rights that might be available to the Holders.]

[§ 4 (1) ([a]) (PAYMENTS – Payment of Principal) is to be replaced by:

(1) [(a)] *Payment of Principal.* Payment of principal in respect of the Notes shall be made, subject to paragraph (2), against presentation and (except in the case of partial payment) surrender of the relevant Definitive Note at the specified office of the Fiscal Agent outside the United States or at the specified office of any other Paying Agent outside the United States.]

⁽¹⁾ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German Civil Code (BGB).

[im Fall von Raten-Schuldverschreibungen einfügen:

Die Zahlung von Raten (wie in § 5 (1) angegeben) auf eine Raten-Schuldverschreibung mit Rückzahlungsscheinen erfolgt gegen Vorlage der Einzelurkunde zusammen mit dem relevanten Rückzahlungsschein und Einreichung dieses Rückzahlungsscheins und, im Falle der letzten Ratenzahlung, gegen Einreichung der Einzelurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten. Rückzahlungsscheine begründen keinen Titel. Rückzahlungsscheine, die ohne die dazugehörige Einzelurkunde vorgelegt werden, begründen keine Verpflichtungen der Emittentin. Daher berechtigt die Vorlage der Einzelurkunde einer Raten-Schuldverschreibung ohne den entsprechenden Rückzahlungsschein oder die Vorlage eines Rückzahlungsscheins ohne die dazugehörige Einzelurkunde den Gläubiger nicht, die Zahlung einer Rate zu verlangen.]

[im Fall von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind, ist § 4 (1) (b) (ZAHLUNGEN – Zahlung von Zinsen) wie folgt zu ersetzen:

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz (2) gegen Vorlage und Einreichung der entsprechenden Zinsscheine oder, im Falle von nicht mit Zinsscheinen ausgestatteten Schuldverschreibungen oder im Falle von Zinsen, die an einem für Zinszahlungen nicht vorgesehenen Tag fällig werden, gegen Vorlage der entsprechenden Einzelurkunden bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten oder bei der bezeichneten Geschäftsstelle einer anderen Zahlstelle außerhalb der Vereinigten Staaten].

[im Fall von TEFRA D Schuldverschreibungen einfügen:

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).]

[im Fall von Schuldverschreibungen, die anfänglich mit Zinsscheinen, Talons und/oder Rückzahlungsscheinen begeben werden, ist als § 4 (1) (c) (ZAHLUNGEN – Einreichung von [Zinsscheinen] [,] [und] [Talons] [und] Rückzahlungsscheinen) einzufügen:

(c) *Einreichung von [Zinsscheinen] [,] [und] [Talons] [[und] Rückzahlungsscheinen].* Jede Einzelurkunde, die anfänglich mit beigefügten [Zinsscheinen] [,] [und] [Talons] [[und] Rückzahlungsscheinen] ausgegeben wurde, ist bei Rückzahlung vorzulegen und, außer im Falle einer Teilzahlung des Rückzahlungsbetrags, zusammen mit allen dazugehörigen noch nicht fälligen [Zinsscheinen] [,] [und] [Talons] [[und] Rückzahlungsscheinen] einzureichen; erfolgt dies nicht,

[im Fall von festverzinslichen Schuldverschreibungen einfügen: wird der Betrag der fehlenden noch nicht fälligen Zinsscheine (oder falls die Zahlung nicht vollständig erfolgt, derjenige Anteil des Gesamtbetrags solcher fehlenden, nicht fälligen Zinsscheine, wie er dem Verhältnis zwischen dem tatsächlich gezahlten Rückzahlungsbetrag und der fälligen Summe entspricht) von dem ansonsten bei der Rückzahlung zu zahlenden Betrag abgezogen [,] [und] [.]

[im Fall von variabel verzinslichen Schuldverschreibungen einfügen: werden sämtliche noch nicht fälligen, der Einzelurkunde zugehörigen Zinsscheine (gleich, ob sie zusammen mit der Einzelurkunde eingereicht werden oder nicht) ungültig, und es erfolgt ab diesem Zeitpunkt keine Zahlung mehr auf sie [,] [und] [.]

[in the case of Instalment Notes insert:

Payment of Instalment Amounts (as specified in § 5 (1)) in respect of a Definitive (Instalment) Note with Receipts will be made against presentation of the Definitive (Instalment) Note together with the relevant Receipt and surrender of such Receipt and, in the case of the final Instalment Amount, surrender of the Definitive (Instalment) Note at the specified office of any Paying Agent outside the United States. Receipts are not documents of title and, if separated from the Definitive (Instalment) Note to which they relate, shall not represent any obligation of the Issuer. Accordingly, the presentation of a Definitive (Instalment) Note without the relevant Receipt or the presentation of a Receipt without the Definitive (Instalment) Note to which it pertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.]

[in the case of Notes other than Zero Coupon Notes replace § 4 (1) (b) (PAYMENTS – Payment of Interest) by:

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to paragraph (2), against presentation and surrender of the relevant Coupons or, in the case of Notes in respect of which Coupons have not been issued, or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Notes, at the specified office of the Fiscal Agent outside the United States or at the specified office of any other Paying Agent outside the United States].

[in the case of TEFRA D Notes insert:

Payment of interest on Notes represented by a Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided in § 1 (3) (b).]

[in the case of Definitive Notes initially delivered with Coupons, Talons and/or Receipts insert as § 4 (1) (c) (PAYMENTS – Surrender of [Coupons] [,] [and] [Talons] [[and] Receipts]:

(c) *Surrender of [Coupons] [,] [and] Talons] [[and] Receipts].* Each Definitive Note initially delivered with [Coupons] [,] [and] [Talons] [[and] Receipts] attached thereto must be presented and, except in the case of partial payment of the redemption amount, surrendered for final redemption together with all unmatured [Coupons] [,] [and] [Talons] [[and] Receipts] relating thereto, failing which

[in the case of Fixed Rate Notes insert: the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the total amount of such missing Coupons which the redemption amount paid bears to the total redemption amount due) shall be deducted from the amount otherwise payable on such final redemption [,] [and] [.]

[in the case of Floating Rate Notes insert: all unmatured Coupons relating to such Definitive Note (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them [,] [and] [.]

[im Fall von Schuldverschreibungen, die anfänglich mit Talons ausgegeben werden, einfügen: werden sämtliche noch nicht fälligen, der Einzelkunde zugehörigen Talons (gleich, ob sie zusammen mit der Einzelkunde eingereicht werden oder nicht) ungültig und können zu einem späteren Zeitpunkt nicht gegen Zinsscheine ausgetauscht werden [,] [und] [.]

[im Fall von Schuldverschreibungen, die anfänglich mit Rückzahlungsscheinen ausgegeben werden, einfügen: werden sämtliche, der Einzelkunde zugehörigen Rückzahlungsscheine (gleich, ob sie zusammen mit der Einzelkunde eingereicht werden oder nicht), die in Bezug auf die Zahlung einer Rate (wäre sie nicht fällig geworden) an einem Tag nach Rückzahlung fällig geworden wären, ungültig, und es erfolgt ab diesem Zeitpunkt keine Zahlung mehr auf sie.]

[im Fall von festverzinslichen Schuldverschreibungen, die anfänglich mit Zinsscheinen ausgegeben werden, einfügen: Werden Schuldverschreibungen mit einer Fälligkeit und einem Zinssatz oder Zinssätzen begeben, die dazu führen würden, dass bei Vorlage zur Zahlung der Einzelkunde ohne dazugehörige noch nicht fällige Zinsscheine der wie vorstehend dargelegt in Abzug zu bringende Betrag den ansonsten zu zahlenden Rückzahlungsbetrag übersteigt, so werden diese noch nicht fälligen Zinsscheine (gleich, ob sie beigefügt sind oder nicht) zum Zeitpunkt der Fälligkeit solcher Schuldverschreibungen ungültig (und es erfolgt auf sie keine Zahlung), aber nur insoweit, dass der gemäß der vorstehenden Regelung in Abzug zu bringende Betrag den vorgesehenen Rückzahlungsbetrag nicht übersteigt. Sofern die Anwendung des letzten Satzes die Entwertung einiger, aber nicht sämtlicher noch nicht fälliger Zinsscheine einer Einzelkunde erfordert, bestimmt die relevanteste Zahlstelle, welche nicht fälligen Zinsscheine ungültig werden sollen, wobei zu diesem Zwecke später fällige Zinsscheine vor früher fälligen Zinsscheinen für ungültig zu erklären sind.]

[im Fall von Schuldverschreibungen, die anfänglich mit Talons ausgegeben werden, einfügen: Am oder nach dem Zinszahlungstag, an dem der letzte Zinsschein eines Zinsscheinbogens fällig wird, kann der im Zinsscheinbogen enthaltene Talon bei der bezeichneten Geschäftsstelle einer Zahlstelle im Austausch gegen einen weiteren Zinsscheinbogen (einschließlich ggf. eines weiteren Talons) eingereicht werden. Jeder Talon gilt für die Zwecke dieser Emissionsbedingungen als am Zinszahlungstag fällig, an dem der letzte im jeweiligen Zinsscheinbogen enthaltene Zinsschein fällig wird.]

[§ 4 (2) (ZAHLUNGEN – Zahlungsweise) ist wie folgt zu ersetzen:

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen auf die Schuldverschreibungen zu leistende Zahlungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist,

[bei Zahlungen in einer anderen Währung als Euro oder U.S.-Dollar einfügen: mittels in der festgelegten Währung zahlbaren Schecks, ausgestellt auf eine Bank in dem Hauptfinanzzentrum des Landes der festgelegten Währung, oder nach Wahl des Zahlungsempfängers mittels Überweisung auf ein auf die festgelegte Währung lautendes Konto des Zahlungsempfängers, das dieser bei einer Bank in diesem Finanzzentrum unterhält.]

[bei Zahlungen in Euro einfügen: und zwar im Fall von Zahlungen, die in Euro erfolgen, in bar in Euro oder mittels eines Euro-Schecks, ausgestellt auf eine Bank in einem Hauptfinanzzentrum eines Landes, das als Mit-

[in the case of Definitive Notes initially delivered with Talons insert: all unmatured Talons relating to such Definitive Note (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them [,] [and] [.]

[in the case of Definitive Notes initially delivered with Receipts insert: all Receipts relating to such Definitive Note (whether or not surrendered therewith) in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption shall become void and no payment shall be made thereafter in respect of them.]

[in the case of Fixed Rate Notes initially delivered with Coupons insert: If the Notes are issued with a maturity date and an interest rate or rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in accordance with the foregoing would be greater than the redemption amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted in accordance with the foregoing would not be greater than the redemption amount otherwise due for payment. Where the application of the preceding sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.]

[in the case of Notes initially delivered with Talons insert: On or after the Interest Payment Date on which the final Coupon in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent, in exchange for a further Coupon sheet (including any appropriate further Talon). Each Talon shall, for the purpose of these Terms and Conditions of the Notes, be deemed to mature on the Interest Payment Date on which the final Coupon in the relative Coupon sheet matures.]

[§ 4 (2) (PAYMENTS – Manner of Payment) is to be replaced by:

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency

[in the case of payments in a currency other than Euro or U.S. Dollars insert: by cheque payable in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency or, at the option of the payee, by wire transfer to an account denominated in the Specified Currency maintained by the payee with a bank in such financial centre.]

[in the case of payments in Euro insert: and, in the case of payments to be made in Euro, shall be made in cash in Euro or by Euro cheque drawn on, or, at the option of the payee, by wire transfer to a Euro account maintained by

gliedstaat Teilnehmer der Europäischen Wirtschafts- und Währungsunion im Sinne des am 7. Februar 1992 in Maastricht unterzeichneten Vertrags über die Europäische Union geworden ist, oder nach Wahl des Zahlungsempfängers mittels Überweisung auf ein auf Euro lautendes Konto, das der Zahlungsempfänger bei einer Bank in einem solchen Finanzzentrum unterhält.]

[bei Zahlungen in U.S.-Dollar einfügen: und zwar im Fall von Zahlungen, die in U.S.-Dollar erfolgen, mittels eines U.S.-Dollar-Schecks, ausgestellt auf eine Bank in New York City oder nach Wahl des Zahlungsempfängers mittels Überweisung auf ein auf U.S.-Dollar lautendes Konto, das der Zahlungsempfänger bei einer Bank außerhalb der Vereinigten Staaten unterhält.]

[§ 4 (3) (ZÄHLUNGEN – Vereinigte Staaten) ist wie folgt zu ersetzen:

(3) *Vereinigte Staaten.* Für die Zwecke des **[im Fall von TEFRA D Schuldverschreibungen einfügen:** § 1 (3) und des] Absatzes (1) **[im Fall von Zahlungen in U.S.-Dollar einfügen:** und des Absatzes (2)] dieses § 4 bezeichnet **Vereinigte Staaten** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).]

[§ 4 (4) (ZÄHLUNGEN – Erfüllung) ist wie folgt zu ersetzen:

(4) *Erfüllung.* Bei Schuldverschreibungen, die über ein Clearing System gehalten werden, wird die Emittentin durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.]

[§ 5 ([3]) (b) (RÜCKZAHLUNG – Vorzeitige Rückzahlung nach Wahl der Emittentin) ist wie folgt zu ersetzen:

(b) Die Kündigung ist den Gläubigern durch die Emittentin gemäß § [12] [10] mit einer Kündigungsfrist von nicht weniger als [5] **[andere Mindestkündigungsfrist einfügen]** und nicht mehr als [60] **[andere Höchstkündigungsfrist einfügen]** Tagen und der Emissionsstelle bekannt zu geben, wobei die Kündigung gegenüber der Emissionsstelle mindestens [14] **[andere Mindestkündigungsfrist einfügen]** Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen hat). Sie ist unwiderruflich und beinhaltet die folgenden Angaben:

- (i) die zurückzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzahlenden Schuldverschreibungen und die entsprechenden Seriennummern der Einzelkunden;
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestfrist einfügen; diese ist in der Regel identisch mit der Mindestkündigungsfrist]** und nicht mehr als **[Höchstfrist einfügen; diese ist in der Regel identisch mit der Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die betreffenden Schuldverschreibungen zurückgezahlt werden.

[§ 5 ([3]) (c) (RÜCKZAHLUNG – Vorzeitige Rückzahlung nach Wahl der Emittentin) ist wie folgt zu ersetzen:

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die durch Einzelkunden verbrieften zurückzahlenden Schuldverschreibungen

the payee with, a bank in a principal financial centre of a country which has become a participating member state in the European Economic and Monetary Union as contemplated by the treaty on European Union which was signed at Maastricht on 7 February 1992.]

[in the case of payments in U.S. Dollars insert: and, in the case of payments to be made in U.S. Dollars, shall be made by U.S. Dollar cheque drawn on a bank in New York City or, at the option of the payee, by wire transfer to a U.S. Dollar account maintained by the payee with a bank outside the United States.]

[§ 4 (3) (PAYMENTS – United States) is to be replaced by:

(3) *United States.* For purposes of **[in the case of TEFRA D Notes insert:** § 1 (3) and] paragraph (1) **[in the case of payments in U.S. Dollars insert:** and (2)] of this § 4, **United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

[§ 4 (4) (PAYMENTS – Discharge) is to be replaced by:

(4) *Discharge.* In the case of Notes held through the Clearing System, the Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

[§ 5 ([3]) (b) (REDEMPTION – Early Redemption at the Option of the Issuer) is to be replaced by:

(b) Notice of redemption shall be given by the Issuer to the Holders in accordance with § [12] [10] on giving not less than [5] **[insert other minimum notice period]** days' nor more than [60] **[insert other maximum notice period]** days' prior notice of redemption and to the Fiscal Agent (with the notice to the Fiscal Agent to be given not less than [14] **[insert other minimum notice period]** days before the giving of the notice to the Holders). Such notice shall be irrevocable and shall specify:

- (i) the series of Notes subject to redemption;
- (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed and the corresponding serial numbers of the Definitive Notes;
- (iii) the Call Redemption Date, which shall be not less than **[insert minimum period; such minimum period being the same, generally, as the minimum notice period]** nor more than **[insert maximum period; such maximum period being the same, generally, as the maximum notice period]** days after the date on which notice is given by the Issuer to the Holders; and
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.

[§ 5 ([3]) (c) (REDEMPTION – Early Redemption at the Option of the Issuer) is to be replaced by:

(c) In the case of a partial redemption of Notes, Definitive Notes to be redeemed shall be drawn by the Fiscal Agent by lot or identified in such other manner as the

gen durch die Emissionsstelle durch Los oder auf andere Weise ermittelt, die der Emissionsstelle nach ihrem Ermessen als angemessen und billig erscheint.]

[im Fall von Schuldverschreibungen (ausgenommen Pfandbriefen) ist § 5 ([4]) (b) (RÜCKZAHLUNG – Vorzeitige Rückzahlung nach Wahl des Gläubigers) wie folgt zu ersetzen:

(b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als [30] **[andere Mindestkündigungsfrist einfügen]** Tage und nicht mehr als [60] **[andere Höchstkündigungsfrist einfügen]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle oder einer anderen Zahlstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung (**Ausübungserklärung**), wie sie von der eingetragenen Geschäftsstelle der Emittentin erhältlich ist, zusammen mit der entsprechenden Einzelurkunde [und allen dazugehörigen noch nicht fälligen [Zinsscheinen] [,] [und] [Talons] [[und] Rückzahlungsscheinen] zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen und die so hinterlegte Einzelurkunde kann nicht zurückgefordert werden. Falls die unter den Voraussetzungen dieses Absatzes hinterlegte Einzelurkunde vor dem Wahl-Rückzahlungstag zur Rückzahlung fällig wird oder die Zahlung des Wahl-Rückzahlungsbetrags für diese Einzelurkunde nicht am Wahl-Rückzahlungstag erfolgt, wird dem Gläubiger die Einzelurkunde per Post ohne Versicherungsschutz übersandt, es sei denn, der Gläubiger hat eine solche Versicherung verlangt und die Kosten für diese Versicherung zum Zeitpunkt der Hinterlegung der Einzelurkunde gezahlt. Um das Recht, Rückzahlung verlangen zu können, auszuüben, muss der Gläubiger dann, wenn die Schuldverschreibungen über [ein] Clearing System[e] gehalten werden, innerhalb der Kündigungsfrist die Emissionsstelle über eine solche Rechtsausübung in Übereinstimmung mit den Richtlinien [des] [der] relevanten Clearing [Systems] [Systeme] in einer für [das] [die] relevante[n] Clearing System[e] [jeweils] akzeptablen Weise in Kenntnis setzen (wobei diese Richtlinien vorsehen können, dass die Emissionsstelle auf Weisung des Gläubigers von [dem] [den] relevanten Clearing System[en] oder einer [gemeinsamen] Verwahrstelle in elektronischer Form über die Rechtsausübung in Kenntnis gesetzt wird).]

[§ 6 (4) (DIE EMISSIONSSTELLE [,] [UND] DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] – Verbindlichkeit der Festsetzungen) ist wie folgt zu ersetzen:

(4) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Emissionsstelle für die Zwecke dieser Emissionsbedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern keine vorsätzliche Pflichtverletzung, kein böser Glaube und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle[n] [, die Berechnungsstelle], die Gläubiger und die Inhaber von [Zinsscheinen] [,] [und] [Talons] [,] [und Rückzahlungsscheinen] bindend, und, sofern keiner der vorstehend genannten Umstände vorliegt, haftet die Emissionsstelle nicht gegenüber der Emittentin oder den Gläubigern oder den Inhabern von [Zinsscheinen] [,] [oder] [Talons] [,] [oder Rückzahlungsscheinen] im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Rechte und Pflichten und ihres Ermessens gemäß solchen Bestimmungen.]

Fiscal Agent may in its sole discretion deem appropriate and fair.]

[in the case of Notes (other than Pfandbriefe) § 5 ([4]) (b) (REDEMPTION – Early Redemption at the Option of the Holder) is to be replaced by:

(b) In order to exercise such option, the Holder must, not less than [30] **[insert other minimum notice period]** nor more than [60] **[insert other maximum notice period]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent or any other Paying Agent a duly completed early redemption notice (**Put Notice**) in the form available from the registered office of the Issuer and deposit the relevant Definitive Note [together with all unmatured [Coupons] [,] [and] [Talons] [[and] Receipts] appertaining thereto] at such office with the Put Notice. No option so exercised or Definitive Note so deposited may be revoked or withdrawn. If any Definitive Note deposited in accordance with this paragraph becomes due and repayable prior to the relevant Put Redemption Date of such Definitive Note or if the Put Redemption Amount is not in not paid on the Put Redemption Date, the Definitive Note shall be mailed to the Holder by uninsured mail unless the Holder has requested such insurance and paid the costs thereof at the time of depositing the Definitive Note. If these Notes are held through [a] Clearing System[s], to exercise the right to require redemption of these Notes the Holder must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of the relevant Clearing System[s] (which may include notice being given on its instruction by the relevant Clearing System[s] or any [common] depository for [it] [them] to the Fiscal Agent by electronic means) in a form acceptable to the relevant Clearing System[s] [from time to time].]

[§ 6 (4) (FISCAL AGENT [,] [AND] PAYING AGENT[S] [AND CALCULATION AGENT] – Determinations Binding) is to be replaced by:

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions of the Notes by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agent[s] [, the Calculation Agent], the Holders and the holders of [Coupons] [,] [and] [Talons] [and Receipts] and, in the absence of the aforesaid, no liability to the Issuer or the Holders of the holders of [Coupons] [,] [or] [Talons] [or Receipts] shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.]

[im Fall von Schuldverschreibungen (ausgenommen Pfandbriefen) ist, falls die Schuldverschreibungen eine vorzeitige Rückzahlung aus steuerlichen Gründen vorsehen, § 7 (STEUERN) Unterabsatz (e) wie folgt zu ersetzen:

- (e) deswegen zu zahlen sind, weil eine Schuldverschreibung [,] [oder] [ein Zinsschein] [oder ein Rückzahlungsschein] in der Bundesrepublik Deutschland zur Zahlung vorgelegt wird; oder
- (f) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle in einem Mitgliedstaat der Europäischen Union die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können, oder
- (g) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.]

[§ 8 (VORLEGUNGSFRIST) ist wie folgt zu ersetzen:

**§ 8
VORLEGUNGSFRIST, ERSETZUNG VON
EINZELURKUNDEN**

[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen: UND ZINSSCHEINEN]

Die in § 801 Abs. 1 S. 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen für Zahlungen auf das Kapital **[falls die Schuldverschreibungen mit Rückzahlungsscheinen begeben werden, einfügen:** und die Rückzahlungsscheine] auf zehn Jahre abgekürzt. **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** Die Vorlegungsfrist für Zinsscheine beträgt gemäß § 801 Abs. 2 BGB vier Jahre und beginnt mit dem Ablauf des Kalenderjahres, in dem der betreffende Zinsschein zur Zahlung fällig geworden ist.] Sollte eine Einzelurkunde [oder ein Zinsschein] [oder ein Talon] [oder ein Rückzahlungsschein] verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie [er] bei der bezeichneten Geschäftsstelle der Emissionsstelle vorbehaltlich der betreffenden Börsenbestimmungen und aller anwendbaren Gesetze ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises, der Sicherheit, einer Freistellung und dergleichen zu erfüllen. Eine beschädigte oder unleserlich gemachte Einzelurkunde [oder] [ein] [beschädigter oder unleserlich gemachter] [Zinsschein] [oder Talon] [oder Rückzahlungsschein] muss eingereicht werden, bevor eine Ersatzurkunde ausgegeben wird.]

[falls die Schuldverschreibungen (Pfandbriefe) mit Zinsscheinen begeben werden, ist § [11] (3) (§ 9 (3)) (BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG – Entwertung) wie folgt zu ersetzen:

(3) *Entwertung.* Sämtliche vollständig getilgten Schuldverschreibungen sind unverzüglich zusammen mit allen noch nicht fälligen und zusammen mit den Schuldverschreibungen eingereichten oder den Schuldverschreibungen beigefügten Zinsscheinen zu entwerten und können nicht wieder begeben oder wieder verkauft werden.]

[§ [12] (2) bzw. § 10 (2) (MITTEILUNGEN – Mitteilungen an das Clearing System) ist zu streichen]

[§ [12] (3) bzw. § 10 (3) (MITTEILUNGEN – Form der von Gläubigern zu machenden Mitteilungen) ist wie folgt zu ersetzen:

[if Notes (other than Pfandbriefe) are subject to Early Redemption for Reasons of Taxation § 7 (TAXATION) subparagraph (e) is to be replaced by:

- (e) are payable by reason of any Note [,] [or] [any Coupon] [or any Receipt] being presented for payment in the Federal Republic of Germany; or
- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent in a member state of the European Union without such deduction or withholding, or
- (g) would not be payable if the Notes had been kept safe in custody with, and the payments had been collected by, a banking institution.]

[§ 8 (PRESENTATION PERIOD) is to be replaced by:

**§ 8
PRESENTATION PERIOD, REPLACEMENT OF
DEFINITIVE NOTES**

[if the Notes are issued with Coupons insert: AND COUPONS]

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) and relating to payments of principal is reduced to ten years for the Notes **[if the Notes are issued with Receipts insert:** and the Receipts]. **[if the Notes are issued with Coupons insert:** The presentation period for the Coupons shall, in accordance with § 801 (2) German Civil Code (*Bürgerliches Gesetzbuch*), be four years, beginning with the end of the calendar year in which the relevant Coupon falls due.] Should any Definitive Note [or Coupon] [or Talon] [or Receipt] be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to the relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Definitive Notes [or Coupons] [or Talons] [or Receipts] must be surrendered before replacement will be issued.]

[if the Notes (Pfandbriefe) are issued with Coupons replace § [11] (3) (§ 9 (3)) (FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION – Cancellation) by inserting:

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith together with all unmatured Coupons surrendered therewith or attached thereto and may not be reissued or resold.]

[§ [12] (2) or § 10 (2) (NOTICES – Notification to Clearing System) is to be deleted]

[§ [12] (3) or § 10 (3) (NOTICES - Form of Notice to Be Given by any Holder) is to be replaced by:

[3] *Form der von Gläubigern zu machenden Mitteilungen.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen. Solange die Schuldverschreibungen durch [eine] Globalurkunde[n] verbrieft sind, kann eine solche Mitteilung über das Clearing System an die Emissionsstelle in der von der Emissionsstelle und das Clearing System dafür vorgesehenen Weise erfolgen. Sofern die Schuldverschreibungen durch Einzelurkunden verbrieft sind, müssen Mitteilungen, die von einem Gläubiger gemacht werden, zusammen mit der relevanten Einzelurkunde oder den relevanten Einzelurkunden an die Emissionsstelle eingereicht werden.

[§ 13] (1) bzw. § 11 (1) (ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG – *Anwendbares Recht*) ist wie folgt zu ersetzen:

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen [,] [und] [Zinsscheine] [,] [und] [Talons] [und Rückzahlungsscheine] sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden.]

[§ 13] (3) bzw. § 11 (3) (ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG – *Gerichtsstand*) ist wie folgt zu ersetzen:

(3) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen [,] [oder] [Zinsscheinen] [,] [oder] [Talons] [oder Rückzahlungsscheinen] entstehenden Klagen oder sonstige Verfahren (die **Rechtsstreitigkeiten**) ist das Landgericht Düsseldorf. Die Zuständigkeit des Landgerichts Düsseldorf ist ausschließlich, soweit es sich um Rechtsstreitigkeiten handelt, die von Kaufleuten, juristischen Personen des öffentlichen Rechts, öffentlich-rechtlichen Sondervermögen oder von Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland angestrengt werden. Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Schuldverschreibungen [,] [oder] [Zinsscheine] [,] [oder] [Talons] [oder Rückzahlungsscheine].]

[§ 13] (4) bzw. § 11 (4) (ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG – *Gerichtliche Geltendmachung*) ist wie folgt zu ersetzen:

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen, die über ein Clearing System gehalten werden, ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank [(wie nachstehend definiert)] bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, die (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden vorläufigen Globalurkunde oder der Einzelurkunde [falls die vorläufige Globalurkunde gegen Einzelurkunden und Sammelurkunden ausgetauscht wird, einfügen: oder der Sammelurkunde[n]] vor, deren Überein-

[3] *Form of Notice to be given by any Holder.* Notices to be given by any Holder shall be made by means of a written declaration. So long as the Notes are represented by [a] Global Note[s], such notice may be given to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose. If the Notes are represented by definitive Notes the notice to be given by any Holder shall be lodged with the Fiscal Agent, together with the relevant definitive Note or Notes.

[§ 13] (1) or § 11 (1) (APPLICABLE LAW, PLACE OF PERFORMANCE, SUBMISSION TO JURISDICTION AND ENFORCEMENT – *Applicable Law*) is to be replaced by:

(1) *Applicable Law.* The Notes [,] [and] [the Coupons] [,] [and] [the Talons] [and the Receipts], as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law.]

[§ 13] (3) or § 11 (3) (APPLICABLE LAW, PLACE OF PERFORMANCE, SUBMISSION TO JURISDICTION AND ENFORCEMENT – *Submission to Jurisdiction*) is to be replaced by:

(3) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Düsseldorf shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes [or the Coupons] [or the Talons] [or the Receipts]. The jurisdiction of the District Court (*Landgericht*) in Düsseldorf shall be exclusive if Proceedings are brought by merchants (*Kaufleute*), legal entities under public law (*juristische Personen des öffentlichen Rechts*), special assets under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Notes [or Coupons] [or Talons] [or Receipts].]

[§ 13] (4) § 11 (4) (APPLICABLE LAW, PLACE OF PERFORMANCE, SUBMISSION TO JURISDICTION AND ENFORCEMENT – *Enforcement*) is to be replaced by:

(4) *Enforcement.* Any Holder of Notes held through a Clearing System may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian [(as defined below)] with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Temporary Global Note or the Definitive Note [if the Temporary Global Note is exchangeable for Definitive Notes and Collective Notes insert: or the Collective Note[s]] certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the Temporary Global Note or Definitive Note [if the Temporary Global Note is exchangeable for Definitive Notes and Collective Notes insert: or Collective Note[s]] or (iii) any other means of proof permitted in

stimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der vorläufigen Globalurkunde oder der Einzelurkunde **[falls die vorläufige Globalurkunde gegen Einzelkunden und Sammelkunden ausgetauscht wird, einfügen: oder der Sammelkunde(n)]** in einem solchen Verfahren erforderlich wäre, oder (iii) auf jede andere Weise, die im Lande der Geltendmachung in einer Rechtsstreitigkeit zur Beweiserbringung prozessual zulässig ist. Für die Zwecke des Vorstehenden bezeichnet **Depotbank** jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems.]

legal proceedings in the country of enforcement. For purposes of the foregoing, **Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.]

PFANDBRIEFE

The following is a summary of the more fundamental principles governing the law and regulation relating to Pfandbriefe and Pfandbrief Banks. This summary is qualified in its entirety by reference to such applicable law and regulation.

Introduction

Up to 18 July 2005 the Pfandbrief business of the Issuer was governed by the German Mortgage Bank Act (*Hypothekbankgesetz*; the **Mortgage Bank Act**). Since 19 July 2005, the Pfandbrief operations of the Issuer are subject to the new German Pfandbrief Act (*Pfandbriefgesetz*; the **Pfandbrief Act**), as amended, the principles of which are in many aspects – to a considerable extent – comparable to those which applied under the Mortgage Bank Act.

With effect from 19 July 2005, the legislation accompanying the Pfandbrief Act, the German Act on the Reorganisation of the Law on Pfandbriefe (*Gesetz zur Neuordnung des Pfandbriefrechts*) of 22 May 2005, rescinded all existing special legislation regarding the Pfandbrief business in Germany, including, *inter alia*, (i) the Mortgage Bank Act applicable to the existing mortgage banks being specialist institutions authorised to issue Mortgage Pfandbriefe (*Hypothekpfandbriefe*) covered by mortgage loans as well as Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*) covered by obligations of public sector debtors (and, in either case, by certain other qualifying assets), (ii) the German Act on Pfandbriefe and Related Bonds of Public-Law Credit Institutions (*Gesetz über die Pfandbriefe und verwandten Schuldverschreibungen öffentlich-rechtlicher Kreditanstalten*; the **Act on Pfandbriefe**), applicable to various types of public sector banks as issuers of Mortgage Pfandbriefe and Public Sector Pfandbriefe, and (iii) the German Ship Bank Act (*Schiffsbankgesetz*) governing the operations of ship mortgage banks issuing Ship Mortgage Pfandbriefe (*Schiffspfandbriefe*) and Public Sector Pfandbriefe.

The Pfandbrief Act abolishes the concept of specialist Pfandbrief institutions prevailing prior to this date in respect of the existing mortgage banks and ship mortgage banks. It establishes a new and uniform regulatory regime for all German credit institutions. Since 19 July 2005, all German credit institutions are permitted, subject to authorisation and certain additional requirements of the Pfandbrief Act, to engage in the Pfandbrief business and to issue Mortgage Pfandbriefe, Public Sector Pfandbriefe and Ship Mortgage Pfandbriefe, and existing mortgage banks and ship mortgage banks may engage in most other types of banking transactions, eliminating the limitations in respect of the scope of their permitted business which existed prior to 19 July 2005.

German credit institutions wishing to take up the Pfandbrief business must obtain special authorisation under the German Banking Act (*Kreditwesengesetz*; the **Banking Act**) from the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; the **BaFin**) and, for that purpose, must meet some additional requirements as specified in the Pfandbrief Act.

Mortgage banks and ship mortgage banks, operating as such prior to 19 July 2005 as well as public sector banks carrying on the Pfandbrief business prior to such date, have been grandfathered in respect of authorisation for the particular type of Pfandbrief business in which they were engaged at such time. They were required, though, to give a notice to the BaFin by 18 October 2005, failing which the BaFin was empowered to withdraw the (deemed) authorisation. The Issuer has given such notice in relation to its mortgage bank operations to the BaFin on 17 October 2005.

Since 19 July 2005, the operations of all banks engaged in the issuance of Pfandbriefe are regulated by the Pfandbrief Act and the Banking Act, and will be subject to the supervision of the BaFin. In particular, the BaFin will carry out bi-annual audits of the assets forming part of any Cover Pool (as defined below).

In this summary, banks authorised to issue Pfandbriefe will generally be referred to as **Pfandbrief Banks**.

Rules Applicable to All Types of Pfandbriefe

Pfandbriefe are standardised debt instruments issued by a Pfandbrief Bank. The quality and standards of Pfandbriefe are strictly governed by provisions of the Pfandbrief Act and subject to the supervision of the BaFin.

Pfandbriefe are Notes which are secured or “covered” at all times by a pool of specified qualifying assets (as described below) and may not be redeemed at the option of the holders prior to maturity.

Each type of Pfandbrief – Mortgage Pfandbriefe, Public Sector Pfandbriefe or Ship Mortgage Pfandbriefe – must be covered by a separate pool of specified qualifying assets (each a **Cover Pool**). An independent cover pool monitor (*Treuhänder*) appointed by the BaFin has wide responsibilities in monitoring the compliance by the Pfandbrief Bank with the provisions of the Pfandbrief Act. In particular, the cover pool monitor monitors the sufficiency of the cover assets provided as cover from time to time in respect of the Pfandbriefe of any given type. The cover pool monitor has control over the assets contained in the Cover Pools jointly with the Pfandbrief Bank. The Pfandbrief Bank may include or withdraw assets from the Cover Pool only with the prior approval of the cover pool monitor. Any issue of Pfandbriefe must first be certified by the cover pool monitor.

The aggregate principal amount of assets contained in these Cover Pools must at all times be greater than or equal to the aggregate principal amount of the outstanding Pfandbriefe relating to the relevant Cover Pool. Moreover, the aggregate interest yield on the assets contained in any Cover Pool must at all times be greater than or equal to the aggregate interest payable on the outstanding Pfandbriefe relating to the relevant Cover Pool. In addition, the coverage of all outstanding Pfandbriefe with respect to principal and interest must also at all times be ensured on the basis of the net present value (*Barwert*). Finally, the net present value of the assets contained in each Cover Pool must exceed the total amount of liabilities from the corresponding Pfandbriefe and derivatives by at least two per cent. (*sichernde Überdeckung*; the **Excess Cover**).

The Excess Cover must consist of highly liquid assets. Qualifying assets for the excess cover are (a) notes, debt register claims, Treasury bills and Treasury certificates the debtor of which is the German Federal Government, a special fund (*Sondervermögen*) of the German Federal Government, a Federal State, the European Communities, another member state of the European Union (the **EU**), another contracting state to the Agreement on the European Economic Area (the **EEA**), Switzerland, the United States of America, Canada, Japan or another European state not yet covered by the before-mentioned circle of debtors which is a full member state of the Organisation for Economic Cooperation and Development (the **OECD**), or the debtor of which is the European Investment Bank (the **EIB**), the International Bank for Reconstruction and Development (the **IBRD**), the Council of Europe Development Bank (the **CEDB**) or the European Bank for Reconstruction and Development (the **EBRD** and, together with EIB, IBRD and CEDB, the **Excess Cover Assets Banks**); (b) notes under which the payment of interest and repayment of principal has been guaranteed by one of the authorities set out in (a) above; and (c) balances with the European Central Bank, any central bank of a member state of the EU or any other suitable credit institution (the assets set out in (a) to (c) above are hereafter referred to as the **Excess Cover Assets**).

The Pfandbrief Bank must record in the register of cover assets for any Cover Pool of each Pfandbrief type each asset and the liabilities arising from derivatives. Derivatives may be entered in such register only with the consent of the cover pool monitor and the counterparty. To the extent that liabilities of the Pfandbrief Bank may arise from derivatives used as cover assets, the claims of the Pfandbrief Bank’s derivatives counterparties must also be covered.

The Pfandbrief Bank must command over an appropriate risk management system meeting the requirements specified in detail in the Pfandbrief Act and must comply with comprehensive disclosure requirements on a quarterly and annual basis set out in detail in the Pfandbrief Act. In particular, the Pfandbrief Bank is supposed to ensure and document that the prescribed coverage is given at all times.

Cover Pool for Mortgage Pfandbriefe

In the case of Mortgage Pfandbriefe, the respective Cover Pool contains mainly mortgage loans. Only mortgage loans or such portions of these mortgage loans with a loan to value (of the underlying assets) ratio not exceeding 60 per cent. of the value of the underlying assets (the **Mortgage Lending Value**) qualify for inclusion in the Cover Pool. The valuation serving as the basis for the establishment of the Mortgage Lending Value is supposed to be conducted by an expert who is not involved in the loan decision and who must have the requisite professional experience and knowledge in order to make Mortgage Lending Value assessments.

Qualifying mortgages must encumber properties, rights equivalent to real property (the **Equivalent Rights**) or such rights under a foreign legal system which are comparable with Equivalent Rights under German law. The encumbered properties and the properties in respect of which the encumbered rights exist must be situated in a member state of the EU, in another contracting state to the EEA, in Switzerland, the United States of America, Canada or Japan. Land charges and such foreign security interests which offer comparable security and entitle the relevant holder of Pfandbriefe to satisfy its claim also by realising the encumbered property or Equivalent Right rank equal with mortgages.

However, the Cover Pool covering Mortgage Pfandbriefe may also contain certain other collateral, including:

- (i) equalisation claims converted into notes in bearer form pursuant to § 8 (2) of the German Ordinance Concerning the Confirmation of the Conversion Calculation and the Procedure of the Allotment and Acquisition of Equalisation Claims (*Verordnung über die Bestätigung der Umstellungsrechnung und das Verfahren der Zuteilung und des Erwerbs von Ausgleichsforderungen*) of 7 December 1994, as amended (the **Cover Assets I**);
- (ii) the Excess Cover Assets (with the exception of balances with the European Central Bank, any central bank of a member state of the EU or any other suitable credit institution) and money claims against the European Central Bank, any central bank of a member state of the EU or any other suitable credit institution (together, the **Cover Assets II**);
- (iii) money claims resulting from notes when such claims are levelled directly against (a) domestic regional and local authorities and such public-sector authorities and institutions to whom Maintenance Obligation or Guarantor Liability or a public refinancing guarantee applies or which are legally entitled to raise fees, rates and other levies; (b) another member state of the EU or another contracting state to the EEA, Switzerland, the United States of America, Canada or Japan; (c) regional governments and local authorities of the states set out in (iii) (b) above; (d) another European state not covered by (iii) (b) above which is a full member state of the OECD; (e) non-profit administrative organisations which are subordinate to the central governments, regional governments or local authorities of the member states and contracting states set out in (iii)(b) above (the **Non-profit Administrative Organisations**); and (f) the Excess Cover Assets Banks (the **Cover Assets III** and the authorities and entities set out in (iii) (a) to (iii) (f) above together, the **Cover Assets III Entities** and, with the exception of the Non-profit Administrative Organisations, the **Governmental Cover Assets III Entities**);
- (iv) money claims resulting from notes in respect of which one of the Governmental Cover Assets III Entities has assumed the full guarantee; and
- (v) claims under interest rate and currency swaps and other derivative transactions within the meaning of § 1 (11) sentence 4 numbers 1 to 4 of the Banking Act, concluded with suitable credit institutions, financial services institutions, insurance companies, a central counterparty at a stock exchange, the German Federal Government and with Federal States on the basis of standardised master contracts insofar as it is ensured that the Pfandbrief Bank's claims under the derivatives cannot be impaired in the event of the insolvency of the Pfandbrief Bank or of the other cover Pool (the **Cover Assets IV**). The share of the Pfandbrief Bank's claims under the derivatives included in the cover in terms of the total amount of the cover assets as well as the Pfandbrief Bank's liabilities under the derivatives in terms of the total amount of Mortgage Pfandbriefe outstanding plus the liabilities resulting from derivatives must not exceed 12 per cent.

Cover Pool for Public Sector Pfandbriefe

The Cover Pool for Public Sector Pfandbriefe may contain, *inter alia*:

- (i) money claims (a) resulting from the granting of loans or from the issue of notes or from a comparable legal transaction or from other claims acknowledged in writing by any Governmental Cover Assets III Entity as being free from any pleas where such claims are levelled directly against any Cover Assets III Entity; and (b) in respect of which any Governmental Cover Assets III Entity has assumed the full guarantee;
- (ii) the Cover Assets I;
- (iii) money claims against the European Central Bank, any central bank of a member state of the EU or any other suitable credit institution; and
- (iv) the Cover Assets IV. The share of the Pfandbrief Bank's claims under the derivatives included in the cover in terms of the total amount of the cover assets as well as the Pfandbrief Bank's liabilities under the derivatives in terms of the total amount of Public Sector Pfandbriefe outstanding plus the liabilities resulting from derivatives must not exceed 12 per cent.

Cover Pool for Ship Mortgage Pfandbriefe

The principal assets of the Cover Pool for Ship Mortgage Pfandbriefe are loans secured by ship mortgages. Any such mortgage may serve as cover up to an amount not exceeding 60 per cent. of the market value of the ship. Furthermore, the ship must be adequately insured against relevant risks.

In addition, the Cover Pool for Ship Mortgage Pfandbriefe may contain, *inter alia*:

- (i) payment obligations or acknowledgements of debt within the meaning of §§ 780 and 781 of the German Civil Code (*Bürgerliches Gesetzbuch*) which are secured by ship mortgages;
- (ii) the Cover Assets I to IV; and
- (iii) money claims resulting from notes in respect of which one of the Governmental Cover Assets III Entities has assumed the full guarantee.

Insolvency Proceedings

The Pfandbrief Act also establishes rules applicable in the case of an insolvency of a Pfandbrief Bank. These rules require, *inter alia*, the appointment of one or two special cover Pool administrator(s) (*Sachwalter*; the **Administrator**) in the case of the insolvency of a Pfandbrief Bank which has Pfandbriefe outstanding. For the sole benefit of the holders of Pfandbriefe, the Cover Pools will be separately administered by the Administrator from the general insolvency estate of the Pfandbrief Bank.

The Administrator will be appointed by the court having jurisdiction at the location of the head office of the Pfandbrief Bank at the request of the BaFin before or after the institution of insolvency proceedings. The Administrator will be subject to the supervision of the court, and of the BaFin insofar as the BaFin may request the court to remove the Administrator if there is good reason to do so. In the event of insolvency proceedings being opened with respect to a Pfandbrief Bank, the Administrator will take over the administration and management of the Cover Pools (including the power to dispose of the relevant Cover Pool's assets). The Administrator will receive all payments on Cover Pool assets (payments on interest and principal) and it is its obligation to settle the Cover Pool and ensure full satisfaction of the holders of Pfandbriefe. Only in the case of an obvious over-collateralisation in the Cover Pool (including the Excess Cover) is the insolvency administrator entitled to demand that the Administrator shall effect a transfer of assets from the relevant Cover Pool to the insolvency estate of the Pfandbrief Bank. Cover assets remaining after (i) the holders of Pfandbriefe have been satisfied and (ii) costs relating to the management of the Cover Pools by the Administrator have been paid must be surrendered to the insolvency estate of the Pfandbrief Bank.

With the written consent of the BaFin, the Administrator may furthermore transfer all or part of the Pfandbrief liabilities and the corresponding cover assets to another Pfandbrief Bank. In the event of

partial transfer of the cover assets, the proportion of the relevant cover assets which remain with the insolvent Pfandbrief Bank must comply with the provisions concerning the coverage for Pfandbriefe.

Under the Pfandbrief Act, the Cover Pools are not part of the insolvency estate of the Pfandbrief Bank in the event of its insolvency, and, therefore, such insolvency would not automatically trigger an insolvency of the assets contained in the Cover Pools. Only if the relevant Cover Pool were to become insolvent, which could occur as a result of (i) such Cover Pool's inability to meet the obligations arising from the Pfandbriefe issued against it (*Zahlungsunfähigkeit*); or (ii) an excess of the obligations arising from the Pfandbriefe issued against such Cover Pool over the Cover Pool's assets (*Überschuldung*), separate insolvency proceedings would be initiated against the relevant Cover Pool by the BaFin. In either case, holders of Pfandbriefe would have the first claim on the assets contained in the respective Cover Pool. Their preferential right would also extend to the interest on the Pfandbriefe accrued after the commencement of insolvency proceedings. Furthermore, but only to the extent that holders of Pfandbriefe suffer a loss, holders would also have recourse to any assets of the insolvent Pfandbrief Bank not contained in the respective Cover Pools. With regard to these assets, holders of Pfandbriefe would rank equal with other unsecured and unsubordinated creditors of the insolvent Pfandbrief Bank.

Jumbo-Pfandbriefe

Jumbo-Pfandbriefe are governed by the same laws as Pfandbriefe and therefore cannot be classified as a type of assets apart from Pfandbriefe. However, in order to improve the liquidity of the Pfandbrief market the issuers of Pfandbriefe agreed upon certain minimum requirements for Jumbo-Pfandbriefe (*Mindeststandards von Jumbo-Pfandbriefen*) (the **Minimum Requirements**) applicable to such Pfandbriefe which are issued as Jumbo-Pfandbriefe. These Minimum Requirements are not statutory provisions. Instead, they should be regarded as voluntary self-restrictions which limit the countless options issuers have when structuring Pfandbriefe. An incomplete overview of the Minimum Requirements is set out below:

- (i) The minimum principal amount of Jumbo-Pfandbriefe is at least Euro 1,000,000,000. An issuer may issue a Jumbo-Pfandbrief with a principal amount of at least Euro 750,000,000 if it increases the issue within 180 calendar days to an aggregate principal amount of at least Euro 1,000,000,000.
- (ii) After having been issued, Jumbo-Pfandbriefe may not be transcribed to the name of a Holder.
- (iii) Jumbo-Pfandbriefe must be issued in the "straight bond format", i.e. they must be fixed rate notes (with interest payable annually in arrear) without any conversion or acceleration rights.
- (iv) The issuer of Jumbo-Pfandbriefe may repurchase its Jumbo-Pfandbriefe for redemption and fiduciary safe-keeping purposes. After any repurchase of Jumbo-Pfandbriefe by the relevant issuer the remaining outstanding aggregate principal amount of these Jumbo-Pfandbriefe must not fall below Euro 1,000,000,000. In addition, the relevant issuer may only repurchase half of the aggregate principal amount of any issue of Jumbo-Pfandbriefe outstanding. Following any repurchase of the Jumbo-Pfandbriefe it has issued, the relevant issuer may not increase the Jumbo-Pfandbriefe it has repurchased before a year's time has passed.
- (v) Within 30 calendar days of their issue date Jumbo-Pfandbriefe have to be listed on a regulated market in a member state of the European Union or the European Economic Area.

The Minimum Requirements are supplemented by additional recommendations (*Empfehlungen*; the **Recommendations**) and a code of conduct applicable to issuers of Jumbo-Pfandbriefe (*Wohlverhaltensregeln für Emittenten*; the **Code of Conduct**). Neither the Recommendations nor the Code of Conduct are statutory provisions.

TAXATION

Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this DIP Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

Tax Residents

Payments of interest on the Notes, including interest having accrued up to the disposition of a Note and credited separately (**Accrued Interest**), if any, to persons who are tax residents of Germany (i. e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidarit t szuschlag*) at a rate of 5.5 per cent. thereon). Such interest may also be subject to trade tax if the Notes form part of the property of a German trade or business. Accrued Interest paid upon the acquisition of a Note may give rise to negative income if the Note is held as a non-business asset.

Upon the disposition, assignment or redemption of a Note a holder holding the Note as a non-business asset will have to include in his taxable income further amounts if the Note can be classified as a financial innovation (*Finanzinnovation*) under German tax law (including, among other things, Zero Coupon Notes, Floating Rate Notes, index linked Notes, discounted Notes, provided the discount exceeds certain thresholds, Notes being traded "flat", i. e. without Accrued Interest being credited separately, or stripped Notes, i. e. Notes traded without coupons and coupons traded without Notes). In this case, generally the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price is deemed to constitute interest income subject to income tax (plus the solidarity surcharge) in the year of the disposition, assignment or maturity of the Note. Where Notes are issued in a currency other than Euro the difference will be computed in the foreign currency and will then be converted into Euro. Alternatively, the holder of the Note may show that such difference exceeds the difference between the redemption amount and the issue price of the Note to the extent attributable to the period over which he has held such Note. In this case only the lower pro-rated initial yield to maturity, if such amount is fixed at the time of issue, minus interest (including Accrued Interest) already taken into account, is taxed as interest income.

Where a Note forms part of the property of a German trade or business, each year the part of the difference between the issue or purchase price of the Note and its redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income and may also be subject to trade tax.

Capital gains from the disposition of Notes, other than income described in the second paragraph above, are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business, in which case the capital gains may also be subject to trade tax. Capital gains derived by German-resident corporate holders of Notes will be subject to corporate income tax (plus solidarity surcharge at a rate of 5.5 per cent. thereon) and trade tax.

If Notes are held in a custodial account that the holder of the Notes maintains with a German branch of a German or non-German bank or financial services institution (the **Disbursing Agent**) a 30 per cent. withholding tax on interest payments (*Zinsabschlag*), plus 5.5 per cent. solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65 per cent. of the gross interest payment. Withholding tax on interest is also imposed on Accrued Interest.

In addition, if Notes qualify as financial innovations, as explained above, and are kept in a custodial account that the holder of the Notes maintains with a Disbursing Agent such custodian will generally withhold tax at a rate of 30 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon) from the positive difference between the redemption amount or proceeds from the disposition or assignment and the issue or purchase price of the Notes if the Notes have been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. Where Notes are issued in a currency other than Euro the difference will be computed in the foreign currency and will then be converted into Euro. If the Notes have not been kept in a custodial account with a Disbursing Agent since the time of issuance or acquisition, withholding tax of 30 per cent. is applied to 30 per cent. of the amounts paid in partial or final redemption or the proceeds from the disposition or assignment of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest previously paid by the holder of a Note to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Note is an individual (i) whose Note does not form part of the property of a trade or business nor gives rise to income from the letting and leasing of property; and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of a Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If Notes are not kept in a custodial account with a Disbursing Agent, withholding tax will apply at a rate of 35 per cent. of the gross amount of interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Note to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*). In this case proceeds from the disposition, assignment or redemption of a coupon, and if the Notes qualify as financial innovations 30 per cent. of the proceeds from the disposition, assignment or redemption of a Note, will also be subject to withholding tax at a rate of 35 per cent. Where the 35 per cent. withholding tax applies Accrued Interest paid cannot be taken into account in determining the withholding tax base. Again a solidarity surcharge at a rate of 5.5 per cent. of the withholding tax applies so that the total tax burden to be withheld is 36.925 per cent.

Withholding tax and the solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts over withheld will entitle the holder of a Note to a refund, based on an assessment to tax.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note; or (ii) the interest income otherwise constitutes German-source income (such as income from the letting and leasing of certain German-situs property). In the cases (i) and (ii), a tax regime similar to that explained above under "*Tax Residents*" applies. Capital gains from the disposition of Notes other than proceeds from their sale or redemption re-characterised as interest income for German tax purposes (as explained above under "*Tax Residents*") are, however, only taxable in the case of (i) above.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above under "*Tax Residents*". Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Note are paid by a Disbursing Agent to a non-resident, withholding tax of 35 per cent. will apply as explained above under "*Tax Residents*". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Tax Directive**), Member States (as defined below) are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Member States means the member states from time to time of the European Union.

By legislative regulations dated 26 January 2004 the Federal Government of Germany enacted provisions implementing the EU Savings Tax Directive into German law. These provisions apply from 1 July 2005.

If, following implementation of the EU Savings Tax Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent following implementation of the EU Savings Tax Directive, the Issuer will be required, to the extent this is possible, to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Tax Directive.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 7 July 2006 (as amended and supplemented from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated in the sections entitled "*Form of the Notes*" and "*Terms and Conditions of the Notes*" and commencing on pages 47 and 73, respectively. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The following restrictions may be amended or supplemented in the relevant Final Terms.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Tranche of which such Notes are a part, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the **Securities and Exchange Law**) and, accordingly, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000 and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication or, (ii) when a prospectus has been approved in another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of such publication; or
- (b) it has only made and will only make an offer of Notes to the public in France (*appel public à l'épargne*) and/or it has only required and will only require the admission to trading on Euronext Paris S.A. in circumstances which do not require the publication by the offeror of a prospectus pursuant to articles L.411-2 and L.412-1 of the French *Code monétaire et financier*; and
- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Simplified Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Germany

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) of 22 June 2005, as amended, or of any other laws applicable in Germany governing the issue, offering and sale of securities.

Luxembourg

In addition to the cases described in the European Economic Area selling restrictions in which the Dealers can make an offer of Notes to the public in an EEA Member State (including Luxembourg), the Dealers can also make an offer of Notes to the public in Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and investment funds and their management companies, commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Directive 2003/71/EC (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the CSSF as competent authority in Luxembourg in accordance with the Prospectus Directive.

General

Each of the Dealers has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this DIP Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions agreed between the Issuer and the relevant Dealer and as shall be set out in the relevant Final Terms.

RESPONSIBILITY STATEMENT

The Issuer accepts sole responsibility for the information contained in this DIP Prospectus. For the avoidance of doubt, this DIP Prospectus constitutes two base prospectuses within the meaning of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003: (i) the base prospectus of the Issuer in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of Commission Regulation (EC) no. 809/2004, and (ii) the base prospectus of the Issuer in respect of Pfandbriefe within the meaning of Article 22 No. 6 (3) of Commission Regulation (EC) no. 809/2004.

Having taken all reasonable care to ensure that such is the case, the Issuer confirms that the information contained in this DIP Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has confirmed to the Dealers that this DIP Prospectus contains all information which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer, and of any rights attaching to the Notes; that this DIP Prospectus contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issue and offer of Notes thereunder; that this DIP Prospectus is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this DIP Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this DIP Prospectus or any other information provided by the Issuer in connection with the Programme. To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer or any other person mentioned in this DIP Prospectus (excluding the Issuer) accepts any liability in relation to the information contained or incorporated by reference in this DIP Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer or any of the Dealers to give any information or to make any representation not contained in or not consistent with this DIP Prospectus or any other information supplied in connection with the Programme or any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither the delivery of this DIP Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this DIP Prospectus when deciding whether or not to purchase any Notes.

The Issuer has undertaken with the Dealers that it will, (i) on or before the anniversary of date of this DIP Prospectus, (ii) in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this DIP Prospectus which is capable of affecting the assessment of any Notes, or (iii) in the event of a change in the condition of the Issuer which is material in the context of the Programme or the issue of Notes prepare a supplement to this DIP Prospectus or a new DIP Prospectus for use in connection with any subsequent issue of Notes. Such supplement or new DIP Prospectus will be obtainable free of charge from (i) Düsseldorf Hypothekenbank Aktiengesellschaft (Berliner Allee 43, 40212 Düsseldorf, Germany or via the website of Düsseldorf Hypothekenbank Aktiengesellschaft, being www.duesshyp.de), (ii) the specified offices of each of the Fiscal Agent

(Deutsche Bank Aktiengesellschaft, Große Gallusstraße 10–14, 60272 Frankfurt am Main, Germany) and the Paying Agent for the time being in Luxembourg (Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg), and (iii) the website of the BaFin, being www.bafin.de.

Neither this DIP Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this DIP Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this DIP Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes under the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither this DIP Prospectus nor any Final Terms may be used by anyone for the purpose of an offer to sell or the solicitation of an offer to subscribe for or to purchase any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this DIP Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this DIP Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this DIP Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this DIP Prospectus, any Final Terms or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this DIP Prospectus, any Final Terms and the offer and/or sale of Notes. In particular, there are restrictions on the distribution of this DIP Prospectus and the offer and/or sale of Notes in a number of jurisdictions, including, but not limited to, the United States of America, Japan and the EEA (including the United Kingdom, France, Germany, and Luxembourg) (see the section entitled "*Subscription and Sale*" and commencing on page 140). The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons (see the section entitled "*Subscription and Sale*" and commencing on page 140).

The Issuer confirms that (i) the non-binding English language translations of the sections entitled "*Form of the Final Terms*" and "*Terms and Conditions of the Notes*" and commencing on pages 51 and 73, respectively, correctly and adequately reflect the corresponding (binding) German language versions of these sections, and (ii) the non-binding German language translation of the section entitled "*Summary of the Debt Issuance Programme*" and commencing on page 17 correctly and adequately reflects the corresponding (binding) English language version of this section, commencing on page 4.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes under the Programme was duly authorised by a resolution of the managing board of the Issuer dated 31 May 2006.

Clearing Systems

The Notes have been accepted for clearance through Clearstream Banking AG, Frankfurt, Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System. The appropriate securities code allocated to each Tranche of Notes including, but not limited to, the German Securities Identification Code (*WKN*), Common Code and/or ISIN (as appropriate) will be specified in the relevant Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms.

The address of Clearstream Banking AG, Frankfurt is Clearstream Banking AG, Frankfurt, Neue Börsestraße 1, 60487 Frankfurt am Main, Germany, the address of Clearstream Banking, société anonyme, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg and the address of Euroclear Bank S.A./N.V. is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium.

Documents Available for Inspection

For the period of twelve months following the date of this DIP Prospectus, copies of the following documents will, when published, be available for inspection at, and may be obtained free of charge from, (i) Düsseldorf Hypothekenbank Aktiengesellschaft (Berliner Allee 43, 40212 Düsseldorf, Germany), and (ii) from the specified offices of the Fiscal Agent (Deutsche Bank Aktiengesellschaft, Große Gallusstraße 10–14, 60272 Frankfurt am Main, Germany) and the Paying Agent for the time being in Luxembourg (Deutsche Bank Luxembourg S.A., 2, Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg):

- (a) the constitutional documents (including the Articles of Incorporation (together with an English language translation thereof)) of the Issuer;
- (b) the audited non-consolidated and consolidated financial statements of the Issuer (in each case together with an English language translation thereof) in respect of the financial years ended 31 December 2004 and 31 December 2005, in each case together with the auditors' certificates prepared in connection therewith (in each case, together with an English language translation thereof). The Issuer currently prepares audited non-consolidated and consolidated accounts on an annual basis;
- (c) the most recently published audited non-consolidated and consolidated annual financial statements of the Issuer (in each case together with an English language translation thereof) and the most recently published unaudited non-consolidated and consolidated interim financial statements (if any) of the Issuer (in each case together with an English language translation thereof), in each case together with any auditors' certificates prepared in connection therewith (in each case, with an English language translation thereof). The Issuer currently prepares unaudited non-consolidated interim accounts on a quarterly basis with the exception of the first quarter;
- (d) the Programme Agreement and the agency agreement dated 7 July 2006 (which contains the forms of the Temporary and Permanent Global Notes, the Collective Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (e) this DIP Prospectus;
- (f) any future prospectuses, offering circulars, information memoranda and supplements including Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a

holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent or the relevant Paying Agent as to its holding of Notes and identity) to this DIP Prospectus and any other documents incorporated herein or therein by reference; and

(g) in the case of an issue of listed Notes admitted to trading on the regulated market of a stock exchange located in the EEA and subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Post-issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Electronic Copies of this DIP Prospectus

Electronic copies of this DIP Prospectus (and any supplements thereto) are available from the website of the Issuer (www.duesshyp.de), the website of the Düsseldorf Stock Exchange (www.boerse-duesseldorf.de) and the website of the BaFin (www.bafin.de).

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ANNEX 1

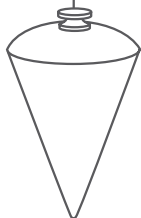
2004 Unconsolidated and Consolidated Annual Accounts

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MANAGEMENT REPORT AG AND GROUP

- Business developments
- Development of risk
- Development of earnings
- Outlook



→ Business developments

For Düsseldorf Hypothekenbank AG the 2004 business year was marked, above all, by improvements in funding costs. The stabilised earnings situation combined with consistent capital market orientation in a favourable market environment enabled the Bank to place an issuance volume of € 4.8 bn (previous year € 2.7 bn) – the largest longer-term raising of funds since the Bank was established.

The greater scope of funding is reflected in the expansion, by € 2.4 bn, of new lendings to € 4.3 bn. Compared with previous years, the structure of new lendings shifted in favour of public-sector loans. Total assets grew by 31% to € 15.4 bn.

During the course of the implementation of the Minimum Requirements for Lending Operations' (MaK), the Bank's risk management was further refined. The main focus was on property finance, where the new risk strategy, combined with an uncompromising separation of front and back office functions, formalised and objectified the loan decision-making process further.

For the first time, extensive general bad debt provisioning reserves were set up for the latent credit risk. Determined standard risk costs served as the yardstick in measuring this "cushion". Despite this measure, net income for the year rose by 18%. At the same time, profitability increased to 8%, coming closer to the long-term objective of 10%.

Funding made easier by "AAA" rating

At the beginning of September, Standard & Poor's awarded the Pfandbriefe of Düsseldorf Hypothekenbank top marks. The "AAA" rating was given on the strength, among other things, of a public self-commitment with regard to the risks incurred in future for the cover assets. The Bank is the first German Pfandbrief issuer to commit itself in this way to a conservative risk policy and to make this policy transparent to (potential) investors while specifying upper limits.

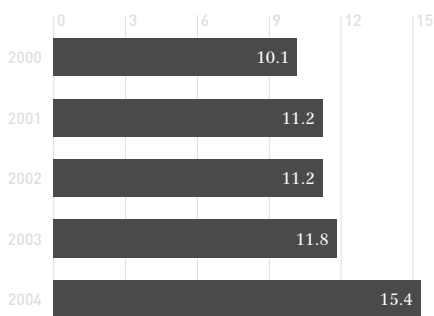
Armed with the "AAA" rating, the Bank proceeded in mid-November to float its first public-sector Jumbo Pfandbrief in five years. The issue volume of € 1.0 bn was oversubscribed in a matter of hours; more than half was placed abroad. Yet the fact that public-sector Pfandbrief sales almost doubled from € 2.1 bn the previous year to € 4.1 bn is also to be explained by the Bank's ability and willingness to develop Pfandbrief products tailored to the specific needs of domestic investors.

Totalling € 4.8 bn (€ 2.7 bn), the aggregate funding capital raised is made up of 86% public-sector Pfandbriefe, 6% mortgage Pfandbriefe and 8% bonds or loans not requiring cover.

New opportunities in public-sector lending

The Bank's public-sector lending activities, which were characterised by extremely low margins in general, profited strongly from the Bank's improved funding conditions. As a result, loan commitments were, at € 4.0 bn, more

Development of balance sheet total
Bn €



than twice as high as in the previous year (€ 1.5 bn). Roughly 15% (22%) of these were accounted for by lendings in the EU area, including loans to Estonia, Slovakia and Cyprus, which joined the EU in May.

More so than in previous years, the structure of new commitments was determined by internal management. Since public-sector loans granted serve as cover for public-sector Pfandbriefe outstanding, the matching maturity of the two portfolios is key to the quality of the Pfandbriefe. Put in another way, funds raised ought to be, as far as possible, to be at the Bank's disposal as long as they are tied up as loans. For this reason, the Bank's activities here focussed primarily on loan maturities of 2–5 years.

As a result of the surge in new commitment activity, the loan book grew by 37% to € 11.2 bn. Of this total, 50% (previous year 46%) was accounted for by claims against domestic public-sector credit institutions that are still covered by state guarantees under the transitional provisions negotiated between Germany and the EU Commission. A further 38% (48%) concerns loans to domestic public authorities. The 12% (11%) share of such loans granted abroad refers primarily to the authorities of European central and regional governments; just short of one quarter of this share was accounted for by public-sector credit institutions.

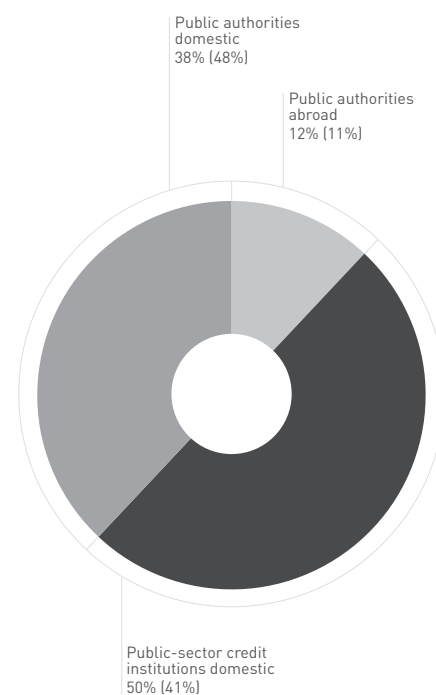
Restraint in property finance

The Bank's activities in property finance did not go unaffected by the weak market developments at home. For this reason, the stringent implementation of a restrictive risk policy and unacceptable loan-to-value ratios led to an increased refusal rate. New commitments were, at € 289 m, some 17% short of the previous year's total (€ 348 m) as a result. Prolongations amounted to € 31 m (€ 23 m).

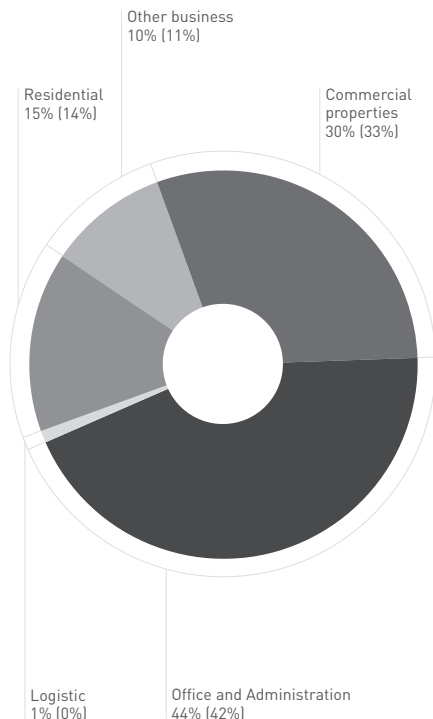
It was observed that German institutional investors were turning increasingly to the European property markets, a trend also expressed in the Bank's foreign operations, which accounted for a share of 44% (45%). Further, a shift was discernible in the structure of commitments: approx. 21% were accounted for by residential properties in the year under review, compared with only 6% one year before. Financings for commercially used properties developed in the opposite direction, their share falling from 94% to 79%.

For more than five years now, the Bank has pursued a secondary market orientation in property finance. Just short of 62% of new commitments (55%) were accounted for by active participations in syndicated financings with established banking industry partners. By concentrating on large-volume lendings for commercially used or commercially operated properties, the Bank was able to raise the share of property finance in relation to the overall loan book to 10%. Due to high premature repayments – which typically affect

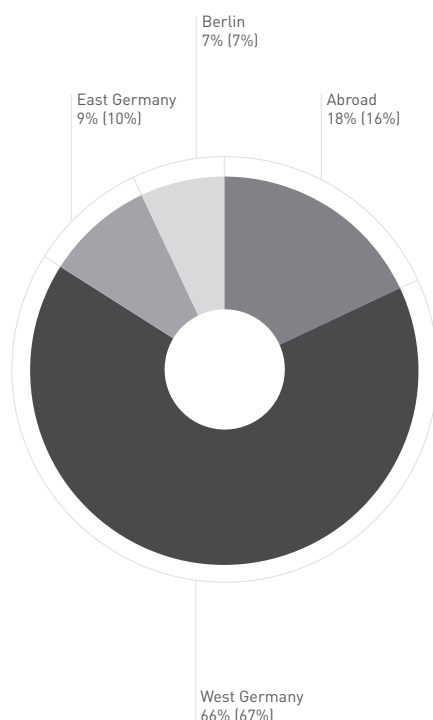
Public-sector lendings by borrower groups
Portfolio 31 December 2004
Previous year in brackets



Mortgage loans by use of property
Portfolio 31 December 2004
Previous year in brackets



Mortgage loans by property location
Portfolio 31 December 2004
Previous year in brackets



cross-border loans to an over-proportionate extent – the loan book did not grow by the full amount of new commitments. As at the balance sheet date, it totalled € 1.3 bn, which is equivalent to a growth rate of 13%. As in the previous year, the average loan size per property was € 10.6 m.

Broken down by types of use, the portfolio of financed properties reveals shifts. The relative importance of retail premises dropped further to 30% (previous year 33%); only two years before, it accounted for roughly 50%. With a share of 44% (42%), offices have become the main focus. The share for residential properties expanded slightly to 15% (14%). However, the Bank's objective of restructuring the loan book more heavily in favour of residential property finance has not yet been realised. One reason for this has been that the Bank felt the margins were unsuitable.

The regional distribution of the portfolio shows little change. The old federal States including Berlin accounted for 73% (74%) of property finance business; the share of North-Rhine Westphalia was roughly one third. Loans granted in east Germany slipped from 10% to almost 9%; in spite of numerous inquiries, the Bank did not enter into new commitments here. By contrast, the share of cross-border financings rose to 18% (16%), with funds being extended for select office premises in international business centres, for the most part in London, the greater Amsterdam/Utrecht region and – in two cases – New York.

Investments outside the collateral pool

The Bank invests surplus liquidity from its core business outside the Pfandbrief collateral pool in accordance with Section 5 para. 3 Mortgage Bank Act (HBG). Balances with suitable credit institutions, own bonds as well as bonds of public-sector issuers from the EU or the EEA may be used for short-term liquidity demand peaks, to support the market for own issues, to procure substitute cover assets and to furnish collateral in transactions with derivatives. Moreover, the Bank has securities eligible as collateral for ECB borrowings within the scope of open market operations. Structural liquidity surpluses from lending as well as equity are invested on a medium to long-term basis in other bonds admitted to official stock exchange trading and in investment certificates. The total volume of investments pursuant to Section 5 para. 3 HBG was increased from € 1.7 bn to € 2.0 bn. In terms of the Bank's total assets, however, their share slipped from 14% to 13%.

The minimum credit rating defined by German mortgage banks almost three years ago of "A-" (Standard & Poor's) or "A3" (Moody's) for investments outside the collateral pool was rigorously observed. Investments not in line with this minimum standard were cut back further and totalled € 39 m as at the balance sheet date (previous year € 87 m). The upper limit, which is dictated by the Bank's liable capital, is therefore only used to the extent of 15% (34%).

More intensive use of derivatives

The Bank made use of derivatives to hedge against interest rate and currency risks. As the Bank's business expanded, so the volume of derivative contracts concluded also rose. In nominal terms, it climbed to € 18 bn (previous year € 11.7 bn), and to 117% (100%) in terms of total assets. The reason for this lay in the refined hedging policy in the short-term maturity category. Unlike earlier times, interest rate risks stemming from three- and six-month positions are increasingly converted through so-called Eonia swaps into overnight positions. Thus, the hedging of a long-term interest rate risk is reflected in the nominal volume of derivatives twice. This enhances the quality of the Bank's risk management.

Derivatives with a residual life of more than five years accounted for the largest share of the aggregate portfolio, coming to € 7.8 bn or 43%. The Bank's counterparties were widely diversified. As at the balance sheet date they were 37 credit institutions or credit institution groups of impeccable standing from OECD countries deemed "suitable credit institutions" within the meaning of Section 5 para. 3 no. 1 HBG.

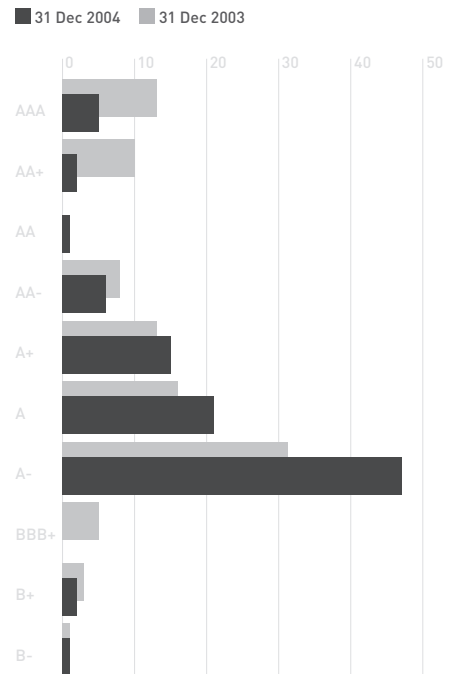
Expansion necessitates reorganisation

In the year under review, the expansion of business made further organisational adjustments necessary. The Bank's securities settlement department, for instance, was split into two separate units. In future, one department will handle only the transaction-related part of securities trading, including payments. The other is responsible for loan assessment and for setting limits for trading counterparties and other contracting parties. In addition, capital market communications is located here, responsible in particular for ongoing contacts with institutional Pfandbrief investors.

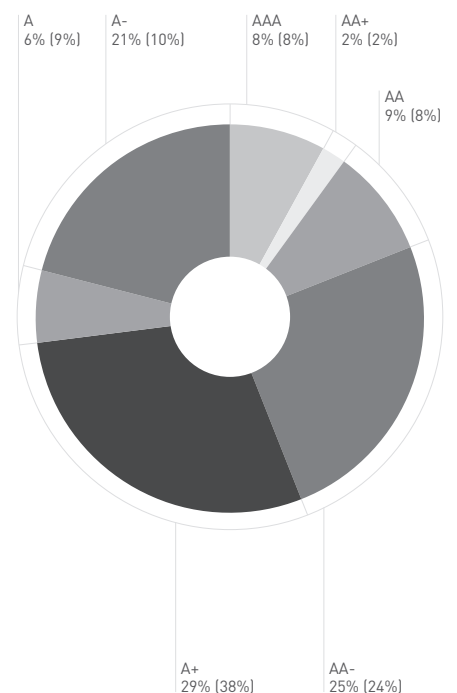
In light of the Bank's increasing financial market orientation, the internal Compliance regulations were extended. In addition to the existing rules governing staff transactions, new rules concerning the acceptance of gifts as well as financial links with customers came into effect. These measures help to ensure, in the interest of a modern corporate governance model, that the Bank and its staff will continue to conduct themselves as fair and reliable business partners.

The property finance personnel had to be strengthened in the year under review. The formal demands made of the Bank's operating processes were intensified due to the implementation of the Minimum Requirements for Lending Operations (MaK). This business arm, which has gradually been expanded since 1999, today counts 16 members of staff. As at 31 December 2004, the total staff came to 44, or 5% more than in the previous year (42).

Investments outside the collateral pool by ratings
Share of aggregate portfolio in %



Derivative counterparties by rating
Portfolio 31 December 2004
Previous year in brackets



New credit risk strategy for property finance

The risk exposure in mortgage lending hinges not only in the borrower's creditworthiness but also, above all, on potential developments in the value of the real estate collateral furnished. The price of this collateral does not depend on economic and regional influences alone, but in particular on the actual use of the property. Insofar, the Bank finances exclusively retail, office and residential buildings with up-to-date fixtures and fittings. Properties run by specialised operating companies (e.g. hotels, leisure), are lent against in exceptional cases only. Their share of the aggregate loan portfolio is limited to 7% in the long term.

Restrictions such as these have always shaped the Bank's business activities. What is new is the bundling of all risk policy rules to form a "credit risk strategy" such as the Minimum Requirements for Loan Operations, which have been binding for all German credit institutions since mid-2004. The Bank's strategy states, among other things, that the property portfolio is to consist of 75% commercially used and 25% residential properties.

In addition, fundamental structural demands are made of each individual financing, for example the use of owner's equity, mortgage loan-to-value ratio (Beleihungsauslauf) – as defined in the German Mortgage Bank Act, the market-specific price level and the loan term. What is more, concrete requirements exist with regard to the long-term capacity to repay principal, which in the present phase of low interest rates is of particular relevance to floating interest rates.

At portfolio level, risk assessment is increasingly based on the "economic unit", i.e. a fictitious exposure consisting of financings in which an institutional customer is involved either as borrower, partner with a material interest or anchor tenant. The economic unit differs clearly from the borrower unit as defined by the supervisory authority. Through the strict economic separation of the relevant risk unit, the Bank is responding to the growing occurrence of property companies as borrowers and the restricted assumption of liability this entails.

More stringent requirements in lending processes

The Minimum Requirements for Lending Operations raise the standards to be met by a bank's internal lending processes. In response to this, the Bank has set up an organisational unit specialising in property finance risk. Among other things, this unit is responsible for the "second lending decision", the contract control and the observance of conditions of disbursement. In this way the Bank ensures that in the particularly risk-relevant processes, the "front office" and "back office" functions are consistently separated. To this end,

the Board of Managing Directors has waived its individual (loan approval) powers. For practical purposes this means that a loan can only be granted with the approval of the "back office". The Bank's implementation of the Minimum Requirements for Lending Operations is, with these measures, more restrictive than relevant laws actually call for.

In this connection the Bank's reporting system has also been reorganised. In future, all credit risk-related evaluations will be collected to form a "risk report". The individual parts are almost entirely standardised, although they leave room for special analyses. The report, which has to be compiled on a quarterly basis, varies in scope depending on the reporting intervals prescribed for the individual parts. And finally, the risk report is regularly submitted to the Risk Committee of the Supervisory Board.

Early warning system as basis for risk classification

The Bank now subjects considerable parts of its property loan portfolio to a double stress test. The capacity of the financed properties to repay principle is examined while assuming a rise in interest rates of 200 basis points. At the same time, a drop in rents of 20% (30% for properties abroad) is simulated. Loans the payments surplus of which does not reach certain minimum values in the stress situation are allocated to a higher risk category subject to individual analysis. Initial experience with this early warning indicator shows that,

on the whole, rising interest rates pose less of a problem than a general fall in rents. But in more than 95% of the cases looked at, the ratios expressing the capacity to repay principal (DCR, ICR) are sufficient in spite of the stress scenarios.

Further indicators of an increased credit risk are payment behaviour, the life of the lease or the anchor tenant's liquidity situation. The early warning system sheds light on how loans are to be graded into initially six risk categories. The individual measures allocated to each category are staggered according to an escalation principle.

The early warning indicators point to only a minor change in the risk situation over the previous year. As at the balance sheet date, 96% of the Bank's total lendings were again categorised as "normal". Approximately 3% (previous year 4%) were classified internally as "entailing a risk". For the first time, one exposure accounting for 1% of the Bank's aggregate lendings was rated "non-performing" as at the balance sheet date.

Empirical probabilities of default and loss rates

With regard to the new Basel rules on bank capital ("Basel II"), the Bank opted for the – in technical and organisational terms, sophisticated – IRB approach, which presupposes an estimate of the risk parameters "probability of default" (PD) and "loss given default" (LGD). In the absence of its own instances of default, the Bank participates with other banks in joint projects, giving it access to extensive historical statistics, through which it can arrive at statistically reliable risk assessments.

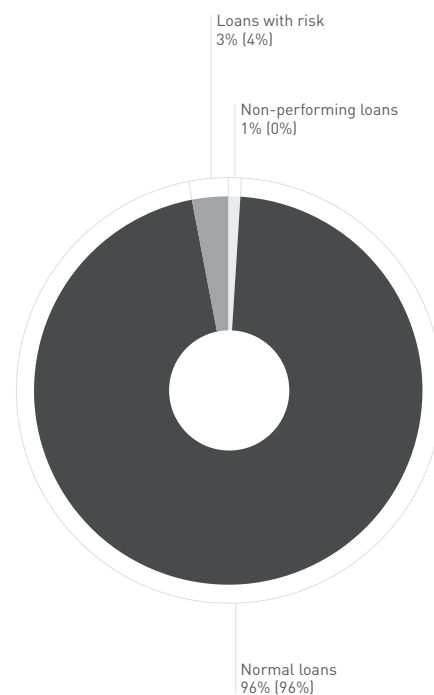
The progress made in the projects so far is already reflected in the operating processes. Since September 2004, the PD rating has been an indispensable component of our processing of new lendings. In parallel to this, the data needed to calculate the default function are being stored, step by step, from the Bank's entire loan book. Besides the credit assessment pursuant to Section 18 German Banking Act (KWG) and the valuation of the property in question, a record is also made of the market position, competitive environment and managerial skills of the borrower. 55% of loans (number of lendings) had been recorded for this purpose as at the balance sheet date.

PD and LGD data will in future be used not only to calculate capital backing but also to refine classification in the area of latent credit risk.

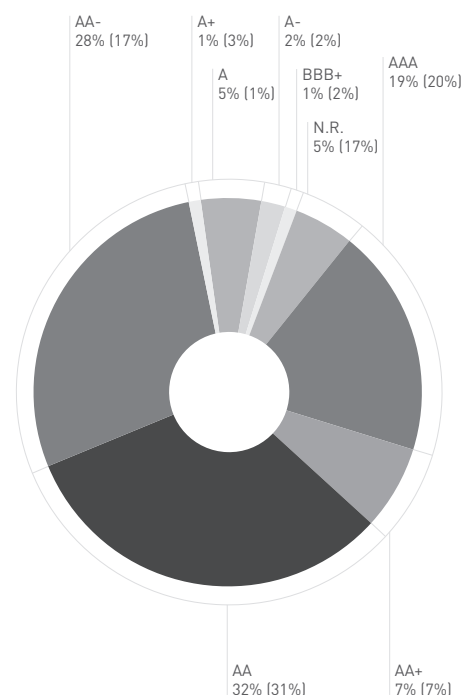
Credit risk of trading transactions still low

Roughly 90% of the Bank's aggregate lendings as at the balance sheet date were accounted for by public-sector lendings, for which there is virtually no risk of default. The reasons for this lie in the strict selection only of countries with an impeccable standing. Due to their prerogative to levy taxes, it may be assumed that they will be in a position at all times to meet commitments through tax receipts. As a rule, public sector loans are acquired on the secondary market as trading transactions (securities, note loans). The main risk in this segment is the valuation risk, i.e. that risk mark-ups (spreads) may widen vis-à-vis the respective reference curve.

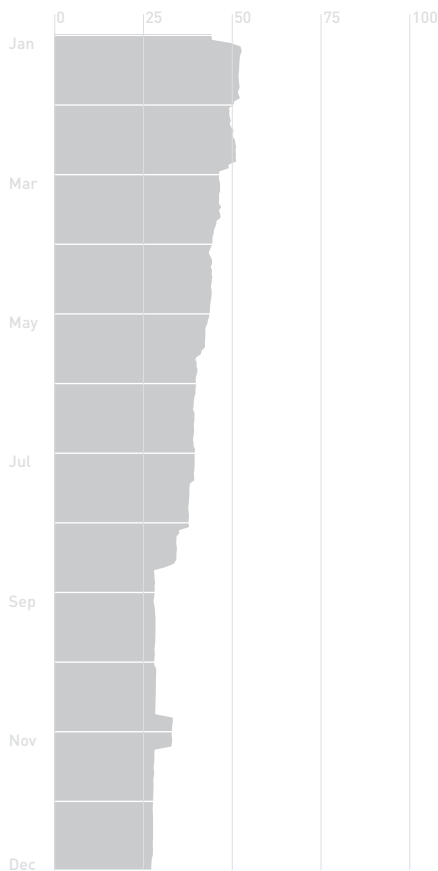
Mortgage loans by risk class
Portfolio 31 December 2004
Previous year in brackets



Public-sector loans by credit quality
Loan portfolio 31 December 2004
Previous year in brackets



Development of credit risk
Business year 2004, limit utilisation
in %



Risk management is carried out by calculating, on a daily basis, a Credit Value at Risk (CVaR). This ratio represents the maximum loss which, with a confidence level of 99%, will not be exceeded within one day.

The credit risk of investments outside the covered pool is also managed daily as CVaR. Including all covering transactions (public-sector lendings), as at the end of the year the CVaR was € 3.3 m (previous year € 2.8 m); as an average for the year, the ratio came to € 4.6 m (€ 5.8 m). The decline is the result of lessening market volatility.

The credit risk of derivative transactions for hedging purposes concerns losses or lost gains due to potential default by the counterparty. The prerequisite for granting a limit is a positive credit assessment. In addition, agreements have been concluded with numerous counterparties concerning the furnishing of collateral for negative market values.

Interest rate risk diminishes further

As a specialised credit institution whose main focus of business is public-sector lending, the Bank incurs interest rate risks under open fixed-rate positions resulting from mismatched maturities or maturity transformation. These risks are measured daily for all interest-bearing items as the Value at Risk (VaR). This ratio quantifies the loss which, with a confidence level of 99%, will not be exceeded within a holding period of one trading day and an observation period of 250 trading days. Sensitivity analyses represent the impact of changes of the yield curve on the net present value of the aggregate portfolio.

The interest rate risk to which the Bank exposed itself receded again versus the previous year. As at the balance sheet date, the VaR ratio came to € 0.8 m (previous year € 1.0 m); as an average for the year it was € 0.8 m (€ 1.8 m). The highest daily value measured in the year under review was € 2.2 m. Daily backtesting showed that the actual net present value exceeded on three days the maximum loss forecast by the VaR. With the 99% confidence level chosen, this is within the tolerance and confirms the quality of the risk measurement.

The regulatory limit for interest rate exposure, namely 10% of liable equity assuming a parallel shift of the yield curve by ± 100 basis points, was not exceeded at any time in 2004.

Liquidity risk monitored constantly

Liquidity risks arise from incongruent cash-flows or unscheduled incoming payments. They express the danger of not being able to meet payment obligations fully or on time. Further, they represent the risk of only being able to cover sudden liquidity needs on terms above those planned.

In the monthly liquidity structure analysis the Bank has at its disposal a dynamic management instrument. Comparisons of projected/actual figures and simulations make it easier to forecast liquidity requirements for the next six months, and enable the Bank to identify in good time potential structural shifts in the availability of funds. What is more, a projection of liquidity indicates future surpluses or shortages of cover detailed to the day, and so serves as the basis for analysing, fine-tuning and managing payment flows.

In the year under review, the Bank's liquidity position was comfortable at all times. The ratio in accordance with Principle II was always clearly above the legally prescribed minimum of 1.0, and was 1.5 as at the balance sheet date.

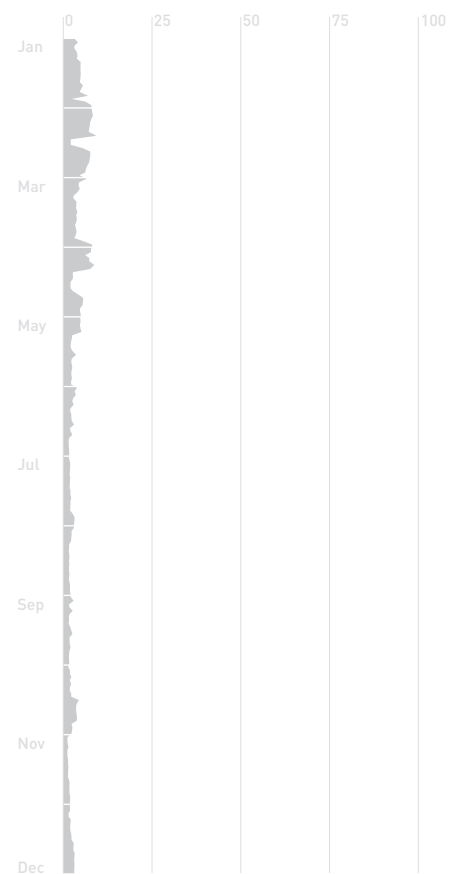
Separate risk management for cover pool

In October 2003, Standard & Poor's stepped up their rating requirements for Covered Bonds. Top marks were previously awarded to Pfandbriefe largely on account of the composition of the cover pool. Under the new approach, issuers are now expected to make commitments with regard to their future risk policy.

In view of this, Düsseldorfer Hypothekbank lent support to the "AAA" rating for the public-sector Pfandbrief – the bank's principle refinancing instrument – by committing itself to specific risk restrictions. Published by the Bank on 13 September 2004, the self-commitment restriction refers to interest rate, currency, liquidity and credit risks. All risk types were previously subjected to restrictions throughout the Bank; new is the separate limitation for the subset "cover pool". Utilisation of this limit is published monthly on www.duesshyp.de.

The self-imposed commitment goes beyond the legal provisions governing the quality of the Pfandbrief. This is above all true of the credit risk, which under the Mortgage Bank Act is regulated only by way of the 10% limits for foreign activities, and is taken into consideration under the Net Present Value Regulation (HypBarwertV) by way of a blanket 2% excess cover. By contrast, the Bank sets itself rating-oriented portfolio limits to ensure a certain minimum credit rating for its

Development of interest rate risk
Business year 2004, limit utilisation
in %



cover assets. Moreover, individual and group limits ensure an adequate diversification. With these measures, the Bank is responding to the increasing spread of credit quality in the public sector in consequence, among other things, of the internationalisation of lending activities.

German legislation does not yet regulate the liquidity risk. But interest rate and currency risks are – despite the different methodological approaches applied – ultimately limited in a similar manner as with the self-commitment.

Other risks and allocation of equity

Operational risks occur wherever operational processes do not run according to plan, are disrupted or are interrupted. The operational risk is the risk of losses resulting from inadequate or failed internal processes, people and technical systems or from external events. In the year under review, the Bank continued to identify operational risks and took appropriate steps to avoid or curb them.

The Bank's strategic orientation is regularly reviewed within the scope of its multi-year plan. Besides the competitive environment, the implications of changes to the legal framework are analysed in terms of their potential impact on the positioning of the Bank in the market. The aim here is to identify potential risks to the long-term existence of the company. Where necessary, the business strategy is either modified or developed further as appropriate.

The adequacy of a bank's total net worth is determined by the scope of risk incurred. For this reason, the Bank weights all loss potentials against its liable equity (Section 10 German Banking Act). As in previous years, 50% of equity is allocated to the interest rate risk; credit risk and operational risk account for 45% and 5% respectively. The risk cover thus obtained in each case represents the upper loss limit, and is at the same time the basis for calculating the defined overnight and stop loss limits.

→ Development of earnings

Net interest income climbs 12%

Generally speaking, credit supply towards commercial property borrowers has dropped appreciably in the past years. Individual market participants have withdrawn from this field of operation, while in other cases lending capacities have decreased owing to mergers. Given the greater differentiation with which credit quality and collateral are now considered, it is – in contrast to the past – increasingly possible to obtain cost- and risk-adequate terms on the market.

The high margins the Bank was able to secure for itself in new lendings in the last three years are increasingly reflected in the profitability of its loan portfolio. This is an important driver of net interest income, which rose by 12% to € 37.3 m in the year under review. The decline in current earnings – which are contained in this position and comprise payouts under investment certificates held as closed-end specialised funds as well as income from trade investments – from € 18.7 m to € 14.9 m was therefore more than compensated.

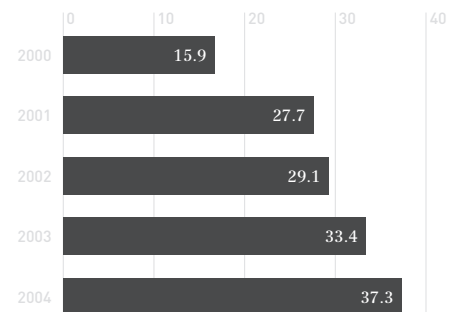
A further positive factor that boosted net interest income lay in the improved funding conditions, which opened up new opportunities in public-sector lending. Moreover, for a considerable part of the year under review the Bank profited from falling capital market yields, allowing it to widen margins through appropriate measures of asset and liability management.

The balance of commission income and commissions paid was, at -€ 0.5 m, lower than one year before (-€ 0.1 m). This was due to the marked increase in balance sheet volume, which affected primarily volume-related costs for portfolio management or brokering of trading transactions. On the other hand, commission income from property finance remained stable. Net interest and commission income rose by 11% to € 36.8 m.

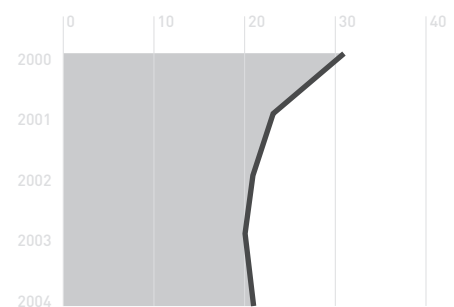
Cost efficiency remains above-average

The larger workforce caused staff expenses to rise by € 0.6 m to € 4.1 m. Similarly, operating expenditure (including depreciation on tangible assets) was up by 12% to € 3.7 m, due primarily to the expansion of business and the Bank's first Pfandbrief rating. In total, general administrative expenses climbed by 15% to € 7.8 m. Net interest and commission income was unable to keep pace with this growth, so that the cost/income ratio narrowly missed, at 21%, the previous year's level of 20%. Nevertheless, in terms of its business orientation, the ratio of administrative expenses to gross income reflects the Bank's above-average cost efficiency.

Development of net interest income
Million €



Development of cost/ income ratio
Administrative expenses to net interest
and commission income in %



Per capita expenditure of € 177,000 (previous year € 166,000) is low for a business of its size and likewise signifies efficiency. This was achieved through the Bank's focus on its core activities. All other services were not performed by the Bank itself but acquired on the market. One consequence, for example, was the outsourcing to an external computer centre of data processing for the operational functions position-keeping, accountancy and reporting. Costs were further avoided by largely foregoing primary market activities (customer servicing, advisory, acquisition) and by consistently centralising all organisational units at one location.

The result of this procedure was general bad debt provisioning of € 1.6 m in respect of the principal; in addition, bad debt charges of € 0.8 m were made in respect of interest arrears of more than 90 days. For the latent credit risk, moreover, a general charge of € 4.6 m was set aside and allocated to the provisioning reserves in accordance with Section 340f German Commercial Code (HGB). With that, the Bank took the growing loan book into consideration.

Unlike the previous year, there were no write-downs on the securities contained in the current assets but additions, thanks to the favourable development of security prices. Balanced with the above charges from lending, risk provisioning in the year under review amounted to -€ 3.1 m, as opposed to -€ 4.5 m one year before.

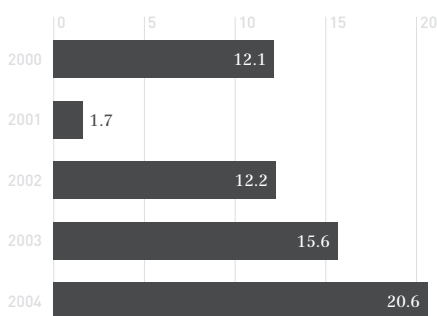
The result from financial investments came to -€ 5.2 m, improving slightly from -€ 6.1 m. Included here are, as in the previous years, write-offs and losses realised from the sale of the Argentine government bonds which have been in default since 2001. Bad debt charges were made for interest payments due; provisions exist for possible future interest losses. The Bank is currently examining thoroughly the exchange offer presented by the Argentine government at end-December 2004.

Comprising essentially the balance of net interest income and administrative expenses, gross income was, at € 28.9 m, some 10% above the previous year's figure.

Formation of general bad debt provisioning (Section 340f HGB)

As at the balance sheet date, general bad debt provisioning was set up in respect of a mortgage loan for the first time. In so doing, the Bank drew on a market value-oriented procedure: when interest and redemption payments are no longer covered by the rental income from a property, their fictitious market value is determined on the basis of all the factors affecting the value on a short-term basis. The difference between it and the higher book value of the claim determines the extent to which the value has to be adjusted.

Development of operating income
Million €



The decision whether to accept or reject has not yet been made. For this reason, the commercial law valuation for the annual accounts is based on the market prices of the bonds as at the balance sheet date with due consideration to the guarantee of principal given to the Bank by the shareholders and persons close to them.

After adding together the risk provisioning and the loss from financial investments, the valuation result amounts to -€ 8.3 m (previous year -€ 10.6 m). Set off against the gross profit, the operating income was € 20.6 m, which was 32% up on the previous year.

Net income for the year advances 18%

The effective tax charge rose due to the general – and therefore not deductible – provisions for the latent credit risk to 27%, as against 19% the previous year. After deduction of taxes totalling € 5.6 m, net income for the year amounted to € 15.0 m. With that, return on equity climbed from 6.8% to 8.0%.

The composition of the net income for the year may be broken down by business segments. Generating € 1.6 m, property finance posted a plus of 45%. The reason was the rise in interest margins, which compensated for the increase in administrative expenses (new recruitments, Basel II-related projects) as well as the risk provisioning measures. Accordingly, the division's cost/income ratio improved from 56% to 36%. After 4.6% the previous year, return on equity was up to 6.5%.

Public-sector lending contributed € 11.7 m to the overall performance. The jump in profits compared with the previous year (€ 7.3 m) is a reflection, among other things, of brisk new commitment activity. What is more, there were no market-induced write-downs on securities, which had heavily burdened the result for 2003. The cost/income ratio came to 15%; this was close to the previous year's figure.

Income from other business activities comprised primarily a calculatory equity investment and income from trade investments. The general charge for bad and doubtful loans in accordance with Section 340f HGB explains the fall in this division's result from € 4.3 m to € 1.7 m. Thus, other activities constituted a contribution of only 11% to the Bank's net income for the year. The mainstays of the Bank's result for 2004, then, were public-sector lending and property finance, which together accounted for a share of 89%.

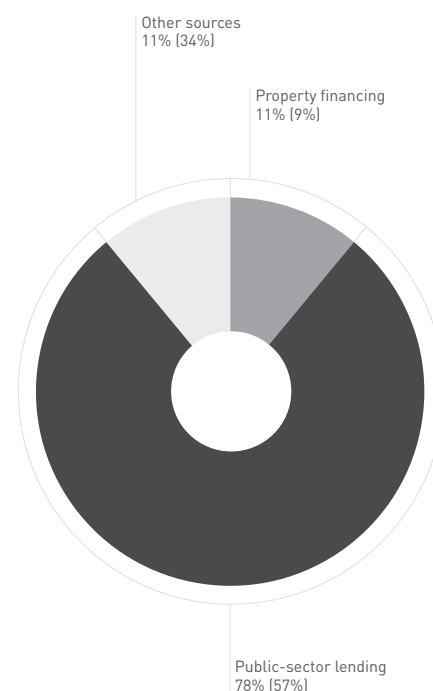
Total net worth sound, despite growth

Net income for the year is equivalent to the balance sheet profit. We will propose to the Annual General Meeting that, as in the previous year, a dividend of € 11.7 m (or 9%) be paid out of the balance sheet profit, and that the remaining € 3.3 m be allocated to the other retained earnings. With that, the retention rate rises from 8% to 22%.

Income statement AG Million €

	2004	2003	Δ
Net interest income	37.3	33.4	
Net commission income	-0.5	-0.1	
Net interest and commission income	36.8	33.3	+11%
Administrative expenses	-7.8	-6.8	
Other operating result	-0.1	-0.3	
Gross income	28.9	26.2	+10%
Valuation result	-8.3	-10.6	
Operating income	20.6	15.6	+32%
Taxes	-5.6	-2.9	
Net income for the year	15.0	12.7	+18%

Sources of profit Business year 2004 Previous year in brackets



Even prior to reserve appropriation, the Bank's equity-related ratios are well above legal requirements. The core capital ratio as at 31 December 2004 was a good 8%, whereas a minimum of 4% is required. While the minimum called for under Principle I of the German Bank Act (KWG) is 8%, the Bank states a ratio of 11% as at the balance sheet date. Liable capital as defined by Section 10 KWG amounted to € 258 m (previous year € 257 m).

Group income lower than income of the AG

The Bank's subsidiary holds, as a significant asset, a 25% share in a Luxembourg credit institution. Since its balance sheet profit was retained in full in the year under review, the subsidiary's result for the year stems solely from the short-term investment of available liquidity. Consequently, there were no noteworthy contributions to the profits of the Group. At the same time, the subsidiary company distributed a dividend for fiscal 2003 that was eliminated in the Consolidated Accounts. For this reason, the income of the AG and the Group's income differ by approximately the amount of the distribution.

Relationships with affiliated companies

The Board of Managing Directors prepared a report for the period subject to reporting requirements in accordance with Section 312 German Stock Corporation Act (AktG) on the relationships with affiliated companies, which was audited and certified by Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft. The report closes with the following declaration by the Board of Managing Directors: "According to the circumstances known to us at the point in time at which legal transactions were conducted with affiliated companies, our company did in each case receive an appropriate consideration. Measures in the interest of or upon the initiative of affiliated companies were neither taken nor omitted that put our company at a disadvantage."

Interest rate curve to steepen again in the course of the year

The growth in the eurozone points to a slight acceleration, but above all a widening of the upswing. Up until now, the pressure on prices emanating from the energy and commodities markets has been softened by the weakness of the US dollar. According to research institutes, however, politically determined prices (such as health insurance, indirect consumer taxes) in particular will have the effect of pushing prices up, as the situation of the public authorities remains tight. Thus, the ECB estimates an average inflation rate of 1.5–2.5%.

Scope for falling short-term yields looks very limited in this scenario. It may take a while before the ECB makes its next interest rate move, but there is currently no indication that it will be a move downwards. This evaluation, which is shared by many market participants, gives a lead to capital market rates. Even though long-term euro yields – under the influence, above all, of the US markets – fell to an all-time low up at the beginning of February, most forecasts point to rising yields during the course of the current year.

However, this rise will be moderate compared with the US bond market, so that US government bonds will hold on to their interest rate advantage.

German property markets still weak

It still remains to be seen whether the German economy dipped temporarily last year or whether the slowdown will be of a longer duration. Economic data and consumer surveys at present point in different directions. At best, experts are agreed that greater economic stimulus must come from domestic demand, as the upswing in demand from abroad has slowed due to the appreciation of the euro.

In this environment, recovery is not expected for the German property markets. Although the number of new construction projects is receding steadily, with the result that the supply of business space is at least not increasing further, only a sustained improvement of the economic situation is likely to cause vacancies to decline. One cannot rule out that the problematic letting situation combined with institutional investors' reluctance to buy will continue to depress rents. The situation in a number of large European towns and cities is different, as the rents level is picking up again.

Continuity in business structure despite Pfandbrief Act

The clouded outlook on the domestic property market will not leave new mortgage loan commitment activity unscathed. As in the previous year, a large number of loan queries will not meet the rigorous internal quality requirements. The indirect consequence of this is a rise in the importance of foreign business, the risk appraisal of which often profits from a head start in the market price cycle. All in all, total commitments are expected to match the previous year's level.

The Bank's activities in public-sector lending will depend, above all, on how interest rates develop in the eurozone. Given expectations of rising yields in the second half-year, it will be essential to take advantage of the opportunities of the first few months. With this in mind, the Bank extended new loans of more than € 1 bn in the first six weeks of the current year amidst falling long-term interest rates. According to the Bank's plans, the foreign market is to account for two-thirds of business. The background of this strategy is the new legislation (Pfandbrief Act), which will spur the internationalisation of public-sector lending; this, in turn, will comply with the principle of adequate risk diversification.

Despite the Pfandbrief Act and the new business possibilities it will create, the Bank will stick to its tried and tested business model. As in the past, mortgage loans will account for approximately 10% of total lendings. Assuming the targets set for new lendings are reached, the balance sheet total will rise by 15% in the current year.

Equity base expanded considerably

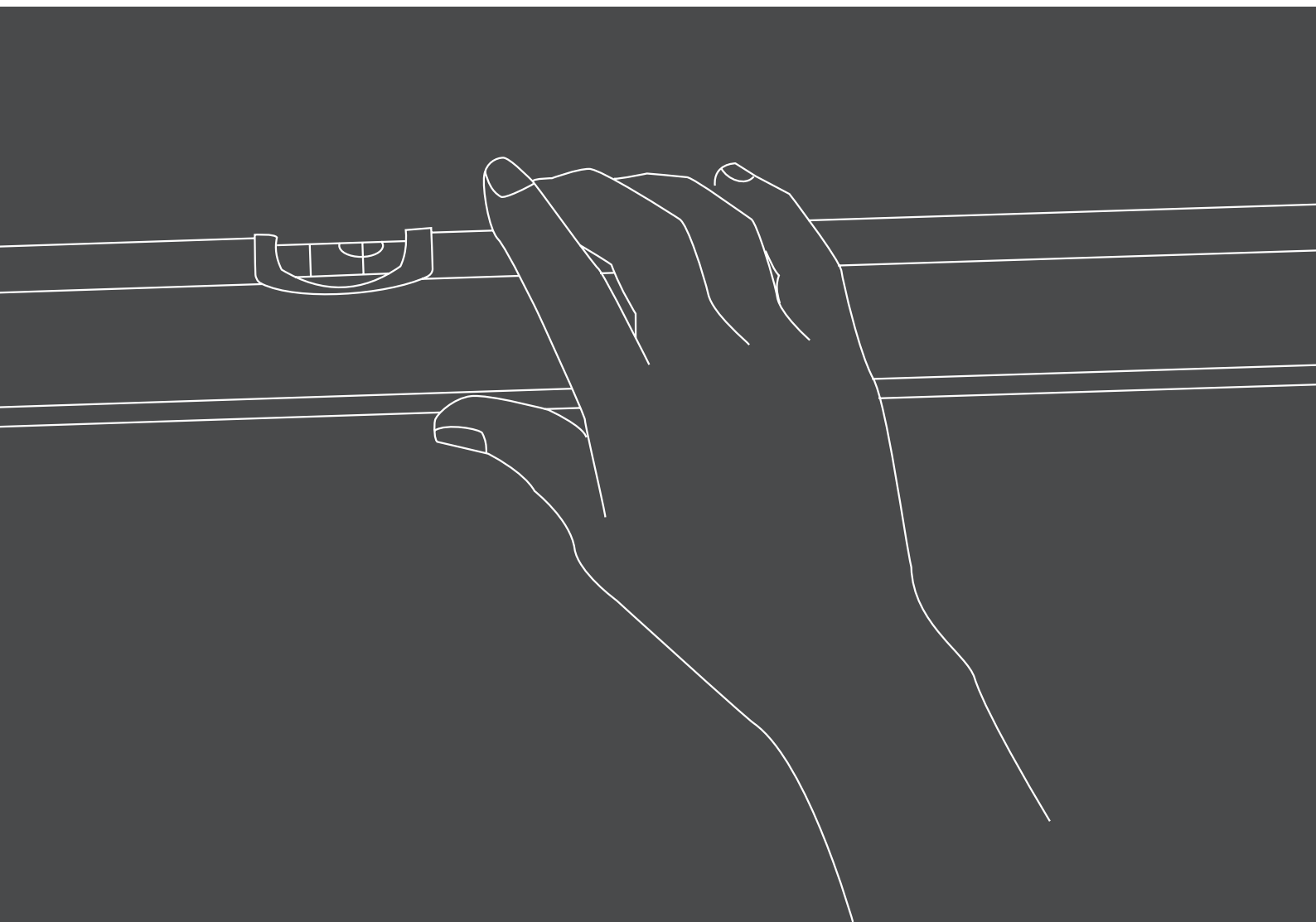
At the start of February, for the first time since 2000, the Bank implemented a capital increase. The higher equity takes into account the change from specialised bank status to that of universal bank as provided under the Pfandbrief Act, and takes the broader field of activity into consideration. By end-March the Bank's share capital will rise by € 24 m; a further € 6 m will be allocated to the capital reserves. Including the planned allocation of € 3.3 m to the revenue reserves, the capital will increase by 18%. Accordingly, the core capital ratio will also improve, amounting initially to approx. 9%. The Bank's capital situation will therefore remain sound.

During recent weeks the Bank took advantage of the coincidence of low interest rates and low spreads to raise its non-core capital by issuing a nominal € 50 m of subordinated liabilities. Helped by a favourable market situation, the Bank was able to create the basis from which to pursue its long-term growth targets.

Düsseldorfer Hypothekenbank should be able to increase interest income from property finance in the current year. The division's profitability will rise if the need for risk provisioning remains moderate. The earnings situation in public-sector lending is more difficult to forecast given the large share of interest rate-sensitive transactions involved. In any event, the improved funding conditions will be reflected in the net interest income position. Administrative expenses will not rise at a double-digit growth rate again in the current year, as the planned investments in staff and equipment have largely been completed. All things considered, the Bank will seek to improve profitability further in 2005.

- Balance Sheet
- Profit and Loss Account
- Notes
- Supervisory Board, Board of Managing Directors
- Audit certificate

ANNUAL ACCOUNTS OF THE AG



→ Balance Sheet of the AG as at 31 December 2004

Assets in thousand €	2004	2004	2004	2003
Cash reserve			59,035	17,621
of which: with Deutsche Bundesbank	59,032			(17,619)
Claims on banks				
public-sector loans		2,890,668		2,258,942
other claims		492,793	3,383,461	707,101
of which: payable on demand	254,975			(274,647)
collateralised against securities	0			(0)
Claims on customers				
mortgage loans		1,266,197		1,128,216
public-sector loans		3,662,546		3,458,042
other claims		0	4,928,743	3
of which: collateralised against securities	0			(0)
Bonds and other fixed income securities				
bonds and notes				
of public-sector issuers	2,114,044			1,650,423
of which: eligible as collateral with Deutsche Bundesbank	1,926,515			(1,267,640)
of other issuers	4,435,767	6,549,811		2,081,485
of which: eligible as collateral with Deutsche Bundesbank	4,209,872			(1,947,464)
own debt instruments		14,408	6,564,219	187,620
nominal amount	13,863			(173,718)
Shares and other variable-yield securities			305,911	194,399
Participating interests			16,897	16,897
of which: in banks	16,897			(16,897)
Shareholdings in affiliated companies			31,282	31,282
of which: in banks	0			(0)
Intangible assets			486	0
Tangible assets			5,228	5,371
Other assets			2,011	2,295
Deferred items				
from issuing and lending business		94,169		65,326
others		3,728	97,897	2,345
Total Assets			15,395,170	11,807,368

Liabilities in thousand €	2004	2004	2004	2003
Liabilities to banks				
registered mortgage Pfandbriefe issued		52,271		55,662
registered public-sector Pfandbriefe issued		782,655		682,908
other liabilities		2,040,131	2,875,057	1,497,769
of which: payable on demand	1,218			(51,705)
Liabilities to customers				
registered mortgage Pfandbriefe issued		356,396		172,807
registered public-sector Pfandbriefe issued		1,335,132		874,777
other liabilities		1,302,454	2,993,982	1,202,121
of which: payable on demand	59			(166)
registered public-sector Pfandbriefe given to lenders to secure loans contracted	28,230			(26,580)
Securitised liabilities				
bonds issued				
mortgage Pfandbriefe		222,126		330,102
public-sector Pfandbriefe		8,857,538		6,499,998
other bonds		127,910	9,207,574	176,755
Other liabilities			5,599	5,587
Deferred items				
from issuing and lending business		18,128		16,523
others		1,001	19,129	1,402
Provisions				
tax provisions		2,422		2,901
others		428	2,850	377
Subordinated liabilities				
Profit-sharing rights				
of which: due in less than two years	0		61,347	(0)
Capital and reserves				
subscribed capital		130,000		130,000
capital reserve		51,129		51,129
revenue reserve				
other revenue reserves		5,893		4,893
distributable profit		15,000	202,022	12,700
Total Liabilities			15,395,170	11,807,368
Contingent liabilities				
liabilities from guarantees and indemnity agreements			2,003	2,394
Other commitments				
irrevocable loan commitments			132,659	129,582

→ Profit and Loss Account of the AG
from 1 January to 31 December 2004

in thousand €	2004	2004	2004	2003
Interest income				
from lending and money market transactions	748,969			666,275
from fixed-income securities and debt register claims	247,812	996,781		163,688
Interest paid		-974,372	22,409	-815,311
Income				
from shares and other variable-yield securities		10,757		18,721
from participating interests		1,196		6
from affiliated companies		2,961	14,914	0
Commission income		735		925
Commission paid		-1,278	-543	-972
Other operating income			254	173
General administrative expenses				
staff expenses				
wages and salaries	-3,532			-2,957
compulsory social security contributions and expenses for pensions and other staff benefits	-559	-4,091		-511
of which: pensions	-92			(-81)
other administrative expenses		-3,354	-7,445	-2,877
Depreciation of and value adjustments				
to intangible and tangible assets			-345	-479
Other operating expenses			-394	-449
Write-downs of and value adjustments				
to claims and certain securities as well as additions to the provision for possible loan losses			-3,103	-4,554
to participating interests, shareholdings in affiliated companies and securities treated as fixed assets			-5,151	-6,058
Profit on ordinary activities			20,596	15,620
Taxes on income		-5,578		-2,902
Other taxes				
not included under "Other operating expenses"		-18	-5,596	-18
Net income for the year			15,000	12,700
Allocations to other revenue reserves			0	0
Balance sheet profit			15,000	12,700

Accounting and valuation principles

The Annual Accounts have been prepared in accordance with the applicable provisions of the German Commercial Code, the German Joint Stock Corporation Act and the German Mortgage Bank Act as well as with the Bank Accounting Directive.

Claims are stated at nominal value in accordance with Section 340e para. 2 German Commercial Code (HGB); the difference between the amount paid out and the nominal amount is shown under deferred items. All discernible individual risks in lending are taken into consideration by the formation of specific loan loss provisions. Latent credit risk is covered by general loan loss provisions within the scope of tax requirements; moreover, provisioning reserves exist in accordance with Section 340f para. 1 German Commercial Code.

Bonds of the current assets are stringently valued at the lower of the continuously calculated average or the market value as at the balance sheet date, taking interest rate hedging instruments into account. Inasmuch as the reasons for special write-downs made in previous years no longer exist, additions are made. Where bonds are allocated to fixed assets, they are valued at cost including a pro rata reversal of the difference to the nominal value. The pro rata reversal of a premium or discount is included

in the net interest income. In the case of a decrease in value that is likely to be permanent and is calculated using a valuation model based on probabilities of default, the securities are written down accordingly. In this case, there is no pro-rata reversal of premium or discount.

The shares in specialised funds reported under shares and variable-income securities are allocated to the current assets and stringently valued at the lower of cost or market. Write-ups required in accordance with Section 280 German Commercial Code are also made under this item.

Participating interests and shareholdings in affiliated companies are shown at cost.

Based on their operating life expectancy, tangible assets and intangible assets are stated at cost less straight-line regular depreciations. Minor-value assets are depreciated in full in their year of acquisition.

Liabilities are stated at the amounts repayable. The difference between the nominal amount and the issue price is shown under 'deferred items'. Zero-coupon bonds are stated at issue price plus pro rata interest in accordance with the issuing yield.

Provisions have been made for taxes and contingent liabilities based on the estimated amount payable.

Balance sheet items denominated in foreign currency are converted in accordance with Section 340h German Commercial Code with the rate hedging transactions at the reference rate of the ECB as at the balance sheet date.

Derivative financial transactions that serve to hedge against interest rate and exchange rate fluctuations are not subject to individual valuation and, as open contracts, are not stated.

When reporting risk provisioning and the result from financial investments, use is made of the possibility of cross-compensation in accordance with Section 340f para. 3 German Commercial Code and Section 340c para. 2 German Commercial Code respectively.

There are no other securitised liabilities and claims on customers with an indefinite maturity.

Amounts contained in the item "Bonds and other fixed-income securities" that fall due in the year following the balance sheet date total € 243 m.

Amounts contained in the sub-item "Bonds issued" that fall due in the year following the balance sheet date total € 563 m.

Breakdown by remaining time to maturity

Million €	Payable on demand	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Claims						
on banks	294	270	68	2,017	734	3,383
on customers	2	205	207	2,872	1,650	4,936*
Liabilities						
to banks	22	1,403	723	606	121	2,875
to customers	2	166	369	1,208	1,249	2,994

* Residual claim without general value adjustment

Cash reserve

The item "Cash reserve" contains balances with central banks totalling € 59 m and cash in hand of € 3,000.

Claims on/ liabilities to affiliated companies/ participating interests

Claims on banks totalling € 39 m and on customers totalling € 27 m refer to companies with which a participatory relationship is maintained. Liabilities to banks include € 11 m of companies with which a participatory relationship is maintained. These are non-secured claims and liabilities.

Securities negotiable on the stock exchange

All bonds and other fixed-income securities totalling € 6,429 m are negotiable on the stock exchange and are listed on the stock exchange.

All shares and variable-income securities totalling € 306 m, participations of € 17 m and shareholdings in affiliated companies of € 31 m are not negotiable on the stock exchange.

Of the bonds, € 4,348 m is accounted for by bonds intended as cover for Pfandbriefe outstanding. These and other bonds totalling € 55 m are not stringently valued at the lower of cost or market as at the balance sheet date. These include bonds with a book value of € 309 m which, due to capital market forces, are stated at a fair value that is lower by € 0.5 m as at the balance sheet date.

Development of fixed assets

Million €	Bonds and notes	Participating interests	Shareholdings in affiliated companies	Intangible assets	Tangible assets	Total
Cost of acquisition/ manufacture carried forward on 1 January 2004	2,433	17	31		7	2,488
Additions in 2003	2,457			1		2,458
Disposals in 2003	-402					-402
Accumulated depreciation	-55				-2	-57
Book value as at 31 December 2004	4,433	17	31	1	5	4,487
Depreciation charge in 2003	-5					-5

Minor-value assets are contained in the additions of the year under review and are depreciated in full. These depreciations are included in the disposals of the business year. The tangible assets comprise land and buildings, which are for the most part used for the bank's own activities, amounting to € 4.5 m.

Shareholdings in affiliated companies

The Bank wholly owns the shares in Gesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits AG, Glarus/Switzerland. As at the balance sheet date net worth totalled € 30 m. Net income for the year 2004 came to € 0.1 m.

Participating interests

There is a participating interest of 33% in Bankhaus Bauer AG, Stuttgart. According to information provided by the company, net worth totalled € 56 m as at the balance sheet date. Further, a positive result is expected for the 2004 business year.

Other assets and liabilities

The main 'other assets' are outstanding interest. 'Other liabilities' largely comprise pro rata and payable interest under 'subordinated liabilities' and 'profit-sharing rights'.

Deferred items from issuing and lending business

The 'deferred items' on the assets side contain an issuing discount in respect of bonds of € 42 m and a premium in respect of claims of € 52 m. The liabilities-side deferred items contain an issuing premium in respect of bonds of € 5 m and a discount in respect of claims of € 13 m.

Profit-sharing rights

At the extraordinary General Meeting on 10 November 2000, the Board of Managing Directors was authorised to issue, with the Supervisory Board's approval, further profit-sharing rights up to an amount of € 110 m on a one-off basis or in several tranches in the period up to 31 October 2005. Making use of this authorisation, the Bank placed profit-sharing rights with a volume of € 23 m by 31 December 2004. The aggregate holding of € 61 m is composed of € 33 m bearer profit-sharing rights, € 5 m profit-sharing rights transferable only with the Bank's consent and € 23 m registered profit-sharing rights.

Subordinated liabilities

In the event of the insolvency or liquidation of the Bank, subordinated liabilities may not be settled until all non-secondary creditors have received satisfaction. Prepayment is precluded. The borrowings meet the conditions pursuant to Section 10 para. 5a German Banking Act concerning recognition as liable capital. Interest and discount expenses on all subordinated liabilities total € 1 m. Two subordinated loans exceed the 10% limit of total subordinated liabilities. Interest of 5.6% is payable in respect of the principal of € 5 m in each case, which falls due on 8 May 2008.

Subscribed capital and revenue reserves

Subscribed capital amounted to € 130 m as at the balance sheet date, and is divided into 130,000,000 registered shares of € 1 each. A dividend of 9% was paid out of the previous year's profit of € 12.7 m and € 1.0 m was allocated to the other revenue reserves.

Contingent liabilities and other commitments

The liabilities on guarantees and warranties largely comprise guarantee loans of € 2 m which are secured by first-ranking land charges. The irrevocable loan commitments refer solely to mortgage loans and totalled € 133 m as at the balance sheet date.

Assets transferred as security

As at the balance sheet date, securities totalling € 20 m were sold under repurchase agreements (genuine repurchase agreements).

As at the balance sheet date, bank balances of € 252 m, bonds and other fixed-income securities of € 74 m as well as shares in specialised funds of € 73 m were pledged to hedge against risks under financing transactions. The book value of bonds transferred as security for open market loans totalled € 1,467 m.

Staff expenses, emoluments and personnel

Staff expenses totalled € 4.1 m. This amount includes aggregate emoluments for the members of the Board of Managing Directors of € 0.5 m.

The emoluments for the members of the Supervisory Board (€ 89,000) and of the Advisory Board (€ 14,000) are included under other administrative expenses.

As an average for the year, besides the Board of Managing Directors, 43 members of staff were employed, including one part-time employee (conversion to full-time basis).

Income taxes

Income taxes have been allocated to the result arising from ordinary business activities.

Profit appropriation

The net income for the year in the amount of € 15.0 m is equivalent to the distributable profit.

Mortgage Pfandbriefe: Statement of cover

Million €	2004	2003
Claims on customers (mortgage loans)	707	543
Substitute cover	40	30
Total cover	747	573
Mortgage Pfandbriefe requiring cover	618	552
Overcollateralisation	129	21

Public-sector Pfandbriefe: Statement of cover

Million €	2004	2003
Claims on banks (public-sector loans)	2,829	2,146
Claims on customers (public-sector loans)	3,569	3,364
Bonds and other fixed-income securities	4,671	2,435
Ordinary cover	11,069	7,945
Substitute cover	55	295
Total cover	11,124	8,240
Public-sector Pfandbriefe requiring cover	10,841	7,944
Overcollateralisation	283	296

Mortgage loans: cover fund by region

	2004	2004	2003	2003
	Number	Million €	Number	Million €
Baden-Württemberg	3	22	3	22
Bavaria	10	106	8	84
Berlin	9	51	4	39
Brandenburg	2	12	2	12
Hesse	13	91	9	95
Mecklenburg-Vorpommern	1	4	1	4
Lower Saxony	5	36	5	36
North-Rhine/ Westphalia	21	225	18	175
Rhineland-Palatinate	3	18	2	10
Saarland	1	2	1	2
Saxony	2	68	1	6
Saxony-Anhalt	2	15	2	16
Thuringia	1	6	1	6
Domestic	73	656	57	507
Foreign	3	51	2	36
	76	707	59	543

Million €	2004	2003
German Federal Government and Special Fund	61	61
Joint federal states	135	110
Baden-Württemberg	148	123
Bavaria	67	67
Berlin	604	409
Brandenburg	354	344
Bremen	117	117
Hamburg	167	157
Hesse	97	97
Mecklenburg-Vorpommern	142	142
Lower Saxony	296	192
North-Rhine/ Westphalia	754	787
Rhineland-Palatinate	418	398
Sachsen	86	76
Sachsen-Anhalt	206	206
Schleswig-Holstein	303	324
Thuringia	130	125
Federal states	4,024	3,674
Towns and municipalities	2	2
Public-sector banks	5,512	3,234
Public-sector corporations	21	21
Agencies incorporated under public law	80	50
Foreign	1,369	903
	11,069	7,945

Mortgage loans: cover pool by loan size and property type

With the exception of two loans totalling € 0.5 m, all the mortgage loans contained in the cover pool are larger than € 0.5 m.

The mortgage loans in the cover pool include 56 finished properties for commercial use with a volume of € 580 m, and 20 finished residential properties with a volume of € 127 m.

Compulsory measures, properties taken over and interest in arrears

As at the balance sheet date, one administrative receivership involving a commercially-used property was pending. In the year under review, no foreclosure sales were pending or carried out. No properties were taken over to prevent losses on mortgages in the year under review. A bad debt charge was made in full for interest in arrears arising between 1 October 2003 and 30 September 2004 to the amount of € 0.8 m. They arose to the amount of € 0.6 m in respect of commercially used properties and to the amount of € 0.2 m in respect of residential properties.

Repayments in respect of mortgage loans

In the year under review, a total of € 113 m was repaid. Of this total, € 9 m was accounted for by amortisation and € 104 m by other repayments.

Foreign currency positions

Total current assets in foreign currencies amounted to € 259 m as at the balance sheet date. Liabilities in foreign currencies amounted to € 3 m. Foreign currency positions were hedged against exchange rate fluctuations through off-setting transactions.

Derivative financial transactions

As at the balance sheet date, the following interest and currency-driven forward transactions were still outstanding: interest rate swaps, interest rate/ currency swaps, short swaption positions, note loans with put and call option, Pfandbriefe with call option, rate capping agreements. All transactions serve the purpose of hedging against interest rate and exchange rate fluctuations.

The negative market values of the derivative financial instruments were set off against corresponding positive market values from the underlying transactions.

Further duties of disclosure

Helvetic Grundbesitz Verwaltung GmbH, Berlin, and ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH, Berlin, informed us that they each hold more than 25% of the shares in the company.

Dr. Michael Kosche, Member of the Board of Managing Directors, held a seat on the Supervisory Board of Bankhaus Bauer AG, Stuttgart, within the meaning of Section 340a para. 4 German Commercial Code (HGB).

As at the balance sheet date, loans to members of the Supervisory Board totalled € 1.5 m.

Financial derivatives by remaining time to maturity

Million €	Nominal amount < 1 year	1 - 5 years	> 5 years	total	Market value
Interest rate swaps	2,215	7,882	7,689	17,786	-409
Cross-currency swaps	77	17	139	233	2
Total	2,292	7,899	7,828	18,019	-407

→ Supervisory Board, Board of Managing Directors

Supervisory Board

Dr. Wolfgang Schuppli
Chairman
Lawyer, Wiesbaden

Dieter Wenserski
Deputy Chairman
Banker, Bochum

Dr. Wolfgang Hönig
Deputy Chairman
Lawyer, Oberaching
until 12 March 2004

Prof. Dr. em. Paul Klemmer
President of the Deutscher Verband
für Wohnungswesen, Städtebau und
Raumordnung (DV), Berlin
as from 12 March 2004

Dr. Eberhard Schäfer
Economic Lawyer, Bad Homburg

Dipl.- oec. Berta Schuppli,
Wiesbaden

Prof. Dr. Friedrich-Leopold
Freiherr von Stechow
Manager of Partner für
Berlin Gesellschaft für
Hauptstadtmarketing mbH, Berlin

Düsseldorf, 18 February 2005
Düsseldorfer Hypothekenbank
Aktiengesellschaft
The Board of Managing Directors

Wolfgang Hampel

Board of Managing Directors

Wolfgang Hampel,
Bochum

Dr. Michael Kosche,
Köln

Dr. Michael Kosche

→ Auditors' certificate

An unqualified auditors' certificate has been issued in regard to the complete unconsolidated annual accounts. The translation of such auditors' certificate reads as follows:

"We have audited the annual financial statements, together with the bookkeeping system, and the management report of the Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, for the business year from 1 January to 31 December 2004. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB („German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into

account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

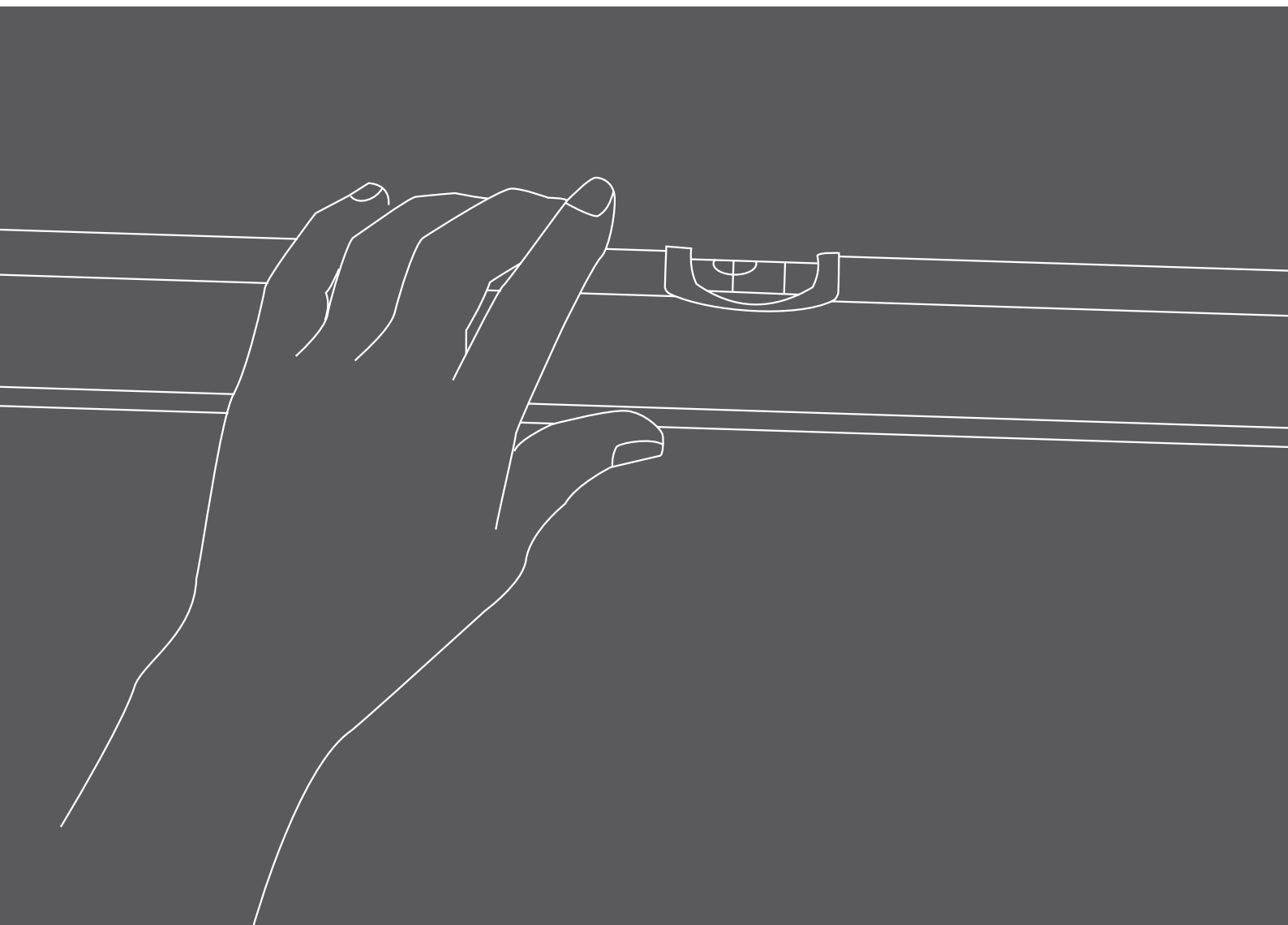
In our opinion, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, in accordance with German principles of proper accounting. On the whole the management report provides a suitable understanding of the Company's position and suitably presents the risks of future development."

Düsseldorf, 21 February 2005
Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Göttgens Dr. Braun
Wirtschaftsprüfer Wirtschaftsprüfer
(German Chartered Accountant)

- Balance Sheet
- Profit and Loss Account
- Notes
- Supervisory Board, Board of Managing Directors
- Audit certificate

ANNUAL ACCOUNTS OF THE GROUP



→ Balance Sheet of the Group as at 31 December 2004

Assets in thousand €	2004	2004	2004	2003
Cash reserve			59,035	17,621
of which: with Deutsche Bundesbank	59,032			(17,619)
Claims on banks				
public-sector loans		2,890,668		2,258,942
other claims		511,910	3,402,578	727,015
of which: payable on demand	274,092			(294,429)
collateralised against securities	0			(0)
Claims on customers				
mortgage loans		1,266,197		1,128,216
public-sector loans		3,662,546		3,458,042
other claims		0	4,928,743	3
of which: collateralised against securities	0			(0)
Bonds and other				
fixed income securities				
bonds and notes				
of public-sector issuers	2,114,044			1,650,423
of which: eligible as collateral with Deutsche Bundesbank	1,926,515			(1,267,640)
of other issuers	4,435,767	6,549,811		2,081,485
of which: eligible as collateral with Deutsche Bundesbank	4,209,872			(1,947,464)
own debt instruments		14,408	6,564,219	187,620
nominal amount	13,863			(173,718)
Shares and other				
variable-yield securities			305,911	194,399
Participating interests			10,500	10,500
of which: in banks	10,500			(10,500)
Participation in associated companies			16,443	16,897
of which: in banks	16,443			(16,897)
Intangible assets			486	0
Tangible assets			5,228	5,371
Other assets			2,011	4,602
Deferred items				
from issuing and lending business		94,169		65,326
others		3,731	97,900	2,351
Total Assets			15,393,054	11,808,813

Liabilities in thousand €	2004	2004	2004	2003
Liabilities to banks				
registered mortgage Pfandbriefe issued		52,271		55,662
registered public-sector Pfandbriefe issued		782,655		682,908
other liabilities		2,040,131	2,875,057	1,497,769
of which: payable on demand	1,218			(51,705)
Liabilities to customers				
registered mortgage Pfandbriefe issued		356,396		172,807
registered public-sector Pfandbriefe issued		1,335,132		874,777
other liabilities		1,302,454	2,993,982	1,202,121
of which: payable on demand	59			(166)
registered public-sector Pfandbriefe given to lenders to secure loans contracted	28,230			(26,580)
Securitised liabilities				
bonds issued				
mortgage Pfandbriefe		222,126		330,102
public-sector Pfandbriefe		8,857,538		6,499,998
other bonds		127,910	9,207,574	176,755
Other liabilities			5,601	6,131
Deferred items				
from issuing and lending business		18,128		16,523
others		1,001	19,129	1,402
Provisions				
tax provisions		2,422		2,901
others		459	2,881	417
Subordinated liabilities				
Subordinated liabilities				
of which due in less than two years	0			(0)
Capital and reserves				
subscribed capital		130,000		130,000
capital reserve		51,129		51,129
revenue reserve				
other revenue reserves	3,744			4,893
difference from capital consolidation	0	3,744		861
distributable profit		15,000	199,873	12,700
Total Liabilities			15,393,054	11,808,813
Contingent liabilities				
liabilities from guarantees and indemnity agreements			2,003	2,394
Other commitments				
irrevocable loan commitments			132,659	129,582

→ Profit and Loss Account of the Group
from 1 January to 31 December 2004

in thousand €	2004	2004	2004	2003
Interest income				
from lending and money market transactions	749,344			666,275
from fixed-income securities and debt register claims	247,812	997,156		163,688
Interest paid		-974,438	22,718	-815,311
Income				
from shares and other variable-yield securities		10,757		18,721
from participating interests		6	10,763	6
Income from associated companies			735	0
Commission income		735		925
Commission paid		-1,282	-547	-972
Other operating income			393	173
General administrative expenses				
staff expenses				
wages and salaries	-3,532			-2,957
compulsory social security contributions and expenses for pensions and other staff benefits	-559	-4,091		-511
of which: pensions	-92			(-81)
other administrative expenses		-3,397	-7,470	-2,877
Depreciation of and value adjustments				
to intangible and tangible assets			-345	-479
Other operating expenses			-396	-449
Write-downs of and value adjustments				
to claims and certain securities as well as additions to the provisions for possible loan losses			-3,103	-4,554
to participating interests, shareholdings in affiliated companies and securities treated as fixed assets			-5,151	-6,058
Profit on ordinary activities			17,597	15,620
Taxes on income		-5,589		-2,902
Other taxes				
not included under "other operating expenses"		-18	-5,607	-18
Net income for the year			11,990	12,700
Income from other revenue reserves			2,149	0
Income from difference stemming from consolidation of capital			861	0
Balance sheet profit			15,000	12,700

Scope of consolidation

Düsseldorfer Hypothekbank AG, Düsseldorf, holds 100% of the shares in Gesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits AG (Société Anonyme pour le Développement du Crédit Communal et Hypothécaire Européen), Glarus/Switzerland. A group relationship exists with this subsidiary company.

For this reason the Bank has prepared, in accordance with Section 340i German Commercial Code (HGB), a Group Report and Consolidated Accounts (in €) as at 31 December 2004 according to the accounting and valuation methods set forth below. Düsseldorfer Hypothekbank AG and Gesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits AG are included according to the principles of full consolidation.

The Consolidated Accounts have been uniformly prepared in accordance with the accounting and valuation methods set forth below.

The acquisition accounting was carried out in accordance with Section 301 para. 1 no. 2 German Commercial Code (HGB) using the revaluation method. At the time of the first-time inclusion in consolidation, the assets and liabilities of the subsidiary were valued at fair value in the Consolidated Accounts. In the year under review, the negative goodwill on consolidation was allocated on a non-recognised basis to the balance sheet profit.

All substantial intragroup claims, debts and interim results as well as expenses and income of the group companies were eliminated within the scope of consolidation.

The balance sheet profit of Düsseldorfer Hypothekbank AG is reported as consolidated income. For this reason, the balance sheet results of the subsidiaries included in consolidation as well as all consolidation measures treated as income are offset against the other revenue reserves and the differences stemming from consolidation.

Associated companies

The profit/loss for the year, assets and liabilities of an associated company are consolidated using the at equity method. The amount of the participation and the difference are calculated using the book value method on the basis of the valuations as at the date of the first-time consolidation of the associated company.

Bankhaus Bauer AG, Stuttgart, in which the parent company holds 33% of the shares, is classified as an associated company. The difference between the book value of the participation and the pro rata equity is € 0.8 m. As at the balance sheet date, the equity for balance sheet purposes reportedly totalled € 56 m. A positive result is expected for the 2004 business year.

The Group holds a 25% participation in Erste Europäische Pfandbrief- und Kommunalbank AG, Luxembourg. No substantial influence can be exerted on this company, so that it is not considered in the Consolidated Accounts. As at the balance sheet date, the equity for balance sheet purposes reportedly totalled € 62 m. Net income of € 8.6 m is expected for the 2004 business year.

Accounting and valuation principles

The Annual Accounts of the Group have been prepared in accordance with the applicable provisions of the German Commercial Code, the German Joint Stock Corporation Act and the German Mortgage Bank Act as well as with the Bank Accounting Directive.

Claims are stated at nominal value in accordance with Section 340e para. 2 German Commercial Code (HGB); the difference between the amount paid out and the nominal amount is shown under 'deferred items'. All discernible individual risks in lending are taken into consideration by the formation of specific loan loss provisions. Latent credit risk is covered by general loan loss provisions within the scope permitted under tax legislation; moreover, provisioning reserves exist in accordance with Section 340f para. 1 German Commercial Code.

Bonds of the current assets are valued according to the stringent lower-of-cost-or-market principle at the continuously calculated average value or the lower daily market value, as at the balance sheet date, taking interest rate hedging instruments into account. Inasmuch as the reasons for special write-downs made in previous years no longer exist, additions are made. Where bonds are allocated to fixed assets, they are valued at cost including a pro-rata

reversal of the difference to the nominal value. The pro-rata reversal of a premium or discount is included in the net interest income. In the case of a decrease in value that is likely to be permanent and is calculated using a valuation model based on probabilities of default, the bonds are written down accordingly. In this case, there is no pro-rata reversal of premium or discount.

The shares in specialised funds reported under shares and variable-income securities are allocated to the current assets and valued according to the stringent lower-of-cost-or-market principle. Write-ups required in accordance with Section 280 German Commercial Code are also made under this item.

Based on their operating life expectancy, tangible assets and intangible assets are stated at cost less straight-line regular depreciations. Minor-value assets are depreciated in full in their year of acquisition.

Liabilities are stated at the amounts repayable. The difference between the nominal amount and the amount paid out is shown under 'deferred items'. Zero-coupon bonds are stated at issue price plus pro rata interest in accordance with the issuing yield.

Provisions have been made for contingent liabilities in the amount of the estimated amount payable. There is no necessity as a result of the consolidation to set up latent taxes in the Consolidated Accounts.

Balance sheet items denominated in foreign currency are converted in accordance with Section 340h German Commercial Code with the rate hedging transactions at the ECB's reference rate as at the balance sheet date.

Derivative financial transactions that serve to hedge against interest rate and exchange rate fluctuations are not subject to individual valuation and, as open contracts, are not shown in the balance sheet.

When reporting risk provisioning and the result from financial investments, use is made of the possibility of cross-compensation in accordance with Section 340f para. 3 German Commercial Code and Section 340c para. 2 German Commercial Code respectively.

There are no other securitised liabilities and claims on customers with an indefinite maturity.

Amounts contained in the item 'Bonds and other fixed-income securities' that fall due in the year following the balance sheet date total € 243 m.

Amounts contained in the sub-item 'Bonds issued' that fall due in the year following the balance sheet date total € 563 m.

Breakdown by remaining time to maturity

Million €	payable on demand	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Claims						
on banks	314	270	68	2,017	734	3,403
on customers	2	205	207	2,872	1,650	4,936 *
Liabilities						
to banks	22	1,403	723	606	121	2,875
to customers	2	166	369	1,208	1,249	2,994

* Residual claim without general value adjustment

Cash reserve

The item 'Cash reserve' contains balances with central banks totalling € 59 m and cash in hand of € 3,000.

All shares and variable-income securities totalling € 306 m, participations of € 11 m and shareholdings in affiliated companies of € 16 m are not negotiable on the stock exchange.

Claims on/ liabilities to affiliated companies/ participating interests

Claims on banks totalling € 49 m and on customers totalling € 27 m refer to companies with which a participatory relationship is maintained. Liabilities to banks include € 11 m of companies with which a participatory relationship is maintained. These are non-securitised claims and liabilities.

Of the bonds, € 4,348 m is accounted for by bonds intended as cover for Pfandbriefe outstanding. These and other bonds totalling € 55 m are not valued according to the stringent lower-of-cost-or-market principle as at the balance sheet date. These include bonds with a book value of € 309 m which, due to capital market forces, are stated at a fair value that is lower by € 0.5 m as at the balance sheet date.

Securities negotiable on the stock exchange

All bonds and other fixed-income securities totalling € 6,429 m are negotiable on the stock exchange and are listed on the stock exchange.

Minor-value assets are contained in the 'additions' of the year under review and are depreciated in full. These depreciations are included in the disposals of the business year. The tangible assets comprise land and buildings, which are for the most part used for the bank's own activities, amounting to € 4.5 m.

Development of fixed assets

Million €	Bonds and notes	Participating interests	Shareholdings in affiliated companies	Intangible assets	Tangible assets	Total
Cost of acquisition/ manufacture carried forward on 1 January 2004	2,433	11	17		7	2,468
Additions in 2004	2,457			1		2,458
Disposals in 2004	-402					-402
Accumulated depreciation	-55		-1		-2	-58
Book value as at 31 December 2004	4,433	11	16	1	5	4,466
Depreciation charge in 2004	-5		-1			-6

Other assets and liabilities

The main 'other assets' are outstanding interest. 'Other liabilities' largely comprise pro rata and payable interest under 'subordinated liabilities' and 'profit-sharing rights'.

Deferred items from issuing and lending business

The 'deferred items' on the assets side contain an issuing discount in respect of bonds of € 42 m and a premium in respect of claims of € 52 m. The liabilities-side 'deferred items' contain an issuing premium in respect of bonds of € 5 m and a discount in respect of claims of € 13 m.

Profit-sharing rights

At the extraordinary General Meeting on 10 November 2000, the Board of Managing Directors was authorised to issue, with the Supervisory Board's approval, further profit-sharing rights up to an amount of € 110 m on a one-off basis or in several tranches in the period up to 31 October 2005. Making use of this authorisation, the Bank placed profit-sharing rights with a volume of € 23 m by 31 December 2004. The aggregate holding of € 61 m is composed of € 33 m bearer profit-sharing rights, € 5 m profit-sharing rights transferable only with the Bank's consent and € 23 m registered profit-sharing rights.

Statement of changes in group equity

Million €	Subscribed capital	Capital-reserve	Equity generated	Other	Total
Balance as at 1 January 2004	130	51	18	1	200
Dividends paid			-11		-11
Group net income			12		12
Other group income				-1	-1
Book value as at 31 December 2004	130	51	19	0	200

Subordinated liabilities

In the event of the insolvency or liquidation of the Bank, subordinated liabilities may not be settled until all non-secondary creditors have received satisfaction. Prepayment is precluded. The borrowings meet the conditions pursuant to Section 10 para. 5a German Banking Act concerning recognition as liable capital. Interest and discount expenses on all subordinated liabilities total € 1 m. Two subordinated loans exceed the 10% limit of total subordinated liabilities. Interest of 5.6% is payable in respect of the principal of € 5 m in each case, which falls due on 8 May 2008.

Subscribed capital and revenue reserves

Subscribed capital amounted to € 130 m as at the balance sheet date, and is divided into 130,000,000 registered shares of € 1 each. The reserves of € 55 m are composed of the capital reserve of € 51 m and the other revenue reserves of € 4 m.

Contingent liabilities and other commitments

The liabilities on guarantees and warranties largely comprise guarantee loans of € 2 m which are secured by first-ranking land charges. The irrevocable loan commitments refer solely to mortgage loans and totalled € 133 m as at the balance sheet date.

Assets transferred as security

As at the balance sheet date, securities totalling € 20 m were sold under repurchase agreements (genuine repurchase agreements).

As at the balance sheet date, bank balances of € 252 m, bonds and other fixed-income securities of € 74 m as well as shares in specialised funds of € 73 m were pledged to hedge against risks under financing transactions. The book value of bonds transferred as security for open market loans totalled € 1,467 m.

Financial derivatives by remaining time to maturity

Million €	Nominal amount < 1 year	1 - 5 years	> 5 years	total	Market value
Interest rate swaps	2,215	7,882	7,689	17,786	-409
Cross-currency swaps	77	17	139	233	2
Total	2,292	7,899	7,828	18,019	-407

Derivative financial transactions

As at the balance sheet date, the following interest and currency-driven forward transactions were still outstanding: interest rate swaps, interest rate/currency swaps, short swaption positions, note loans with put and call option, Pfandbriefe with call option, rate capping agreements. All transactions serve the purpose of hedging against interest rate and exchange rate fluctuations.

The negative market values of the derivative financial instruments were set off against corresponding positive market values from the underlying transaction.

Taxes on income

Taxes on income have been allocated to the result arising from ordinary business activities.

Staff expenses, emoluments and personnel

Staff expenses totalled € 4.1 m. This amount includes aggregate emoluments for the members of the Board of Managing Directors of € 0.5 m.

The emoluments for the members of the Supervisory Board (€ 89,000) and of the Advisory Board (€ 14,000) are included under 'other administrative expenses'.

As an average for the year, besides the Board of Managing Directors, 43 members of staff were employed, including one part-time employee (conversion to full-time basis).

Foreign currency positions

Total current assets in foreign currencies amounted to € 259 m as at the balance sheet date. Liabilities in foreign currencies amounted to € 3 m. Foreign currency positions were hedged against exchange rate fluctuations through off-setting transactions.

Further duties of disclosure

Helvetic Grundbesitz Verwaltung GmbH, Berlin, and ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH, Berlin, have informed us that they each hold more than 25% of the shares in the company.

Dr. Michael Kosche, Member of the Board of Managing Directors, has held a seat on the Supervisory Board of Bankhaus Bauer AG, Stuttgart, within the meaning of Section 340a para. 4 German Commercial Code (HGB) during the year under review.

As at the balance sheet date, loans to members of the Supervisory Board totalled € 1.5 m.

Statement of operations by segment

Million €	Property financing 2004	Property financing 2003	Public-sector lending 2004	Public-sector lending 2003	Other activities 2004	Other activities 2003	2004	Total 2003
Results by segment								
Net interest income	7.6	3.9	18.8	22.3	7.8	7.2	34.2	33.4
Net commission income/ loss	0.4	0.4	-0.9	-0.5			-0.5	-0.1
Administrative expenses*	-2.9	-2.4	-2.7	-2.3	-2.2	-2.4	-7.8	-7.1
Valuation result	-2.4	-0.1	-1.3	-10.5	-4.6		-8.3	-10.6
Taxes	-1.1	-0.7	-2.2	-1.7	-2.3	-0.5	-5.6	-2.9
	1.6	1.1	11.7	7.3	-1.3	4.3	12.0	12.7
Ratios								
Risk assets	961	953	1,294	1,152	26	54	2,281	2,159
Allocated capital	25	24	85	67	75	95	185	186
Cost/ income ratio	36%	56%	15%	11%	28%	29%	23%	20%
Return on equity	6.5%	4.6%	13.8%	10.8%	-1.7%	4.5%	6.5%	6.8%

* incl. other operating result

The results by segment are calculated by the Bank's internal accounting system. The core business fields 'property finance' and 'public-sector lending' constitute the basis for the segment report. Public-sector lending comprises money and capital market activities in their entirety. Net interest income of the other business activities results from the calculatory investment of liable equity (core and supplementary capital) in a risk-free yield achievable in the long term. The effective costs for subordinated capital and profit-sharing rights are deducted. In addition, it comprises the result of all consolidation measures treated as income.

In terms of the method applied, the statement of operations by segment takes its bearings from the profit and loss account, and distributes all expenses and income among the individual business fields according to the costs incurred. The result per segment comprises net interest income, net commission income/loss, administrative expenses, valuation result and taxes. Risk provisioning and the result from financial investments are combined in the valuation result.

With a surplus for the year of € 1.6 m, property financing rose by 45%. The reason was the increase in interest margins, which compensated both the higher administrative expenses (new recruitments, Basel II-related projects) and risk provisioning. This segment's cost/income ratio improved accordingly, from 56% to 36%. Return on equity reached 6.5% after 4.6% the previous year.

Public-sector lending made the biggest contribution to the overall performance, namely € 11.7 m. This leap in earnings versus the previous year (€ 7.3 m) is a reflection, among other things, of the brisk new commitment activity. What is more, there were no market-induced write-downs on securities, which had heavily burdened the result for 2003. The cost/income ratio came to 15%, which was close to the previous year's figure.

Income from other business activities totalling -€ 1.3 m arose due to the general charge (set up for the first time) for bad and doubtful loans in accordance with Section 340f HGB. What is more, the contributions to performance made by the group companies were lower than their dividend payments.

Statement of Changes in Financial Position

Million €			
Cash flow from operating activities			
Net income for the year	12.0		
Items contained in the net income for the year that do not affect cash flow			
Write-downs on and value adjustments to claims, financial investments and tangible assets	10.9		
Provisions	-0.4		
Income that does not affect cash flow	-0.7		
Income from disposal of financial investments and tangible assets	-2.3		
Other adjustments	-71.5	-52.0	
Change in claims and liabilities			
Claims on banks	-416.6		
Claims on customers	-342.5		
Bonds and notes	-2,746.5		
Other assets	-2.0		
Liabilities to banks	638.2		
Liabilities to customers	744.3		
Securitised liabilities	2,200.7		
Interest and dividends received	1,007.5		
Interest paid	-974.4		
Income taxes paid	-2.9	105.8	53.8
Cash flow from investing activities			
Investments in tangible assets		-0.2	
Other investments		-0.5	-0.7
Cash flow from financing activities			
Dividends paid			-11.7
Cash flow, total			41.4
Cash at the beginning of the period			17.6
Cash at the end of the period			59.0

The Statement of Changes in Financial Position breaks down the change in cash and cash equivalents into cash flows from current business, investing and financing activities. It was drawn up in accordance with the German Accounting Standard DRS 2, complemented by the bank-specific German Accounting Standard DRS 2-10.

The payments flows were allocated to the current cash flow along the lines of the composition of the operating performance. The cash flow from investing activities results from payouts in connection with the acquisition of tangible assets and intangible assets. The cash flow from financing activities is made up of the payments flows from transactions with equity providers.

Cash and cash equivalents comprise the cash reserve, which is made up of cash in hand and balances with central banks.

For banks the Statement of Changes in Financial Position is generally considered to have only slight informative content. For this reason, it does not replace liquidity or financial planning nor is it used as a management tool.

→ Supervisory Board, Board of Managing Directors

Supervisory Board

Dr. Wolfgang Schuppli
Chairman
Lawyer, Wiesbaden

Dieter Wenserski
Deputy Chairman
Banker, Bochum

Dr. Wolfgang Hönig
Deputy Chairman
Lawyer, Oberaching
until 12 March 2004

Prof. Dr. em. Paul Klemmer
President of the Deutscher Verband
für Wohnungswesen, Städtebau und
Raumordnung (DV), Berlin
as from 12 March 2004

Dr. Eberhard Schäfer
Economic Lawyer, Bad Homburg

Dipl.- oec. Berta Schuppli,
Wiesbaden

Prof. Dr. Friedrich-Leopold
Freiherr von Stechow
Manager of Partner für
Berlin Gesellschaft für
Hauptstadtmarketing mbH, Berlin

Düsseldorf, 18 February 2005
Düsseldorfer Hypothekenbank
Aktiengesellschaft
The Board of Managing Directors

Wolfgang Hampel

Board of Managing Directors

Wolfgang Hampel,
Bochum

Dr. Michael Kosche,
Köln

Dr. Michael Kosche

→ Auditors' certificate

An unqualified auditors' certificate has been issued in regard to the complete consolidated annual accounts. The translation of such auditors' certificate reads as follows:

"We have audited the consolidated annual financial statements and the group management report prepared by the Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, for the business year from 1 January to 31 December 2004. The preparation of the consolidated financial statements and group management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated annual financial statements in accordance with Section 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible mis-statements are taken into account in the determination of

audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group of Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, in accordance with German principles of proper accounting. On the whole the group management report provides a suitable understanding of the Group's position and suitably presents the risks of future development."

Düsseldorf, 21 February 2005
Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Göttgens Dr. Braun
Wirtschaftsprüfer Wirtschaftsprüfer
(German Chartered Accountant)

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ANNEX 2

2005 Unconsolidated and Consolidated Annual Accounts

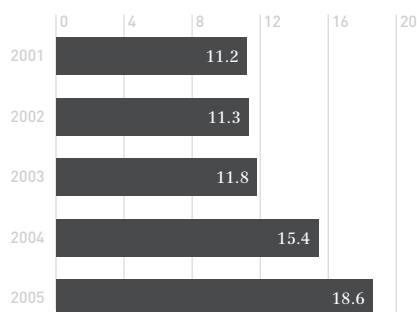
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MANAGEMENT REPORT AG AND GROUP

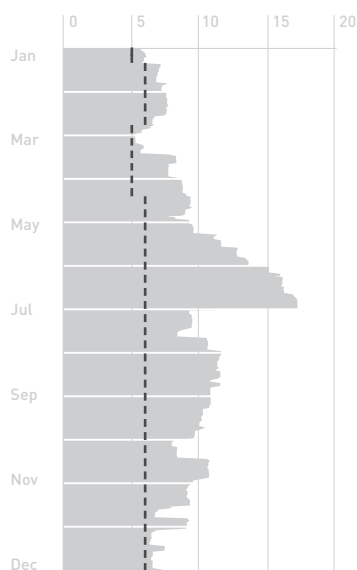
- Business developments → Development of risk → Development of earnings
- Outlook

→ Business developments

Development of balance sheet total
Bn €



Net present value overcollateralisation
Public-sector Pfandbriefe 2005
in %



Düsseldorfer Hypothekbank was able to successfully expand its business activities in the 2005 business year. Although new lendings did not, at € 3.5 bn, match the previous year's total of € 4.3 bn, the quality of new lendings improved further. The share accounted for by cross-border financings advanced to 38% (previous year 17%), the highest level in the Bank's 8-year development.

The internationalisation – already underway – of the Bank's lending operations is not only giving rise to a wider risk diversification but is also increasing earnings power thanks to the higher interest margins to be had. As a result, after-tax profits rose by 17% to € 17.5 m, which is equivalent to a return on equity of 8.3%. Without extraordinary tax charges, the long-term profitability objective of 10% would already have been exceeded.

The basis of this rapid business expansion is the Bank's modern risk management. Recently developed methods create a high degree of transparency and provide important stimuli to the management of risk. Thus, the new risk management tool of estimating risk cost on the basis of empirical loss functions represents a "milestone" in property finance.

Total assets passed the € 20 bn mark in the first weeks of the business year 2006, having amounted to € 18.6 bn as at end-2005. With that, Düsseldorfer Hypothekbank is moving into a scale of magnitude in which it can operate as a Pfandbrief issuer with lasting success.

Pfandbrief sales rise to € 4.2 bn

In the autumn of 2004 the Bank announced that in addition to the tailored Pfandbrief offerings for institutional investors it would in future bring a Jumbo Pfandbrief to market once a year. The public-sector Pfandbrief floated in June 2005 has a maturity of six years and was placed with a markup of two basis points over the swap curve. Although numerous issues were brought by other issuers around that period, the demand from investors was so high that the issue volume was oversubscribed 1.4 times.

Pfandbrief investors are obviously honouring the Bank's consistently positive development. As a result, the funding conditions improved again in the last twelve months. Standard & Poor's confirmed the "AAA" rating it awarded the Bank's public-sector Pfandbrief in September 2004. As before, these top marks were given on the strength of the Bank's self-commitment with regard to cover assets. These self-imposed restrictions go far beyond statutory requirements.

By adhering to explicit upper limits for interest rate, credit and currency risk, a level of transparency is created that is outstanding in comparison with the Bank's peers and facilitates the investment decisions of investors. On the secondary market for Jumbo Pfandbriefe, where price movements are regarded as a reliable indicator of the perceived quality of a Pfandbrief issuer, the risk markups for issues of Düsseldorfer Hypothekbank decreased further.

The medium and long-term issue volume of € 4.5 bn corresponds roughly to the level for 2004 (€ 4.8 bn). It is made up of 85% public-sector Pfandbriefe, 9% Mortgage Pfandbriefe and 6% bonds or loans not requiring cover.

Foreign borrowers account for 36% of public-sector lending

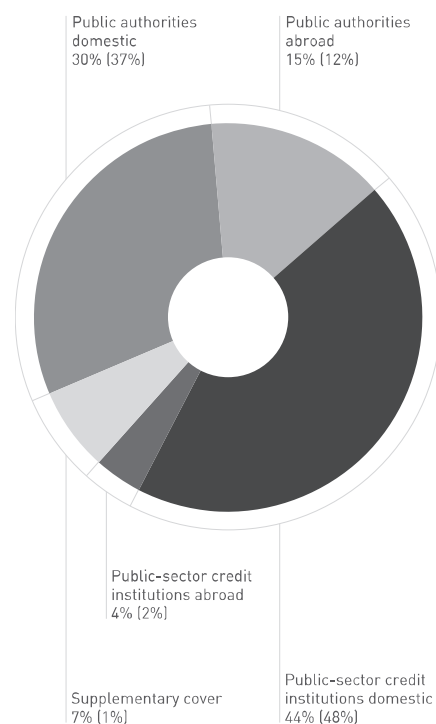
The funding advantages achieved by the Bank were of particular benefit to public-sector lending activities. New commitments were for the most part concluded in the first half-year to take advantage of the opportunities that a friendly capital market environment presented for asset and liability management. Moreover, lending activity was brisk in this period because many public-sector banks took advantage of the possibility, which ended in mid-July, to fund themselves in the private sector under the old legislation, i.e. under a state guarantee obligation ("Gewährträgerhaftung").

At first glance the new commitment activity totalling € 3.4 bn falls short of the previous year's level of € 4.0 bn. But disregarding a special item of some € 1.5 bn stemming from the restructuring of the cover pool in 2004 in the run-up to the Pfandbrief rating, the result is in fact an increase of over 30%.

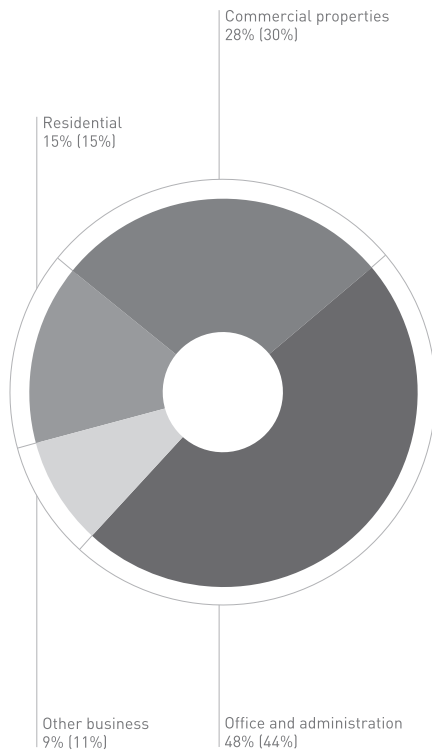
The growing internationalisation was reflected in the regional composition of new commitments. With a share of 36% (previous year 15%), cross-border financings reached a new high. They were concentrated for the most part (92%) on the EU area. The switch to foreign borrowers is to be explained by the higher interest margins obtainable abroad and by the Bank's efforts to achieve a maximum diversification in the loan portfolio.

Since repayments fell far short of the total amount of loans disbursed, the loan book grew by 30% to € 14.6 bn. Of this total, 44% was accounted for by claims against domestic public-sector credit institutions that are still covered by state guarantees under the transitional provisions negotiated with the EU Commission. 30% of the total lendings concern loans to domestic public authorities. The share of loans granted abroad almost doubled. Whereas it was only 12% the previous year, it rose to 25% as at the balance sheet date. Just short of one half of this share was accounted for by public-sector banks.

Public-sector lendings by borrower groups
Portfolio 31 December 2005
Previous year in brackets



Mortgage loans by use of property
Portfolio 31 December 2005
Previous year in brackets



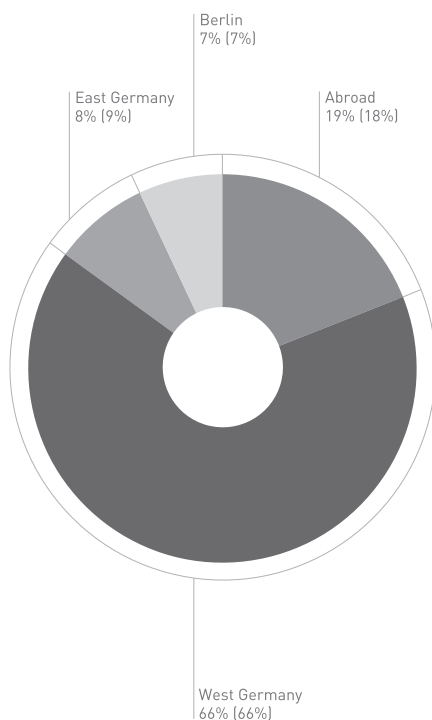
Property finance falls short of target

New commitments in property finance developed unsatisfactorily in the year under review. Including prolongations, new commitments were, at € 190 m, 41% short of the previous year's total. This is to be explained solely by the situation on the domestic market, where an appreciable change has occurred in syndicate business with established banking sector partners, in which the Bank has primarily been engaged for a number of years (also in the year under review, this business represented 88% of commitments). Financing tranches of up to 50% of the property values are being increasingly securitised as fixed-income debt and refinanced directly on the capital market (so-called MBS transactions). Thus, the active participations that are offered in syndicated financings refer increasingly to the subordinated financing tranche and are therefore often not compatible with the Bank's risk strategy.

Broken down in terms of use, the loan portfolio was little changed as at the balance sheet date. The share of financed office properties rose from 44% to 48%. Lendings on wholesale and retail premises fell by roughly the same percentage to 28%. The share accounted for by residential properties remained constant at 15%, so that the Bank came no closer to the 25% target it had set itself. Hotel premises and senior citizens' properties were stable with a 9% share.

The overall loan book was down 3% to € 1,231 m. The reason for this were high premature repayments, which typically affect foreign lendings with a short to medium-term orientation. This is reflected in the portfolio structure, where the share accounted for by foreign lendings rose only slightly, from 18% to 19%, despite the large volume of new lendings. With a 73% share, property financing in west Germany remained the main focus. Following repayments, the Bank's credit exposure in east Germany decreased from 9% to 8%, which is an expression of the Bank's conservative lending policy.

Mortgage loans by property location
Portfolio 31 December 2005
Previous year in brackets



By contrast, the Bank's foreign operations experienced a robust development. Totalling € 137 m, loan commitments here were 8% up on the previous year; the share of total new lendings surged from 44% to 82%. Only office premises in urban concentrations such as London, New York and Los Angeles were lent against. Due to the historically high price levels that residential properties have reached in many foreign markets, the Bank has been extremely wary about extending loans in this sector.

Declining volume of investments outside the collateral pool and of transactions with derivatives

Asset operations that do not directly serve collateralisation purposes were stringently regulated for mortgage banks up to July 2005. These restrictions were removed when the new Pfandbrief Act came into effect. The type and volume of the investments now take their bearings solely from the business policy of the respective Pfandbrief issuer.

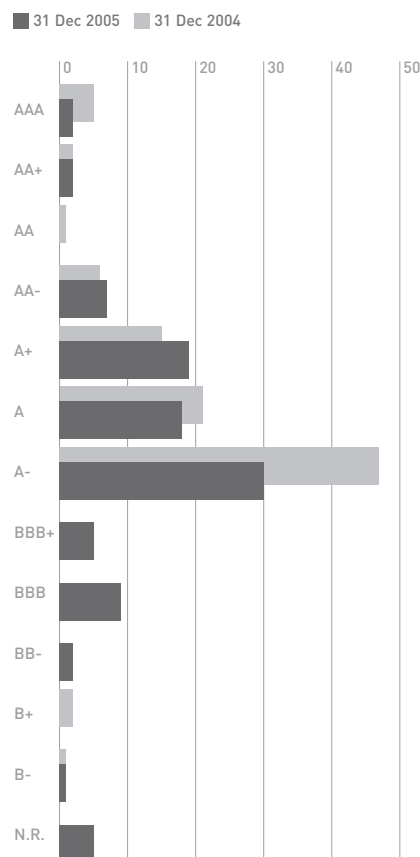
Düsseldorfer Hypothekenbank will continue to engage in its investments outside the collateral pool primarily to support property finance and public-sector lending. That comprises the general liquidity management, derivative operations and market making for the Bank's own issues. Moreover, in the medium term, 10% of total assets are to be invested in fixed-income securities and investment certificates to stabilise earnings. In this way the Bank seeks to diversify the risks stemming from the two main business fields. As at the balance sheet date, the total volume of investments came to € 417 m or 2% of on-balance sheet operations.

In the interest of a conservative risk policy, the Bank's investments outside the collateral pool were concentrated on the Investment Grade segment; the minimum rating here was "BBB-". Over 91% of investments met this requirement as at the balance sheet date. Lower-rated residual holdings were cut back further during the course of the year. As at the balance sheet date they totalled a nominal € 54 m.

The Pfandbrief Act has also changed the qualitative demands made of cover assets. Besides the investments engaged in to date, bank bonds also qualify as so-called substitute cover. This led to shifts from securities of the liquidity reserve to the cover portfolio, as a result of which the aggregate holdings of investments outside the collateral pool fell by € 0.2 bn to € 1.8 bn. In terms of the Bank's total assets, their share dropped from 13% to 10%.

Derivatives were used to limit risks from open interest rate and foreign exchange positions. Compared with the previous year, the volume of derivative contracts was down by € 0.4 bn to € 17.6 bn in nominal terms. Thus, in terms of the Bank's total assets, derivative operations fell from 117% to 95%. This is to be explained by the switch from the traditional individual hedging to the more efficient portfolio hedging, the exercise of the call option under structured Pfandbrief issues and the premature termination of contracts within the scope of asset and liability management.

Investments outside the collateral pool by ratings
Share of aggregate portfolio in %



→ Development of risk

Restructuring of the net present value risk limits

An adequate capital situation is the basic prerequisite for the carefully directed assumption of risks. For this reason, risk limits should take their bearings from equity. This occasioned the Bank to reorganise its own risk limit system in November 2005. In future, the net present value – and not the nominal value – of the Bank's liable capital (Section 10 German Banking Act (KWG)) will serve as the basis for calculating the limits. A part of the capital is allocated to each of the risk categories in order to define the upper loss limit as well as the basis for calculating the overnight and stop loss limits in each case.

Under the new system, 35% of equity is allocated to the interest rate risk, 50% to the credit risk and 15% to other risks. Compared with the previous allocation (50%/ 45%/ 5%), a shift has taken place from interest rate risk to the other risk types, thereby taking the Bank's business orientation into account.

Risk strategy impacts property finance

The risk exposure in mortgage lending hinges not only on the borrower's creditworthiness but also, above all, on developments in the value of the property lent against. For this reason, the Bank finances only retail, office and residential buildings with up-to-date fixtures and fittings, and which can be put to alternative use or of be used by a third party.

In addition to a large number of sector- and type-related restrictions that apply to financed properties, the Bank has defined upper limits for the so-called "economic unit", which consists of all the liabilities incurred by an institutional client as borrower, tenant or partner with a material interest. With that, the Bank is responding to the growing occurrence of property companies in professional financing and the limited assumption of personal liability on the part of the borrower which this entails (non-recourse).

Moreover, in connection with the Bank's risk strategy, structural demands are made of each individual financing. For example, specific requirements exist with regard to the long-term capacity to repay principal, from which the minimum equity and the maximum lending value are derived. The aim is to rule out the possibility that changes in rents and / or capital market rates lead to shortfalls in cover. In the case of commercial properties, the life of the loan should be in a suitable proportion to the residual life of the main tenancy agreements.

The following experience has been made in the first one and a half years since the new credit risk strategy was introduced: Strict compliance with the risk policy plays a part in the overall reduction of the volume of new lendings (cf. Business developments). At the same time, the closer orientation to the capacity to repay principal has the effect that regional or use-relevant criteria become less significant to the loan decision. A further observation has been that foreign projects usually meet the internal requirements, whereas this is the exception rather than the rule in Germany.

Progress made with internal rating

Under the new international rules on bank capital ("Basel II"), the regulatory capital backing of a loan is to be aligned more closely to its economic risk of default. The Bank pursues the (advanced) Internal Ratings-Based approach despite the considerable organisational and technical work it involves. Test calculations show that the capital required can be significantly reduced in this way.

The prerequisites for the IRB method are empirical probabilities of default and loss given default, which the Bank does not have due to its lack of size and of own experience with cases of default. For this reason it participates with other credit institutions in joint projects to obtain access to statistically reliable assessments. Interim results show that, even by these means, unconditionally reliable estimate functions cannot readily be obtained; the number of cases of loss available for analysis is still insufficient. Thus, the Bank is not likely to introduce the ratings-based approaches for calculating the regulatory capital charge until 2008.

However, the results available thus far already provide important data on the quality of the property lendings. The provisional analysis of the probabilities of default in the portfolio indicates a distribution with a concentration of 1.0% to 3.3%. In terms of the aggregate loan book, a probability of default of 1.6% is calculated. In this connection one must take into account, however, that the non-recourse financings that are typical of the Bank's business and involve a high employment of capital and comparatively safe rental income have systematically performed too poorly in loss estimates to date. Adjustments will have to be made here.

The estimate of property-specific losses given default is also being developed further. One new feature is, for example, that the refinancing loss that typically arises in the event of default and which may even exceed the principal loss, is taken into consideration. But here, too, the results are not clear-cut. Due to a lack of cases of realisation available for analysis, the estimates for foreign lendings, for example, are not sufficient for statistical purposes. The provisional analysis confirms that one third of financings have a loss rate of close to zero. The remaining loans show a distribution with a concentration in the region of 25%. On average, the overall loss given default amounts to 21% so that, with a mean probability of default of 1.6%, an expected loss of provisionally € 4.1 m may be deduced for total property lendings.

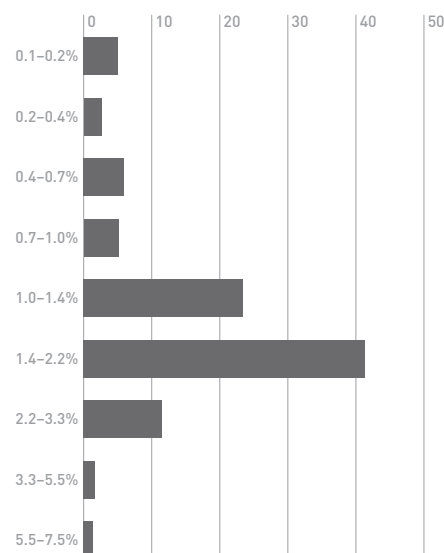
Today the PD and LGD calculated for each individual loan are an essential basis of assessment for each loan decision, ranking roughly equal in importance to the loan-to-value ratio (LTV). The case-specific estimate of risk costs also benefits the Bank's pricing calculations.

Regular stress tests to identify risk in good time

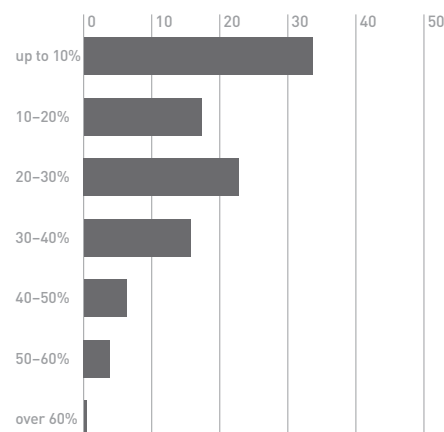
The Bank's early warning system has been refined. It is based on a large number of indicators which typically arise prior to default. These include negative affects on the situation, changes in the structures of tenants or payment disruptions. Standardised stress tests, to which important parts of the loan portfolio are regularly subjected, provide further indications. The consequences for the capacity of the financed properties to repay principal are examined assuming a rise in interest rates by 200 basis points and/ or a drop in market rents by 20–30%. The capacity of each individual loan to withstand stress scenarios is expressed in terms of ratios (DCR, ICR). Cases that do not reach a certain minimum value are subjected to an individual analysis.

The results of the stress tests conducted during the course of the year show that 85% of the lendings examined withstood the assumed extreme interest rate movements, and 82% changes in rents. It would seem that customers can cope with rising interest rates better as they usually secure long-term rates for themselves at the current low interest rate level. On the whole, the results of the early warning indicators signify a stable risk situation despite weak domestic property markets.

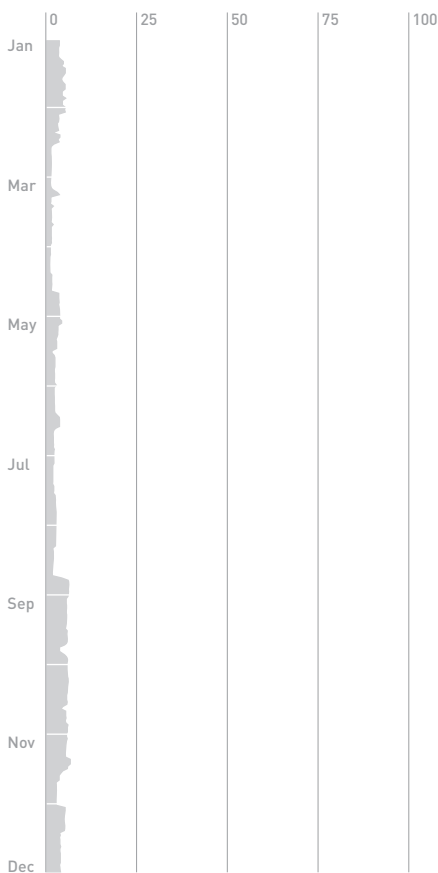
Mortgage loans by probability of default (PD)
Share of aggregate portfolio in %



Mortgage loans by loss given default (LGD)
Share of aggregate portfolio in %



Development of interest rate risk
Business year 2005, limit utilisation
in %



This picture is confirmed by the distribution of loans by risk class. The six categories used by the Bank are staggered according to an escalation principle, i.e. specific measures are defined for each category. The Board of Managing Directors and the Supervisory Board are informed at regular intervals of the development, expressed in amounts, of the risk categories and of “movements” of individual lendings. As at the balance sheet date, 96% of the Bank’s total lendings were again categorised as “normal”. Roughly 2% were classified as entailing a risk. Only two lendings were rated as “non-performing”; they were equivalent to 2% of total lendings.

Regular adjustment of credit organisation

The organisational separation of front and back office functions was intensified in the year under review. As a result, the back office assumed responsibility for the complete handling of problem and non-performing loans for the first time, thereby shortening considerably the – often, all-important – time available to the Bank to respond to imminent losses. This involves a rise in workforce.

Contemporaneous with the publication of the new “Minimum Requirements for Risk Management” (MaRisk) on 20 December 2005, the Federal Financial Supervisory Authority (BaFin) abolished a number of individual regulations concerning the management of risk by credit institutions. The MaRisk are for the most part an amalgamation

of old rules that had been set up over many years, to a large extent unsystematically. The requirements set by the bank regulators were unable to keep pace with the rapid developments in practical risk management. For this reason, the MaRisk now emphasise the neutrality of the methods applied by the banks. The set-up, content and scope of the management and control systems are to be aligned more closely than in the past to the specific business and risk situation. To this end, the MaRisk contain many simplifications. However, claims to be free of method, also in future, are precluded by a number of rules that give rise to a disproportionate amount of examination and documentation, thereby promoting “risk bureaucracy”.

The Bank is confident that it has already met the MaRisk requirements as at the balance sheet date. The organisational separation of front and back offices has been practised with considerable consistency for years. In the year under review the loan agreements were further standardised and brought into line with market conditions.

Interest rate risk remains at very low level

In order to achieve positive margins the Bank incurs in public-sector lending – its main field of operations – interest rate risks under open fixed-rate positions. These risks result from mismatched maturities or maturity transformation, and are measured and managed as the Value at Risk (VaR). This ratio quantifies the loss which, with a confidence level of 99%, will not be exceeded within a holding period of one trading day and an observation period of 250 trading days. The VaR of the previous day is compared with the actual losses of the previous day (backtesting) on a daily basis.

Also in the year 2005, the Bank succeeded in keeping the interest rate risk at a low level. The VaR amounted to € 0.6 m as at the balance sheet date (previous year € 0.8 m). As an average for the year it was € 0.9 m (€ 0.8 m). The highest daily value measured in the year under review was € 2.1 m. Daily backtesting showed that the actual change in the value of the interest-bearing items was below the maximum loss forecast by the VaR on only three days. With the 99% confidence level chosen, this is within the tolerance and confirms the quality of the risk measurement.

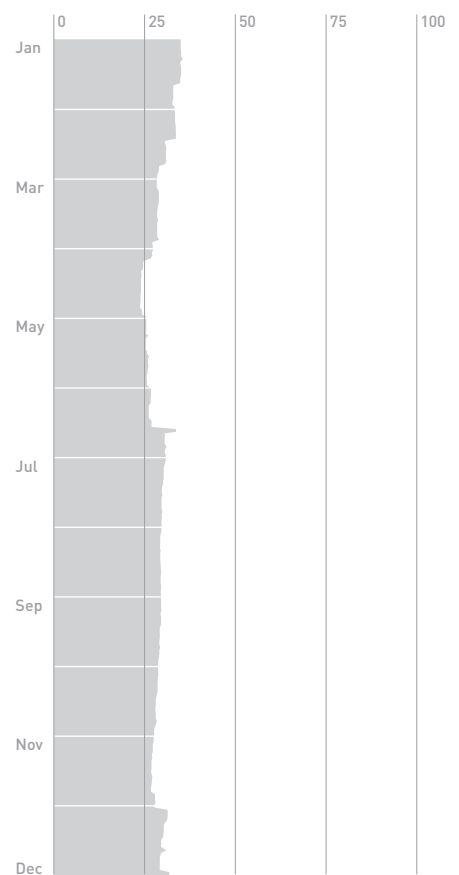
The regulatory limit for interest rate exposure, namely 10% of liable equity assuming a parallel shift of the yield curve by ±100 basis points, was not exceeded at any time in 2005. The monthly reports to BaFin were discontinued when the Pfandbrief Act came into effect (July 2005) and this restriction ceased to apply.

Credit risk of trading transactions benefits from decline in volatility

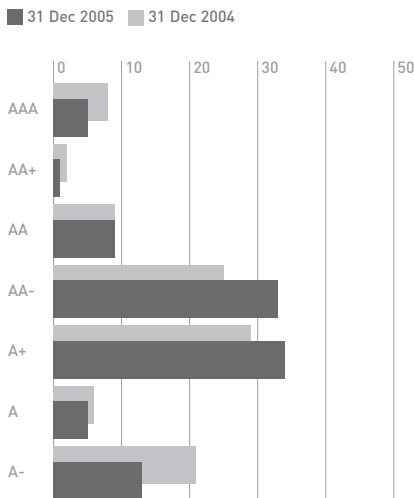
The credit risk resulting from public-sector lending and investments outside the collateral pool is that the spreads may widen vis-à-vis the respective interest rate curve. It is measured on a daily basis using the Credit Value at Risk (CVaR). This ratio represents the maximum loss which, with a confidence level of 99%, will not be exceeded within a holding period of one day over an observation period of 250 trading days.

The credit risk calculated in this way fell further in the year under review. As at the end of the year the CVaR was € 3.4 m (previous year € 3.3 m); as an average for the year, the ratio came to € 3.5 m (€ 4.6 m). The decline is the result of a low level of market volatility and an improved diversification of the portfolio. Daily backtesting was conducted to compare the CVaR with the change in value that actually occurred. Over the entire year, the losses realised exceeded on three days the maximum loss forecast by the CVaR. With the 99% confidence level chosen, this is within the tolerance and confirms the quality of the risk measurement procedure.

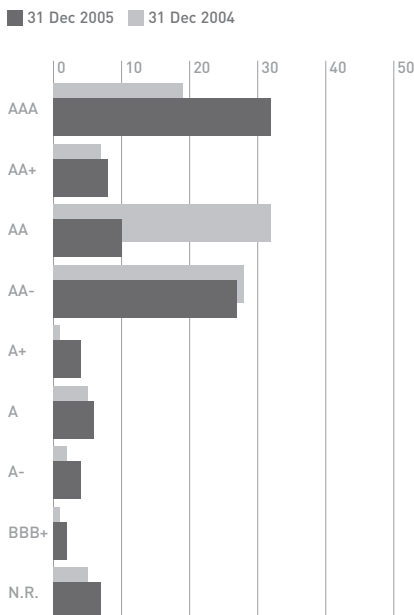
Development of credit risk
Business year 2005, limit utilisation in %



Derivative counterparties by rating
Share of aggregate portfolio in %



Public-sector loans by credit quality
Share of aggregate portfolio in %



The credit risk of derivative transactions engaged in to hedge interest rate and currency exposure represents losses or lost gains due to potential default by the counterparty. The prerequisite for granting a limit is a positive credit assessment for each individual business partner. In addition, agreements have been concluded with numerous counterparties concerning the furnishing of top-quality collateral for negative market values.

Liquidity position comfortable at all times

Liquidity risks arise from incongruent cash-flows or unscheduled incoming payments. They express the danger of the Bank's inability to meet payment obligations fully or on time. Further, they represent the risk of only being able to cover liquidity needs on terms above those planned.

With the monthly liquidity structure analysis the Bank has at its disposal an effective tool for managing these risks. Comparisons of projected/actual figures and simulations make it easier to forecast liquidity requirements for the next six months, and enable the Bank to identify in good time potential structural shifts in the availability of funds. A daily projection of liquidity indicates future surpluses or shortages of cover detailed to the day, and so serves as the basis for fine-tuning payment flows.

In the year 2005, the Bank's liquidity position was comfortable at all times. The ratio in accordance with Principle II was always clearly above the legally prescribed minimum of 1.0, and was 1.7 as at the balance sheet date.

Separate risk management for public-sector Pfand-briefe

Since September 2004, the Bank has committed itself towards investors to observe specific risk restrictions for the public-sector Pfandbrief, the bank's principle refinancing instrument. These restrictions refers to all interest rate, currency, liquidity and credit risks of the cover pool and so lends support to the Bank's "AAA" rating for the public-sector Pfandbrief. With these self-imposed restrictions the Bank exceeds legal requirements as the new Pfandbrief Act, too, sets specific quantitative upper limits for interest rate and currency risk only. The credit risk, on the other hand, is covered by general provisions, whereas absolutely no requirements exist with regard to potential liquidity risks.

These self-imposed restrictions did not have to be adjusted in the year under review. Utilisation of the individual limits is published monthly on www.duesshyp.de.

→ Development of earnings

Net interest income advances by 13%

After the rise of net interest income in the previous years had been largely attributable to expansion in property finance operations, other factors were of decisive importance in the year 2005. The growth by 13% to € 42.0 m was due, above all, to the internationalisation of public-sector lending. Unlike the hotly contested domestic market, it is usually possible to assert higher interest rates in dealings with foreign borrowers. In the meantime, one quarter of total lendings is accounted for by cross-border financings, so that a structural improvement of net interest income is setting in.

The liabilities side of the balance sheet made a further contribution to higher profitability. Published in the autumn of 2004, the “AAA” rating for the public-sector Pfandbrief has boosted the Bank’s funding activities as a whole, so that net interest income profited from lower risk premiums, even when raising unsecured finance. The Bank’s candid information policy towards analysts and investors is having an increasingly positive impact on results.

The “current income” contained in the net interest income position experienced shifts. The payouts from the specialised funds rose by € 9.1 m on the back of an increased investment volume and a good development in earnings. At the same time, income from trade investments declined by € 2.3 m. Above all, however, the reason for the rise in current income from

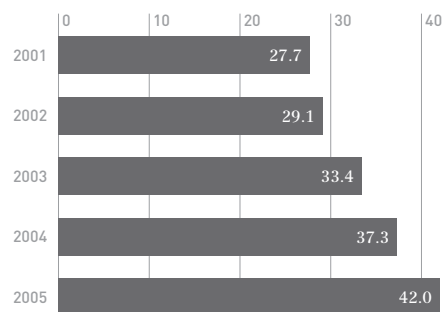
€ 14.9 m to € 34.8 m lay in the dividend income from equities accepted as collateral in securities lending. There was a corresponding decline in interest income from fixed-income securities and debt register claims.

Brisk business in public-sector lending gave rise to higher broker’s commission payments. On the other hand, however, there was an increase in one-off commissions from property finance business, with the result that net commission income improved as a whole from -€ 0.5 m to -€ 0.3 m. Net interest and commission income rose by 13% to € 41.7 m.

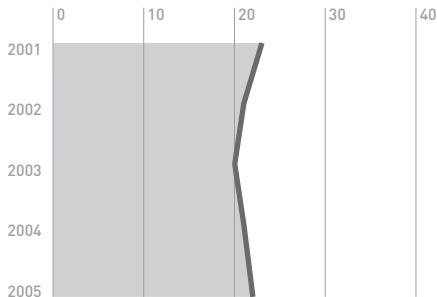
Investments in the future drive administrative expenses upwards

The strong expansion of business volume also had an impact on operating expenditure. Subscriptions to sectoral associations, banking supervision and protection schemes usually rise in proportion to total assets. To these must be added investments in future-oriented projects with which the Bank – also involving specialist services providers – prepares itself for the new capital regulations and the international accounting principles. The outcome was a rise in operating expenditure (including depreciation on tangible assets) by 38% to € 5.1 m. Per capita expenditure grew by 32%.

Development of net interest income
Million €



Development of cost/ income ratio
Administrative expenses to net interest and commission income in %



On the other hand, staff expenses remained stable. Totalling € 4.2 m, they were only 1% over the previous year's level. In 2005, there were only moderate increases in the Bank's workforce. Thus, the average number of staff rose only slightly from 44 to 46. Per capita staff expenses dropped by 3% to € 90,000.

As a whole, general administrative expenses increased by 19% to € 9.3 m. Nevertheless, the ratio of costs to net interest and commission income remained low, as is reflected in a cost/income ratio of 22%. In other words, of every € 10 gross income, only € 2 was needed to cover administrative expenses – which is above average for banks. This high cost efficiency was achieved by a consistent orientation to secondary market activities.

Gross income, which consists primarily of the balance of net interest income and administrative expenses, rose by 11% to € 32.2 m.

Financial investments improve valuation result

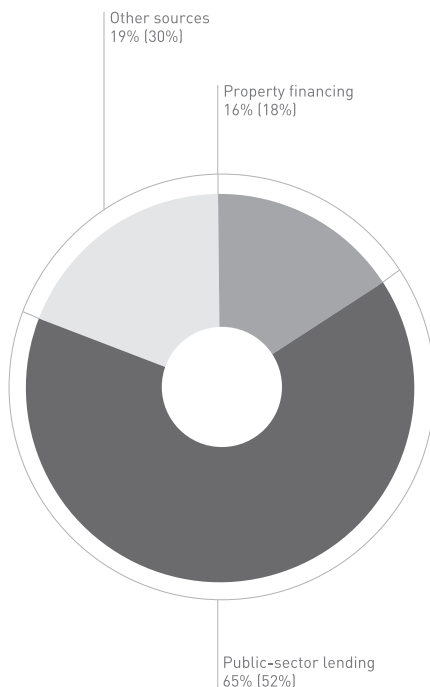
At Düsseldorfer Hypothekbank, bad debt provisioning for a distressed property loan is usually based on a fictitious market value. This value is determined on the basis of all the factors affecting the valuation from the viewpoint of a potential investor. The difference between it and the higher book value of the claim determines the extent to which the value has to be adjusted.

Determined using this procedure, the risk provisioning for the principal amounted to € 4.3 m for the year under review. In addition, bad debt charges of € 1.4 m were made in respect of all interest arrears of more than 90 days. For the latent credit risk, moreover, a general charge of € 2.5 m was set aside and allocated to the provisioning reserves in accordance with Section 340f German Commercial Code (HGB). After writing back loan provisions, risk provisioning for lendings amounted to € 7.7 m in net terms, as opposed to € 7.0 m the previous year.

Given the favourable development on Europe's bond markets there were for the most part additions to the securities contained in the current assets. They totalled € 4.8 m in net terms, exceeding the previous year's figure by € 0.9 m.

The fact that the changes in bad debt provisioning and in the valuation of the current assets roughly balance each other out explains why the valuation result for the fixed assets improved from - € 8.3 m to - € 5.8 m. Charges made here decreased by a total of € 2.3 m to - € 2.9 m because the holding in the Argentine government bonds, which defaulted in December 2001, has since been steadily cut back. In February 2005 the Bank accepted the Argentine government's exchange offer envisaging a capital write-down of 66% and a loss of interest for the years 2002/ 2003. The guarantee claims, which fall due in September 2007, against the shareholders stemming from the loss of principal under

Sources of gross income
Business year 2005
Previous year in brackets



the “old” bond were reported in the amount of € 12.6 m as other assets as at the balance sheet date. The price development of the rescheduled bond has been stable to date.

After setting off the valuation result against the gross profit, the operating income was up by 28% to € 26.4 m.

Net income for the year rises by 17%

A tax audit of the accounts was completed in the year under review, as a consequence of which the Bank may face substantial additional tax payments for previous periods. The maximum risk is covered in the annual accounts by provisions totalling € 4.6 m. Of this amount, € 4.1 m is contained in the tax position.

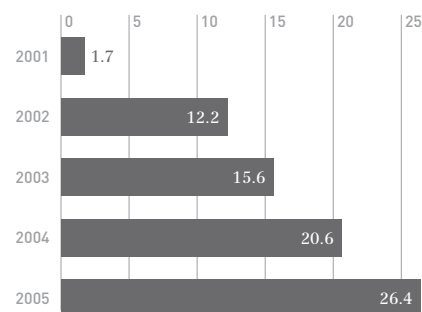
Consequently, the effective tax charge rose from 27% in the previous year to 34%. After deduction of all taxes, a net income for the year of € 17.5 m remains. The return on equity improved only slightly due to the capital increase carried out early in the year under review, from 8.0% to 8.3%. Without the extraordinary tax charges, the Bank’s long-term profitability target of 10% would have been clearly exceeded.

The breakdown by business segments shows the composition of the net income for the year. Unlike the previous year, profits were concentrated fully on public-sector lending. The jump in income from € 11.7 m to € 17.4 m reflects the vigorous expansion. Initiated two years ago, the internationalisation is producing higher interest margins. The capital markets, which in the first nine months in particular provided a favourable general situation for profits from the asset / liability management, also had a positive impact on earnings. At 16%, the cost/ income ratio for this division was virtually unchanged versus the previous year. Return on equity was up from 14% to 16%.

Since the average loan portfolio in property finance was only marginally above the previous year’s figure, the division’s net interest income rose by only 4%. Due to an increase in administrative expenses, the cost/ income ratio deteriorated from 36% to 40%. As a result of increased specific loan loss provisions, the overall result is a “black zero”. One year before the property finance division had contributed € 1.6 m in profits.

Income from other business activities, at € 0.1 m, also made hardly any contribution to the Bank’s overall profits. However, income from trade investments and the calculatory equity investment are sufficient, after deduction of administrative expenses and the general charge for bad and doubtful loans, to cover the extraordinary tax charges as a result of the tax audit of the Bank’s accounts.

Development of operating income
Million €



Income statement AG
Million €

	2005	2004	Δ
Net interest income	42.0	37.3	
Net commission income	-0.3	-0.5	
Net interest and commission income	41.7	36.8	+13%
Administrative expenses	-9.3	-7.8	
Other operating result	-0.2	-0.1	
Gross income	32.2	28.9	+11%
Valuation result	-5.8	-8.3	
Operating income	26.4	20.6	+28%
Taxes	-8.9	-5.6	
Net income for the year	17.5	15.0	+17%

Total net worth remains comfortable

Net income for the year is equivalent to the balance sheet profit. We will propose to the Annual General Meeting that the balance sheet profit in the amount of € 17.5 m be allocated in its entirety to the other retained earnings. With that, the retention rate rises from 22% the previous year to 100%.

The Bank's growth in business is accompanied by a rise in total net worth. In Q1 2005, the shareholders implemented a capital increase of € 30 m. As a result, the equity-related ratios far exceed legal requirements, even before allocation of the balance sheet profit for 2005. As at the balance sheet date, the core capital ratio amounted to 8.2%; a minimum of only 4.0% is required.

Whereas the minimum called for under Principle I of the German Banking Act (KWG) is 8%, the Bank reported a ratio of 12.8% as at the balance sheet date. Liable capital as defined by Section 10 KWG amounted to € 345 m as at the balance sheet date, which was 34% up on the previous year.

Group income slightly higher

The assets of the Bank's subsidiary consist largely of a 25% share in a Luxembourg credit institution. Thus, the subsidiary's result for the year stems for the most part from dividend income. A small amount of interest income is generated from the short-term investment of available liquidity.

Since the subsidiary's profit in fiscal 2005 was higher than the dividend paid out, the income of the Düsseldorfer Hypothekenbank Group is slightly higher than the income of the AG.

The Board of Managing Directors prepared a report for the period subject to reporting requirements in accordance with Section 312 German Stock Corporation Act (AktG) on the relationships with affiliated companies, which was audited and certified by Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft. The report closes with the following declaration by the Board of Managing Directors: "According to the circumstances known to us at the point in time at which legal transactions were conducted with affiliated companies, our company did in each case receive an appropriate consideration. Measures in the interest of or upon the initiative of affiliated companies were neither taken nor omitted that put our company at a disadvantage."

Flattening of the interest rate curve

Global economic activity continues to grow strongly, and inflation is rising as commodity prices increase. International bond prices came under pressure in the first weeks of the year as investors are expecting a tightening of monetary policy. It is considered fairly certain that in the US the Fed will raise its key interest rate to 4.75 %. Even an interest rate hike to 5 % no longer seems out of the question to counter the acceleration of price increases.

Developments in Europe are proceeding in a similar manner. Although the already slower pace of growth faltered in the euro zone towards the end of the year, economic expectations for 2006 remain optimistic. Inflation has been well above the 2 % mark for months. Many consider it probable that the ECB's key interest rate will be raised to 2.5 % very soon. Nor are further hikes ruled out.

The rise in interest rates at the short end does not necessarily affect long-term yields, however. As in the previous year, trade flows are providing the Asian central banks and commodity exporters with abundant liquidity. The resultant investment needs have the effect of supporting bond prices and of stabilising capital market rates. Thus, a number of signs point to a flattening of the interest rate curves, while the US markets will keep their yield advantage vis-à-vis the euro markets.

Real estate: Foreign markets in a further stage of the cycle

Despite the low actual figures for Europe as a whole, expectations for economic developments in Germany remain upbeat. All the mood indicators stemming from surveys conducted among companies, consumers and financial market participants have been pointing upwards for months now. Current forecasts are looking for a growth of 2 %, from which the domestic property market will also benefit.

Leading estate agents regard the recovery in demand for office premises in Q4 2005 as the first sign of a trend reversal. However, not all urban concentrations are affected to the same extent. Whereas turnover is on the rise in Berlin, Frankfurt, Cologne, Leipzig and Munich, the figures are still receding in Hamburg, Düsseldorf and Stuttgart. As a whole, then, a stabilisation of prices may be assumed on the German office market. The strength of economic activity still seems to be too weak for a lasting turnabout.

A different picture presents itself in other European countries. Generally speaking, the higher growth rates recorded in recent quarters have stimulated demand for modern office space. The predominating factor, however, is the exchange of space, so that vacancy rates in large towns and cities have receded only in small steps since they peaked one and a half years ago. For the first time, the economic development could again create new office jobs in certain regions this year, causing vacancy rates to decrease appreciably. Price developments in the metropolises London, Paris and Madrid are pointed unmistakably upwards.

New commitment activity primarily abroad

In this environment, the property finance activities of Düsseldorfer Hypothekenbank will again focus on the foreign markets. The Bank's contacts in international syndicate business will be intensified. In terms of developments in the first weeks of this year, a marked increase in new commitment activity may be reckoned with. However, the Bank's rigorous internal quality requirements still stand in the way of an expansion of total loan commitments on the home market.

The Bank's public-sector lending activities will depend, above all, on how euro zone yields develop. It will be important to take advantage of phases of high market volatility to widen margins by means of asset/ liability management. According to the Bank's plans, foreign borrowers are to account for two-thirds of new lendings.

The changes the Pfandbrief Act has brought to the legal framework have prompted the Bank to review its strategic orientation. The positioning of the Bank as a cost-efficient provider of long-term finance will remain the objective. However, this does not rule out a widening of the range of services as a means of diversifying the Bank's sources of earnings. With this in mind, the Bank acquired a second property at the beginning of the year. The personnel plans for the years ahead cannot be realised in the present premises. For this reason, an office building will be constructed at the centre of Düsseldorf that offers long-term economic efficiency and meets the Bank's prospective business requirements.

Capital increase in sight

Net interest and commission income from property finance is to be expanded further in the current year. The profitability target of 10 % will be achieved if risk provisioning needs stay moderate as planned. The earnings situation in public-sector lending is more difficult to forecast due to the large share of interest rate-sensitive transactions involved. The ideal situation would be a high level of volatility paired with a sideways movement of medium and long-term yields.

Administrative expenses look like receding for the first time in years. Sizeable projects are due for completion in the current year, which will result in a marked lowering of operating expenditure. The workforce will rise by close to 10 % during the course of the year to strengthen the sales arm in particular. This addition to personnel will not yet be fully reflected in staff expenses.

The shareholders will implement a capital increase in the first quarter of 2006 to finance the expansion of the Bank's business operations. Including the envisaged retention of the balance sheet profit totalling € 17.5 m, the capital base is therefore set to grow by almost 20%. The core capital ratio will improve accordingly to initially 9%.

ANNUAL ACCOUNTS OF THE AG

- Balance Sheet → Profit and Loss Account → Notes
- Supervisory Board, Board of Managing Directors → Audit certificate

→ Balance Sheet of the AG as at 31 December 2005

Assets in thousand €	2005	2005	2005	2004
Cash reserve			56,350	59,035
of which: with Deutsche Bundesbank	56,347			(59,032)
Claims on banks				
Public-sector loans		3,799,701		2,890,668
other claims		699,752	4,499,453	492,793
of which: payable on demand	311,659			(254,975)
collateralised against securities	0			(0)
Claims on customers				
Mortgage loans		1,221,301		1,266,197
Public-sector loans		3,919,807		3,662,546
other claims		187	5,141,295	0
of which: collateralised against securities	0			(0)
Bonds and other fixed income securities				
Bonds and notes				
of public-sector issuers	2,672,909			2,114,044
of which: eligible as collateral with Deutsche Bundesbank	2,532,016			(1,926,515)
of other issuers	5,700,639	8,373,548		4,435,767
of which: eligible as collateral with Deutsche Bundesbank	5,506,411			(4,209,872)
own debt instruments		22,084	8,395,632	14,408
Nominal amount	21,617			(13,863)
Shares and other variable-yield securities			375,966	305,911
Participating interests			16,897	16,897
of which: in banks	16,897			(16,897)
Shareholdings in affiliated companies			31,282	31,282
of which: in banks	0			(0)
Intangible assets			823	486
Tangible assets			4,767	5,228
Other assets			12,740	2,011
Deferred items				
from issuing and lending business		100,311		94,169
others		3,931	104,242	3,728
Total Assets			18,639,447	15,395,170

Liabilities in thousand €	2005	2005	2005	2004
Liabilities to banks				
registered Mortgage Pfandbriefe issued		117,397		52,271
registered Public-sector Pfandbriefe issued		865,820		782,655
other liabilities		<u>2,111,611</u>	3,094,828	2,040,131
of which: payable on demand	1,895			(1,218)
Liabilities to customers				
registered Mortgage Pfandbriefe issued		362,427		356,396
registered Public-sector Pfandbriefe issued		2,077,019		1,335,132
other liabilities		<u>1,218,020</u>	3,657,466	1,302,454
of which: payable on demand	3			(59)
registered Public-sector Pfandbriefe given to lenders to secure loans contracted	0			(28.230)
Securitised liabilities				
Bonds issued				
Mortgage Pfandbriefe		348,577		222,126
Public-sector Pfandbriefe		10,919,266		8,857,538
other bonds		<u>213,803</u>	11,481,646	127,910
Other liabilities			7,976	5,599
Deferred items				
from issuing and lending business		13,519		18,128
others		<u>655</u>	14,174	1,001
Provisions				
Tax provisions		6,083		2,422
others		<u>495</u>	6,578	428
Subordinated liabilities			77,610	27,610
Profit-sharing rights			61,347	61,347
of which: due in less than two years	0			(0)
Capital and reserves				
subscribed capital		154,000		130,000
Capital reserve		57,129		51,129
Revenue reserve				
other revenue reserves		9,193		5,893
distributable profit		<u>17,500</u>	237,822	15,000
Total Liabilities			18,639,447	15,395,170
Contingent liabilities				
Liabilities from guarantees and indemnity agreements			2,173	2,003
Other commitments				
irrevocable loan commitments			107,513	132,659

→ Profit and Loss Account of the AG
from 1 January to 31 December 2005

in thousand €	2005	2005	2005	2004
Interest income				
from lending and money market transactions	849,949			748,969
from fixed-income securities and debt register claims	294,652	1,144,601		247,812
Interest paid		-1,137,427	7,174	-974,372
Income				
from shares and other variable-yield securities		32,979		10,757
from participating interests		801		1,196
from affiliated companies		1,065	34,845	2,961
Commission income		1,036		735
Commission paid		-1,369	-333	-1,278
Other operating income			198	254
General administrative expenses				
Staff expenses				
Wages and salaries	-3,535			-3,532
compulsory social security contributions and expenses for pensions and other staff benefits	-614	-4,149		-559
of which: pensions	-98			(-92)
other administrative expenses		-4,740	-8,889	-3,354
Depreciation of and value adjustments				
to intangible and tangible assets			-382	-345
Other operating expenses			-467	-394
Write-downs of and value adjustments				
to claims and certain securities as well as additions to the provision for possible loan losses			-2,856	-3,103
to participating interests, shareholdings in affiliated companies and securities treated as fixed assets			-2,919	-5,151
Profit on ordinary activities			26,371	20,596
Taxes on income		-8,853		-5,578
Other taxes				
not included under "other operating expenses"		-18	-8,871	-18
Net income for the year			17,500	15,000
Allocations to other revenue reserves			0	0
Balance sheet profit			17,500	15,000

Accounting and valuation principles

The Annual Accounts have been prepared in accordance with the applicable provisions of the German Commercial Code, the German Joint Stock Corporation Act and the German Pfandbrief Act as well as with the Bank Accounting Directive.

Claims are stated at nominal value in accordance with Section 340e para. 2 German Commercial Code (HGB); the difference between the amount paid out and the nominal amount is shown under 'deferred items'. All discernible individual risks in lending are taken into consideration by the formation of specific loan loss provisions. Latent credit risk is covered by general loan loss provisions within the scope of tax requirements; moreover, provisioning reserves in the amount of standard risk costs exist in accordance with Section 340f para. 1 German Commercial Code.

Bonds of the current assets are stringently valued at the lower of the continuously calculated average or the market value as at the balance sheet date, taking interest rate hedging instruments into account. Inasmuch as the reasons for special write-downs made in previous years no longer exist, additions are made. Where bonds are allocated to fixed assets, they are valued at cost including a pro rata

reversal of the difference to the nominal value. The pro rata reversal of a premium or discount is included in the net interest income.

The shares in specialised funds reported under shares and variable-income securities are allocated to the current assets and stringently valued at the lower of cost or market. Write-ups required in accordance with Section 280 German Commercial Code are also made under this item.

Participating interests and shareholdings in affiliated companies are shown at cost.

Based on their operating life expectancy, tangible assets and intangible assets are stated at cost less straight-line regular depreciations. Minor-value assets are depreciated in full in their year of acquisition.

Liabilities are stated at the amounts repayable. The difference between the nominal amount and the issue price is shown under 'deferred items'. Zero-coupon bonds are stated at issue price plus pro rata interest in accordance with the issuing yield.

Provisions have been made for taxes and contingent liabilities based on the estimated amount payable.

Balance sheet items denominated in foreign currency are converted in accordance with Section 340h German Commercial Code with the rate hedging transactions at the reference rate of the ECB as at the balance sheet date.

Derivative financial transactions that serve to hedge against interest rate and exchange rate fluctuations are not subject to individual valuation and, as open contracts, are not stated.

When reporting risk provisioning and the result from financial investments, use is made of the possibility of cross-compensation in accordance with Section 340f para. 3 German Commercial Code and Section 340c para. 2 German Commercial Code respectively.

Breakdown by remaining time to maturity

Million €	payable on demand	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	total
Claims						
on banks	53	223	43	2,467	1,713	4,499
on customers	6	340	144	2,792	1,874	5,156 *
Liabilities						
to banks	2	1,569	568	720	236	3,095
to customers	16	173	144	1,274	2,050	3,657

* Residual claim without general value adjustment

There are no other securitised liabilities and claims on customers with an indefinite maturity.

Amounts contained in the item 'bonds and other fixed-income securities' that fall due in the year following the balance sheet date total € 370 m.

Amounts contained in the sub-item 'bonds issued' that fall due in the year following the balance sheet date total € 957 m.

Cash reserve

The item 'cash reserve' contains balances with central banks totalling € 56 m and cash in hand of € 3,000.

Claims on / liabilities to affiliated companies / participating interests

Claims on banks totalling € 36 m and on customers totalling € 31 m refer to companies with which a participatory relationship is maintained. Liabilities to banks include € 16 m of companies with which a participatory relationship is maintained.

Securities negotiable on the stock exchange

All bonds and other fixed-income securities totalling € 8,236 m are negotiable on the stock exchange; of this amount, € 8,021 m is listed on the stock exchange.

Of the shares and variable-income securities, € 1 m is negotiable on the stock exchange and listed on the stock exchange. The remaining shares and variable-income securities totalling € 375 m, participations of € 17 m and shareholdings in affiliated companies of € 31 m are not negotiable on the stock exchange.

Development of fixed assets

Million €	Bonds and notes	Participating interests	Shareholdings in affiliated companies	Intangible assets	Tangible assets	total
Cost of acquisition/ manufacture carried forward on 1 January 2005	4,488	17	31	2	6	4,544
Additions in 2005	1,456					1,456
Disposals in 2005	-876					-876
Accumulated depreciation	-82			-1	-1	-84
Book value as at 31 December 2005	4,986	17	31	1	5	5,040
Depreciation charge in 2005	-2					-2

Of the bonds, € 6,040 m is accounted for by bonds designated as cover for Pfandbriefe outstanding. Bonds totalling € 4,986 m are not stringently valued at the lower of cost or market as at the balance sheet date. These include bonds with a book value of € 1,327 m which, due to capital market forces, are stated at a fair value that is lower by € 3.1 m as at the balance sheet date.

Minor-value assets are contained in the 'additions' of the year under review and are depreciated in full. These depreciations are included in the 'disposals' of the business year. The tangible assets comprise land and buildings, which are for the most part used for the bank's own activities, amounting to € 4.5 m.

Participating interest

There is a participating interest of 33% in Bankhaus Bauer AG, Stuttgart. According to information provided by the company, net worth totalled € 57 m as at the balance sheet date. Further, a positive result is expected for the 2005 business year.

Shareholdings in affiliated companies

The Bank wholly owns the shares in Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits AG, Glarus/ Switzerland. As at the balance sheet date, net worth totalled € 30 m. Net income for the year 2005 came to € 1.4 m.

Other assets and liabilities

The main 'other assets' are an option right vis-à-vis the shareholders. 'Other liabilities' largely comprise pro rata and payable interest under 'subordinated liabilities' and 'profit-sharing rights'.

Deferred items from issuing and lending business

The 'deferred items' on the assets side contain an issuing discount in respect of bonds of € 40 m and a premium in respect of claims of € 60 m. The liabilities-side 'deferred items' contain an issuing premium in respect of bonds of € 3 m and a discount in respect of claims of € 11 m.

Profit-sharing rights

At the extraordinary General Meeting on 10 November 2000, the Board of Managing Directors was authorised to issue, with the Supervisory Board's approval, further profit-sharing rights up to an amount of € 110 m on a one-off basis or in several tranches in the period up to 31 October 2005. Making use of this authorisation, the Bank placed profit-sharing rights with a volume of € 23 m. The aggregate holding of € 61 m is composed of € 33 m bearer profit-sharing rights, € 5 m profit-sharing rights transferable only with the Bank's consent and € 23 m registered profit-sharing rights.

Subordinated liabilities

In the event of the insolvency or liquidation of the Bank, subordinated liabilities may not be settled until all non-secondary creditors have received satisfaction. Prepayment is precluded. The borrowings meet the conditions pursuant to Section 10 para. 5a German Banking Act (KWG) concerning recognition as liable capital. Interest and discount expenses on all subordinated liabilities total € 4 m. Two subordinated loans exceed the 10% limit of total subordinated liabilities. Interest of 4.22% is payable in respect of one, in the amount of € 20 m, which falls due on 25 February 2015. Interest of 4.69% is payable in respect of the principal of € 8 m, which falls due on 28 January 2015.

Subscribed capital, capital and revenue reserves

Subscribed capital amounted to € 154 m as at the balance sheet date, and is divided into 154,000,000 registered shares of € 1 each.

A capital increase was implemented in March 2005 in the total amount of € 30 m (nominal € 24 m, price 125%).

A dividend of 9% was paid out of the previous year's profit of € 15 m and € 3.3 m was allocated to the other revenue reserves.

Contingent liabilities and other commitments

The liabilities on guarantees and warranties largely comprise guarantee loans of € 2 m which are secured by first-ranking land charges. The irrevocable loan commitments refer solely to mortgage loans and totalled € 108 m as at the balance sheet date.

Assets transferred as security

As at the balance sheet date, securities totalling € 281 m were sold under repurchase agreements (genuine repurchase agreements).

As at the balance sheet date, bank balances of € 270 m, bonds of € 46 m as well as shares in specialised funds of € 118 m were pledged to hedge against risks under financing transactions. The book value of bonds transferred as security for open market loans totalled € 1,231 m.

Staff expenses, emoluments and personnel

Staff expenses totalled € 4.1 m. This amount includes aggregate emoluments for the members of the Board of Managing Directors of € 0.5 m.

The emoluments for the members of the Supervisory Board (€ 92,000) and of the Advisory Board (€ 15,000) are included under 'other administrative expenses'.

As an average for the year, besides the Board of Managing Directors, 47 members of staff were employed, including one part-time employee (conversion to full-time basis).

Auditing and advisory services

In respect of the auditor, administrative expenses also include € 123,000 for the audit, € 12,000 for tax advisory services and € 60,000 for other services.

Income taxes

Income taxes have been allocated to the result arising from ordinary business activities.

Profit appropriation

The net income for the year in the amount of € 17.5 m is equivalent to the distributable profit.

Public-sector Pfandbriefe: Nominal overcollateralisation

Million €	2005	2004
Claims on banks (public-sector loans)	3,725	2,829
Claims on customers (public-sector loans)	3,823	3,569
Bonds and other fixed-income securities	5,584	4,671
ordinary cover	13,132	11,069
substitute cover	1,066	55
Total cover	14,198	11,124
Public-sector Pfandbriefe requiring cover	-13,671	-10,841
Overcollateralisation	527	283

Public-sector Pfandbriefe: Net present value (npv) overcollateralisation

Million €	npv		Risk-adjusted npv	
	2005	2004	2005	2004
Cover assets	14,994	11,890	14,525	11,495
Public-sector Pfandbriefe	-13,989	-11,222	-13,622	-10,938
Overcollateralisation	1,005	668	903	557

Public-sector Pfandbriefe: Principal maturities by years

Million €	Total cover		Public-sector Pfandbriefe	
	2005	2004	2005	2004
≤ 1 year	1,617	1,044	3,558	1,411
> 1 year ≤ 5 years	7,258	6,774	7,529	8,491
> 5 years ≤ 10 years	3,984	2,803	1,953	798
> 10 years	1,340	503	631	141
total	14,198	11,124	13,671	10,841

Public-sector Pfandbriefe: Public-sector loans by country and borrower

Million €	Central government		Regional authorities		Local authorities		others	
	2005	2004	2005	2004	2005	2004	2005	2004
Belgium	25	25						
Denmark							40	
Germany	61	61	3,915	3,952	2	12	6,787	5,729
Estonia							25	
Finland					8	8	31	
France	45				53	96	85	
Greece	316	235						
Ireland							15	
Iceland							45	
Italy	209	54	202	62	50		186	
Japan					25	15	5	
Canada			28	20			41	36
Latvia	8	8						
Lithuania	90	48						
Netherlands							15	
Norway							44	
Austria	88	63					794	257
Poland	120	116						
Portugal	25						15	
Sweden							15	
Switzerland			90					
Spain			42	27	76	46	79	17
Czech Republic	67	55			17	17		
Hungary	139	84					9	
USA							134	
United Kingdom							20	
Cyprus	111	81						

There are no payments in arrears in the case of claims serving as cover for public-sector Pfandbriefe.

Mortgage Pfandbriefe: Principal maturities by years

Million €	Total cover	Mortgage Pfandbriefe
≤ 1 year	263	116
> 1 year ≤ 5 years	261	329
> 5 years ≤ 10 years	278	274
> 10 years	37	96
total	839	815

Mortgage Pfandbriefe: Mortgage loans by loan size

Million €	2005	2004
> € 0.3 m ≤ € 0.5 m	111	88
> € 5.0 m	648	619
total	759	707

Mortgage Pfandbriefe: Net present value (npv) overcollateralisation

Million €	npv		Risk-adjusted npv	
	2005	2004	2005	2004
Cover assets	893	814	921	833
Mortgage Pfandbriefe	-847	-649	-886	-673
Overcollateralisation	46	165	35	160

Mortgage Pfandbriefe: Property loans by use of property and country

Million €	Germany		France		Netherlands		Switzerland		total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
residential										
Apartments	63	81			20		10	10	93	91
Multi-family dwellings	36	36							36	36
commercial										
Offices	248	239			58	21			306	260
Retail	260	255							260	255
others	44	45	20	20					64	65

Compulsory measures, properties taken over and interest in arrears

As at the balance sheet date, no administrative receiverships involving property loans included in cover were pending. No foreclosure sales were carried out in the year under review.

No properties were taken over to prevent losses on mortgages in the year under review.

A bad debt charge was made in full for interest in arrears arising between 1 October 2004 and 30 September 2005 in the amount of € 14,000. It arose in respect of a residential property located in Germany.

Repayments in respect of mortgage loans

In the year under review, a total of € 69 m was repaid. Of this total, € 9 m was accounted for by amortisation and € 34 m by other repayments in respect of commercially used properties. € 14 m was repaid by way of amortisation and € 12 m by other repayments in respect of properties for residential purposes.

Foreign currency positions

Total current assets in foreign currencies amounted to € 362 m as at the balance sheet date. Liabilities in foreign currencies amounted to € 5 m. Foreign currency positions were hedged against exchange rate fluctuations through offsetting transactions.

Mortgage Pfandbriefe: Nominal overcollateralisation

Million €	2005	2004
Claims on customers (mortgage loans)	759	707
substitute cover	80	40
Total cover	839	747
Mortgage Pfandbriefe requiring cover	-815	-618
Overcollateralisation	24	129

Derivative financial transactions

As at the balance sheet date, the following interest and currency-driven forward transactions were still outstanding: interest rate swaps, interest rate/currency swaps, short swaption positions, note loans with put and call option, Pfandbriefe with call option, rate capping agreements. All transactions serve the purpose of hedging against interest rate and exchange rate fluctuations.

The negative market values of the derivative financial instruments were set off against corresponding positive market values from the underlying transactions.

Further duties of disclosure

Helvetic Grundbesitz Verwaltung GmbH, Berlin, and ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH, Berlin, informed us that they each hold more than 25% of the shares in the company.

Dr. Michael Kosche, Member of the Board of Managing Directors, held a seat on the Supervisory Board of Bankhaus Bauer AG, Stuttgart, within the meaning of Section 340a para. 4 German Commercial Code (HGB).

As at the balance sheet date, loans to members of the Supervisory Board totalled € 1.5 m.

Financial derivatives by remaining time to maturity

Million €	Nominal amount < 1 year	1 – 5 years	> 5 years	total	Market value
Interest rate swaps	1,268	7,054	8,975	17,297	-495
Cross-currency swaps	134	25	175	334	-18
total	1,402	7,079	9,150	17,631	-513

→ Supervisory Board, Board of Managing Directors

Supervisory Board

Dr. Wolfgang Schuppli
Chairman
Lawyer, Wiesbaden

Dieter Wenserski
Deputy Chairman
Banker, Bochum

Prof. Dr. em. Paul Klemmer †
President of Deutscher Verband für
Wohnungswesen, Städtebau und
Raumordnung (DV), Wittnau
until 26 July 2005

Wolfgang H. Müller
Lawyer, Erkrath
from 1 November 2005

Dr. Eberhard Schäfer
Economic Lawyer, Bad Homburg

Dipl.- oec. Berta Schuppli
Wiesbaden

Prof. Dr. Friedrich-Leopold
Freiherr von Stechow
Managing Partner
Jucho, von Stechow & Kollegen
Unternehmensberatung GmbH
& Co. KG, Berlin

Düsseldorf, 17 February 2006
Düsseldorfer Hypothekenbank
Aktiengesellschaft
The Board of Managing Directors

Wolfgang Hampel

Board of Managing Directors

Wolfgang Hampel
Bochum

Dr. Michael Kosche
Cologne

Dr. Michael Kosche

→ Auditors' certificate

An unqualified auditors' certificate has been issued in regard to the complete unconsolidated annual accounts. The translation of such auditors' certificate reads as follows:

“We have audited the Annual Accounts – comprising Balance Sheet, Profit and Loss Account and Notes – including the accounting records and Management Report of Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, for its financial year 1 January to 31 December 2005. The accounting records and the preparation of the Annual Accounts and Management Report in accordance with German commercial law regulations are the responsibility of the Bank's Board of Managing Directors. It is our task to issue an appraisal of the Annual Accounts, including the accounting records and Management Report, based on our audit.

We conducted our audit of the Annual Accounts in accordance with Section 317 German Commercial Code (HGB), paying due regard to the German principles of year-end audits established by the Institut der Wirtschaftsprüfer (IDW) (Institute of Certified Accountants). Based on this, the audit has to be planned and executed in such a way that inaccuracies and irregularities which have a major effect on the presentation of the net asset, financial and earnings position of the Bank as transmitted by the Annual Accounts, paying due regard to generally accepted accounting principles, as well as by the Management Report, are identified with reasonable certainty. Knowledge of the business activities and of the economic and the legal environment of the Bank is also taken into account in the determination of audit procedures, as are the expectations of possible

errors. The effectiveness of the accounting-relevant internal control systems and the evidence supporting the disclosures in the accounting records, Annual Accounts and Management Report are appraised primarily on the basis of random tests. Our audit includes an appraisal of the accounting principles applied, of the main estimates and assumptions made by the Board of Managing Directors, and an appraisal of the overall presentation of the Annual Accounts and Management Report. We are of the opinion that our audit constitutes a reasonable basis for our appraisal.

Our audit has not led to any reservations.

In our opinion based on the insight gathered while conducting the audit, the Annual Accounts of Düsseldorfer Hypothekbank Aktiengesellschaft, Düsseldorf, are in keeping with legal requirements and provide a true and fair view of the net asset, financial and earnings position of the Bank in accordance with proper accounting principles. In all, the Management Report is consistent with the Annual Accounts and provides a true and fair view of the position of the Bank and shows accurately the opportunities and risks of the future development.”

Düsseldorf, 21 February 2006

Deloitte & Touche GmbH

Wirtschaftsprüfungsgesellschaft

Dr. Göttgens ppa. Lotz
Wirtschaftsprüfer Wirtschaftsprüfer
(German Chartered Accountant)

ANNUAL ACCOUNTS OF THE GROUP

- Balance Sheet → Profit and Loss Account → Notes
- Supervisory Board, Board of Managing Directors → Audit certificate

→ Balance Sheet of the Group as at 31 December 2005

Assets in thousand €	2005	2005	2005	2004
Cash reserve			56,350	59,035
of which: with Deutsche Bundesbank	56,347			(59,032)
Claims on banks				
Public-sector loans		3,799,701		2,890,668
other claims		719,159	4,518,860	511,910
of which: payable on demand	311,659			(274,092)
of which: collateralised against securities	0			(0)
Claims on customers				
Mortgage loans		1,221,301		1,266,197
Public-sector loans		3,919,807		3,662,546
other claims		187	5,141,295	0
of which: collateralised against securities	0			(0)
Bonds and other fixed income securities				
Bonds and notes				
of public-sector issuers	2,672,909			2,114,044
of which: eligible as collateral with Deutsche Bundesbank	2,532,017			(1,926,515)
of other issuers	5,700,639	8,373,548		4,435,767
of which: eligible as collateral with Deutsche Bundesbank	5,506,411			(4,209,872)
own debt instruments		22,084	8,395,632	14,408
Nominal amount	21,617			(13,863)
Shares and other variable-yield securities			375,966	305,911
Participating interests			10,500	10,500
of which: in banks	10,500			(10,500)
Participation in associated companies			16,600	16,443
of which: in banks	16,600			(16,443)
Intangible assets			823	486
Tangible assets			4,768	5,228
Other assets			12,740	2,011
Deferred items				
from issuing and lending business		100,311		94,169
others		4,013	104,324	3,731
Total Assets			18,637,858	15,393,054

Liabilities in thousand €	2005	2005	2005	2004
Liabilities to banks				
registered Mortgage Pfandbriefe issued		117,397		52,271
registered Public-sector Pfandbriefe issued		865,820		782,655
other liabilities		<u>2,111,611</u>	3,094,828	2,040,131
of which: payable on demand	1,895			(1,218)
Liabilities to customers				
registered Mortgage Pfandbriefe issued		362,427		356,396
registered Public-sector Pfandbriefe issued		2,077,019		1,335,132
other liabilities		<u>1,218,020</u>	3,657,466	1,302,454
of which: payable on demand	3			(59)
registered Public-sector Pfandbriefe given to lenders to secure loans contracted	0			(28,230)
Securitised liabilities				
Bonds issued				
Mortgage Pfandbriefe		348,578		222,126
Public-sector Pfandbriefe		10,919,266		8,857,538
other bonds		<u>213,803</u>	11,481,647	127,910
Other liabilities			7,979	5,601
Deferred items				
from issuing and lending business		13,519		18,128
others		<u>655</u>	14,174	1,001
Provisions				
Tax provisions		6,083		2,422
others		<u>728</u>	6,811	459
Subordinated liabilities				
Subordinated liabilities				
of which due in less than two years	0		77,610	27,610
			61,347	61,347
				(0)
Capital and reserves				
subscribed capital		154,000		130,000
Capital reserve		57,129		51,129
Revenue reserve				
other revenue reserves		7,044		3,744
distributable profit		<u>17,823</u>	235,996	15,000
Total Liabilities			18,637,858	15,393,054
Contingent liabilities				
Liabilities from guarantees and indemnity agreements			2,173	2,003
Other commitments				
irrevocable loan commitments			107,513	132,659

→ Profit and Loss Account of the Group
from 1 January to 31 December 2005

in thousand €	2005	2005	2005	2004
Interest income				
from lending and money market transactions	850,561			749,344
from fixed-income securities and debt register claims	294,652	1,145,213		247,812
Interest paid		-1,137,427	7,786	-974,438
Income				
from shares and other variable-yield securities		32,979		10,757
from participating interests		940	33,919	6
Income from associated companies			927	735
Commission income		1,036		735
Commission paid		-1,391	-355	-1,282
Other operating income			400	393
General administrative expenses				
Staff expenses				
Wages and salaries	-3,536			-3,532
compulsory social security contributions and expenses for pensions and other staff benefits	-614	-4,150		-559
of which: pensions	-98			(-92)
other administrative expenses		-4,765	-8,915	-3,379
Depreciation of and value adjustments				
to intangible and tangible assets			-382	-345
Other operating expenses			-856	-396
Write-downs of and value adjustments				
to claims and certain securities as well as additions to the provisions for possible loan losses			-2,856	-3,103
to participating interests, shareholdings in affiliated companies and securities treated as fixed assets			-2,919	-5,151
Profit on ordinary activities			26,749	17,597
Taxes on income		-8,908		-5,589
Other taxes				
not included under "other operating expenses"		-18	-8,926	-18
Net income for the year			17,823	11,990
Income from other revenue reserves			0	2,149
Income from difference stemming from consolidation of capital			0	861
Balance sheet profit			17,823	15,000

Scope of consolidation

Düsseldorfer Hypothekenbank AG, Düsseldorf, holds 100% of the shares in Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits (Bauer SA pour le Développement du Crédit Communal et Hypothécaire Européen), Glarus/Switzerland. A group relationship exists with this subsidiary company.

For this reason the Bank has prepared, in accordance with Section 340i German Commercial Code (HGB), a Group Report and Consolidated Accounts (in €) as at 31 December 2005 according to the accounting and valuation methods set forth below. Düsseldorfer Hypothekenbank AG and Bauer Aktiengesellschaft zur Entwicklung des europäischen Kommunal- und Hypothekarkredits are included according to the principles of full consolidation.

The Consolidated Accounts have been uniformly prepared in accordance with the accounting and valuation methods set forth below.

The acquisition accounting was carried out in accordance with Section 301 para. 1 no. 2 German Commercial Code (HGB) using the revaluation method. At the time of the first-time inclusion in consolidation, which was carried out as at 31 December 2003, the assets and liabilities of the subsidiary were valued at fair value in the Consolidated Accounts. In the previous year, the negative goodwill on consolidation was allocated on a non-recognised basis to the balance sheet profit.

All substantial intragroup claims, debts and interim results as well as expenses and income of the group companies were eliminated within the scope of consolidation.

The profit for the Group is slightly higher than the balance sheet profit of Düsseldorfer Hypothekenbank AG.

Associated companies

The profit/loss for the year, assets and liabilities of an associated company are consolidated using the at equity method. The amount of the participation and the difference are calculated using the book value method on the basis of the valuations as at the date of the first-time consolidation of the associated company.

Bankhaus Bauer AG, Stuttgart, in which the parent company holds 33% of the shares, is classified as an associated company. The difference between the book value of the participation and the pro rata equity was € 0.8 m at the time of the first-time inclusion of the company in the Consolidated Accounts (31 December 2003). As at the balance sheet date, the equity for balance sheet purposes reportedly totalled € 57 m. A positive result is expected for the 2005 business year.

The Group holds a 25% participation in Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg. No substantial influence can be exerted on this company, so that it is not considered in the Consolidated Accounts. As at the balance sheet date, the equity for balance sheet purposes reportedly totalled € 70 m. A net income is expected for the 2005 business year.

Accounting and valuation principles

The Annual Accounts of the Group have been prepared in accordance with the applicable provisions of the German Commercial Code, the German Joint Stock Corporation Act and the German Pfandbrief Act as well as with the Bank Accounting Directive.

Claims are stated at nominal value in accordance with Section 340e para. 2 German Commercial Code (HGB); the difference between the amount paid out and the nominal amount is shown under 'deferred items'. All discernible individual risks in lending are taken into consideration by the formation of specific loan loss provisions. Latent credit risk is covered by general loan loss provisions within the scope of tax requirements; provisioning reserves continue to exist in the amount of the standard risk costs in accordance with Section 340f para. 1 German Commercial Code.

Bonds of the current assets are valued according to the stringent lower-of-cost-or-market principle at the continuously calculated average value or the lower daily market value, as at the balance sheet date, taking interest rate hedging instruments into account. Inasmuch as the reasons for special write-downs made in previous years no longer exist, additions are made. Where bonds are allocated to fixed assets, they are valued at cost inclu-

ding a pro rata reversal of the difference to the nominal value. The pro rata reversal of a premium or discount is included in the net interest income.

The positions reported under shares and variable-income securities are allocated to the current assets and stringently valued at the lower of cost or market. Write-ups required in accordance with Section 280 German Commercial Code are also made under this item.

Based on their operating life expectancy, tangible assets and intangible assets are stated at cost less straight-line regular depreciations. Minor-value assets are depreciated in full in their year of acquisition.

Liabilities are stated at the amounts repayable. The difference between the nominal amount and the amount paid out is shown under 'deferred items'. Zero-coupon bonds are stated at issue price plus pro rata interest in accordance with the issuing yield.

Provisions have been made for contingent liabilities in the amount of the estimated amount payable. There is no necessity as a result of the consolidation to set up latent taxes in the Consolidated Accounts.

Balance sheet items denominated in foreign currency are converted in accordance with Section 340h German Commercial Code with the rate hedging transactions at the ECB's reference rate of the ECB as at the balance sheet date.

Derivative financial transactions that serve to hedge against interest rate and exchange rate fluctuations are not subject to individual valuation and, as open contracts, are not stated.

When reporting risk provisioning and the result from financial investments, use is made of the possibility of cross-compensation in accordance with Section 340f para. 3 German Commercial Code and Section 340c para. 2 German Commercial Code respectively.

There are no other securitised liabilities and claims on customers with an indefinite maturity.

Amounts contained in the item "Bonds and other fixed-income securities" that fall due in the year following the balance sheet date total € 370 m.

Amounts contained in the sub-item "Bonds issued" that fall due in the year following the balance sheet date total € 957 m.

Breakdown by remaining time to maturity

Million €	payable on demand	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	total
Claims						
on banks	72	223	43	2,467	1,713	4,518
on customers	6	340	144	2,792	1,874	5,156 *
Liabilities						
to banks	2	1,569	568	720	236	3,095
to customers	16	173	144	1,274	2,050	3,657

* Residual claim without general value adjustment

Cash reserve

The item “Cash reserve” contains balances with central banks totalling € 56 m and cash in hand of € 3,000.

Claims on/ liabilities to affiliated companies/ participating interests

Claims on banks totalling € 47 m and on customers totalling € 31 m refer to companies with which a participatory relationship is maintained. Liabilities to banks include € 16 m of companies with which a participatory relationship is maintained.

Securities negotiable on the stock exchange

All bonds and other fixed-income securities totalling € 8,236 m are negotiable on the stock exchange. Of this total, € 8,021 m are listed on the stock exchange.

Of the shares and variable-income securities, € 1 m is negotiable on the stock exchange and listed on the stock exchange. The remaining shares and variable-income securities totalling € 375 m, participations of € 11 m and shareholdings in affiliated companies of € 17 m are not negotiable on the stock exchange.

Of the bonds, € 6,040 m is accounted for by bonds intended as cover for Pfandbriefe outstanding. Bonds totalling € 4,986 m are not stringently valued at the lower of cost or market as at the balance sheet date. These include bonds with a book value of € 1,327 m which, due to capital market forces, are stated at a fair value that is lower by € 3.1 m as at the balance sheet date.

Development of fixed assets

Million €	Bonds and notes	Participating interests	Shareholdings in affiliated companies	Intangible assets	Tangible assets	total
Cost of acquisition/ manufacture carried forward on 1 January 2005	4,488	11	17	2	6	4,524
Additions in 2005	1,456					1,456
Disposals in 2005	-876					-876
Accumulated depreciation	-82			-1	-1	-84
Book value as at 31 December 2005	4,986	11	17	1	5	5,020
Depreciation charge in 2005	-2		1			-1

Minor-value assets are contained in the additions of the year under review and are depreciated in full. These depreciations are included in the disposals of the business year. The tangible assets comprise land and buildings, which are for the most part used for the bank's own activities, amounting to € 4.5 m.

Other assets and liabilities

The main other assets are an option right vis-à-vis the shareholders. Other liabilities largely comprise pro rata and payable interest under subordinated liabilities and profit-sharing rights.

Deferred items from issuing and lending business

The deferred items on the assets side contain an issuing discount in respect of bonds of € 40 m and a premium in respect of claims of € 60 m. The liabilities-side deferred items contain an issuing premium in respect of bonds of € 3 m and a discount in respect of claims of € 11 m.

Profit-sharing rights

At the extraordinary General Meeting on 10 November 2000, the Board of Managing Directors was authorised to issue, with the Supervisory Board's approval, further profit-sharing rights up to an amount of € 110 m on a one-off basis or in several tranches in the period up to 31 October 2005. Making use of this authorisation, the Bank placed profit-sharing rights with a volume of € 23 m up to 31 December 2005.

Statement of changes in group equity

Million €	subscribed capital	Capital-reserve	equity generated	total
Balance as at 1 January 2005	130	51	19	200
Dividends paid			-12	-12
Group net income	24	6		30
Other group income			18	18
Book value as at 31 December 2005	154	57	25	236

The aggregate holding of € 61 m is composed of € 33 m bearer profit-sharing rights, € 5 m profit-sharing rights transferable only with the Bank's consent and € 23 m registered profit-sharing rights.

Subordinated liabilities

In the event of the insolvency or liquidation of the Bank, subordinated liabilities may not be settled until all non-secondary creditors have received satisfaction. Prepayment is precluded. The borrowings meet the conditions pursuant to Section 10 para. 5a German Banking Act (KWG) concerning recognition as liable capital. Interest and discount expenses on all subordinated liabilities total € 4 m. Two subordinated loans exceed the 10% limit of total subordinated liabilities. Interest of 4.22% is payable in respect of one, in the amount of € 20 m and is due on 25 February 2015. Interest of 4.69% is payable in respect of the principal of € 8 m, which falls due on 28 January 2015.

Subscribed capital, capital reserves and revenue reserves

Subscribed capital amounted to € 154 m as at the balance sheet date, and is divided into 154,000,000 registered shares of € 1 each.

A capital increase was implemented in March 2005 in the total amount of € 30 m (nominal € 24 m, price 125%).

A dividend of 9% was paid out of the previous year's profit of € 15 m and € 3.3 m was allocated to the other revenue reserves.

Contingent liabilities and other commitments

The liabilities on guarantees and warranties largely comprise guarantee loans of € 2 m which are secured by first-ranking land charges. The irrevocable loan commitments refer solely to mortgage loans and totalled € 108 m as at the balance sheet date.

Assets transferred as security

As at the balance sheet date, securities totalling € 281 m were sold under repurchase agreements (genuine repurchase agreements).

As at the balance sheet date, bank balances of € 270 m, bonds of € 46 m as well as shares in specialised funds of € 118 m were pledged to hedge against risks under financing transactions. The book value of bonds transferred as security for open market loans totalled € 1,231 m.

Derivative financial transactions

As at the balance sheet date, the following interest and currency-driven forward transactions were still outstanding: interest rate swaps, interest rate/currency swaps, short swaption positions, note loans with put and call option, Pfandbriefe with call option, rate capping agreements. All transactions serve the purpose of hedging against interest rate and exchange rate fluctuations.

Financial derivatives by remaining time to maturity

Million €	Nominal amount < 1 year	1 – 5 years	> 5 years	total	Market value
Interest rate swaps	1,268	7,054	8,975	17,297	-495
Cross-currency swaps	134	25	175	334	-18
total	1,402	7,079	9,150	17,631	-513

The negative market values of the derivative financial instruments were set off against corresponding positive market values from the underlying transactions.

Income taxes

Income taxes have been allocated to the result arising from ordinary business activities.

Staff expenses, emoluments and personnel

Staff expenses totalled € 4.1 m. This amount includes aggregate emoluments for the members of the Board of Managing Directors of € 0.5 m.

The emoluments for the members of the Supervisory Board (€ 92,000) and of the Advisory Board (€ 15,000) are included under 'other administrative expenses'.

As an average for the year, besides the Board of Managing Directors, 47 members of staff were employed, including one part-time employee (conversion to full-time basis).

Auditing and advisory services

In respect of the auditor, administrative expenses also include € 129,000 for the audit, € 12,000 for tax advisory services and € 60,000 for other services.

Foreign currency positions

Total current assets in foreign currencies amounted to € 363 m as at the balance sheet date. Liabilities in foreign currencies amounted to € 5 m. Foreign currency positions were hedged against exchange rate fluctuations through offsetting transactions.

Further duties of disclosure

Helvetic Grundbesitz Verwaltung GmbH, Berlin, and ASTA Allgemeine Grundstücks- und Treuhandgesellschaft mbH, Berlin, informed us that they each hold more than 25% of the shares in the company.

In the year under review, Dr. Michael Kosche, Member of the Board of Managing Directors, held a seat on the Supervisory Board of Bankhaus Bauer AG, Stuttgart, within the meaning of Section 340a para. 4 German Commercial Code (HGB).

As at the balance sheet date, loans to members of the Supervisory Board totalled € 1.5 m.

The results by segment are calculated by the Bank's internal accounting system. The core business fields property finance and public-sector lending constitute the basis for the segment report. Public-sector lending comprises money and capital market activities in their entirety. Net interest income of the other business activities results from the calculatory investment of liable equity (core and supplementary capital) in a risk-free yield achievable in the long term. The effective costs for subordinated capital and profit-sharing rights are deducted. In addition, it comprises the result of all consolidation measures treated as income.

Statement of operations by segment

Million €	Property financing		Public-sector lending		Other activities		total	
	2005	2004	2005	2004	2005	2004	2005	2004
Results by segment								
Net interest income	7.9	7.6	26.6	18.8	8.1	7.8	42.6	34.2
Net commission income/ loss	0.8	0.4	-1.2	-0.9			-0.4	-0.5
Administrative expenses*	-3.5	-2.9	-3.9	-2.7	-2.3	-2.2	-9.7	-7.8
Valuation result	-5.2	-2.4	1.9	-1.3	-2.5	-4.6	-5.8	-8.3
Taxes		-1.1	-5.6	-2.2	-3.3	-2.3	-8.9	-5.6
	0.0	1.6	17.8	11.7	0.0	-1.3	17.8	12.0
Ratios								
Risk assets	927	962	1,727	1,294	36	26	2,690	2,282
Allocated capital	24	25	107	85	87	75	218	185
Cost/ income ratio	40%	36%	15%	15%	22%	28%	22%	23%
Return on equity	0.0%	6.5%	16.6%	13.8%	0.0%	-1.7%	8.4%	6.5%

* incl. other operating result

In terms of the method applied, the statement of operations by segment takes its bearings from the profit and loss account, and distributes all expenses and income among the individual business fields according to the costs incurred. The result per segment comprises net interest income, net commission income/loss, administrative expenses, valuation result and taxes. Risk provisioning and the result from financial investments are combined in the valuation result.

Net interest income from property finance rose by 4% to € 7.9 m. Net commission income also increased to € 0.8 m (previous year € 0.4 m) due to higher handling charges. These positive effects were offset by higher bad debt charges so that this division made no contribution to the overall performance.

Earnings from public-sector lending amounted to € 17.8 m. The leap in earnings from € 6.1 m the previous year is a reflection of the appreciable rise in net interest income and the higher valuation results. The cost/ income ratio was 15%, as in the previous year.

Income from other business activities improved from -€ 1.3 m the previous year to € 0.0 m. In addition to the rise in net interest income by € 0.3 m, the easing of the valuation result – which contains only provisioning for latent credit risk in accordance with Section 340f German Commercial Code – by € 2.1 m contributed towards this positive development. The cost/income ratio improved to 22%.

Statement of Changes in Financial Position

Million €	2005	2005	2005	2004
Cash flow from operating activities				
Net income for the year	17.8			12.0
Items contained in the net income for the year that do not affect cash flow				
Write-downs on and value adjustments to claims, financial investments and tangible assets	7.6			10.9
Provisions	3.9			-0.4
Income that does not affect cash flow	-0.9			-0.7
Income from disposal of financial investments and tangible assets	-1.7			-2.3
other adjustments	-52.0	-25.3		-71.5
Change in claims and liabilities				
Claims on banks	-1,116.3			-416.6
Claims on customers	-212.6			-342.5
Bonds and notes	-1,901.5			-2,746.5
other assets	-10.7			-2.0
Liabilities to banks	219.8			638.2
Liabilities to customers	663.5			744.3
Securitised liabilities	2,274.1			2,200.7
other liabilities from continuing operations	2.4			
Interest and dividends received	1,179.1			1,007.5
Interest paid	-1,137.4			-974.4
Income taxes paid	-5.8	-45.4	-70.7	-2.9
Cash flow from investing activities				
Investments in tangible assets		-0.1		-0.2
other investments		-0.2	-0.3	-0.5
Cash flow from financing activities				
Cash inflow from issue of equity capital		30.0		
Dividends paid		-11.7		-11.7
Changes in funds from other capital		50.0	68.3	
Cash flow, total				
			-2.7	41.4
Cash at the beginning of the period				
			59.0	17.6
Cash at the end of the period				
			56.3	59.0

The Statement of Changes in Financial Position breaks down the change in cash and cash equivalents into cash flows from current business, investing and financing activities. It was drawn up in accordance with the German Accounting Standard DRS 2, complemented by the bank-specific German Accounting Standard DRS 2-10.

The payments flows were allocated to the current cash flow along the lines of the composition of the operating performance. The cash flow from investing activities results from payouts in connection with the acquisition of tangible assets and intangible assets. The cash flow from financing activities is made up of the payments flows from transactions with equity providers.

Cash and cash equivalents comprises the cash reserve, which is made up of cash in hand and balances with central banks.

For banks the Statement of Changes in Financial Position is generally considered to have only slight informative content. For this reason, it does not replace liquidity or financial planning nor is it used as a management tool.

→ Supervisory Board, Board of Managing Directors

Supervisory Board

Dr. Wolfgang Schuppli
Chairman
Lawyer, Wiesbaden

Dieter Wenserski
Deputy Chairman
Banker, Bochum

Prof. Dr. em. Paul Klemmer †
President of Deutscher Verband für
Wohnungswesen, Städtebau und
Raumordnung (DV), Wittnau
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Wolfgang H. Müller
Lawyer, Erkrath
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Wiesbaden

Prof. Dr. Friedrich-Leopold
Freiherr von Stechow
Managing Partner
Jucho, von Stechow & Kollegen
Unternehmensberatung GmbH
& Co. KG, Berlin

Düsseldorf, 17 February 2006
Düsseldorfer Hypothekenbank
Aktiengesellschaft
The Board of Managing Directors

Board of Managing Directors

Wolfgang Hampel
Bochum

Dr. Michael Kosche
Cologne

Wolfgang Hampel

Dr. Michael Kosche

→ Auditors' certificate

An unqualified auditors' certificate has been issued in regard to the complete consolidated annual accounts. The translation of such auditors' certificate reads as follows:

“We have audited the Consolidated Accounts prepared by Düsseldorf Hypothekbank AG, Düsseldorf, – comprising Balance Sheet, Profit and Loss Account, Notes, Statement of Changes in Financial Position and Statement of Changes in Group Equity as well as the Statement of Operations by Segment – and the combined Management Report and Consolidated Management Report for the financial year 1 January to 31 December 2005. The preparation of Consolidated Accounts and Consolidated Management Report in accordance with German commercial law regulations is the responsibility of the legal representatives of the company. Our task is to express an opinion on the Consolidated Accounts and Group Consolidated Management Report, based on our audit. We carried out our audit of the Consolidated Accounts in accordance with § 317 German Commercial Code (HGB), paying due regard to the German principles of year-end audits established by the Institut der Wirtschaftsprüfer (IDW) (Institute of Certified Accountants). Based on this, the audit has to be planned and executed in such a way that inaccuracies and irregularities which have a major effect on the presentation of the net asset, financial and earnings position of the Bank as transmitted by the Consolidated Accounts, paying due regard to generally accepted accounting principles, as well as by the Consolidated Management Report, are identified with reasonable certainty. Knowledge of the business activities and of the economic and the legal environment of the company is also taken into account when determining the scope and type of audit proce-

dures, as are the expectations of possible errors. The effectiveness of the accounting-relevant internal control systems and documentation methods applied in the Consolidated Accounts and Consolidated Management Report are mainly appraised as part of our audit on the basis of random tests. The audit includes an appraisal of the Annual Accounts of the companies included in the Consolidated Accounts, of the definition of the scope of consolidation, of the principles of statement presentation and consolidation applied, of the main estimates and assumptions made by the legal representatives, and an appraisal of the overall presentation of the Consolidated Accounts and Consolidated Management Report. We are of the opinion that our audit constitutes a reasonable basis for our appraisal. Our audited has not led to any reservations.

In our opinion based on the insight gathered while conducting the audit, the Consolidated Accounts of Düsseldorf Hypothekbank AG, Düsseldorf, are in keeping with legal requirements and provide a true and fair view of the net asset, financial and earnings position of the Group in accordance with proper accounting principles. In all, the Consolidated Management Report is consistent with the Consolidated Accounts and provides a true and fair view of the position of the Group and shows accurately the opportunities and risks of the future development.”

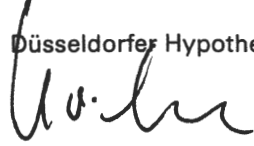
Düsseldorf, 21 February 2006
Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Göttgens ppa. Lotz
Wirtschaftsprüfer Wirtschaftsprüfer
(German Chartered Accountant)

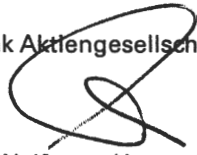
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Düsseldorf, 7. Juli 2006

Düsseldorfer Hypothekenbank Aktiengesellschaft



Dr. Michael Kosche



Wolfgang Hampel

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