



Landesbank Baden-Württemberg

(a public law institution of the State of Baden-Württemberg in the Federal Republic of Germany)
as Issuer

**Euro 50,000,000,000 Programme for the
Issuance of Debt Securities**

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"), in its capacity as competent authority in Luxembourg for the purpose of the Luxembourg law dated 10 July 2005 on prospectuses for securities (the "Luxembourg Prospectus Law"), which implements Directive 2003/71/EC, as amended from time to time (the "Prospectus Directive") to approve this base prospectus (as supplemented from time to time, the "Base Prospectus") as a base prospectus issued in compliance with the Prospectus Directive and the relevant implementing provisions of the Luxembourg Prospectus Law for the purpose of giving information with regard to the issue of Securities (as defined below). This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. With regard to Securities which will neither be listed on the Luxembourg Stock Exchange and traded on the regulated market of the Luxembourg Stock Exchange nor be offered in Luxembourg, the CSSF is not the competent authority for such issue of Securities.

Pursuant to article 7 (7) of the Luxembourg Prospectus Law, the CSSF does not assume any responsibility as to the economic and financial soundness of any issue of Securities under the Programme and the quality or solvency of the Issuer.

Landesbank Baden-Württemberg ("LBBW", the "Bank" or the "Issuer" or, LBBW together with its consolidated subsidiaries, "LBBW Group") may issue (i) instruments ("Instruments"), Pfandbriefe ("Pfandbriefe") and Global Jumbo Pfandbriefe ("Global Jumbo Pfandbriefe") when acting through its head office and (ii) Instruments when acting through its branches in London and Singapore and New York and the applicable Final Terms or, as the case may be, the Drawdown Prospectus (in each case as defined below) will set out in its respective title through which LBBW is acting for such issue, or whether LBBW is acting through its head office for such issue. **LBBW, acting through its New York branch, shall not issue any Instruments in bearer form. This restriction does not relate to any Instruments in registered form issued by LBBW, acting through its New York branch or any Instruments issued by LBBW, acting through its head office or Singapore or London Branch.**

As used herein, the Instruments, Pfandbriefe and Global Jumbo Pfandbriefe shall together be the "Securities" and each, a "Security" unless the context requires otherwise and such term shall be construed in the context of such Securities as the Issuer may issue under this Programme.

Application has been made for the Securities to be admitted during the period of twelve months after the date hereof to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated market (*Bourse de Luxembourg*) of the Luxembourg Stock Exchange and to listing on the regulated market of the Stuttgart Stock Exchange (each a "Regulated Market"). Each Regulated Market is a regulated market for the purpose of Directive 2004/39/EC on Markets in Financial Instruments. Furthermore, application may be made for Pfandbriefe and Global Jumbo Pfandbriefe to be admitted to trading on the regulated market of the Frankfurt Stock Exchange. The Programme also provides for Securities (i) not to be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system; or (ii) to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as the Issuer and the relevant Dealer(s) (as defined below) may agree and as specified in the applicable Final Terms or, as the case may be, the Drawdown Prospectus.

The minimum denomination of each Security admitted to trading on an exchange located in the European Economic Area ("EEA") or offered to the public in a member state of the EEA (each an "EEA Member State" or the "EEA Member State(s)") in circumstances which require the publication of a prospectus under the Prospectus Directive will be at least EUR 1,000 (or, if the Securities are denominated in a currency other than Euro, the equivalent in such other currency).

The Securities have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. The Securities are being offered and sold in the United States only to qualified institutional buyers in accordance with Rule 144A under the Securities Act ("Rule 144A"), and outside the United States to or for the account or benefit of non-U.S. persons in accordance with Regulation S. See "Notice To Purchasers And Holders Of Restricted Securities And Transfer Restrictions" for additional information about eligible offerees and transfer restrictions. Prospective investors should have regard to the Risk Factors described under the section headed "Risk Factors" on page 49.

Arranger for the Programme

MORGAN STANLEY

Dealers

BARCLAYS
CITIGROUP
CRÉDIT AGRICOLE CIB
DAIWA CAPITAL MARKETS EUROPE
DZ BANK AG
HSBC
LANDESBANK BADEN-WÜRTTEMBERG
MORGAN STANLEY
NOMURA
THE ROYAL BANK OF SCOTLAND

UNICREDIT BANK

BNP PARIBAS
COMMERZBANK
CREDIT SUISSE
DEUTSCHE BANK
GOLDMAN SACHS INTERNATIONAL
J.P. MORGAN
MIZUHO SECURITIES
NATIXIS
RBC CAPITAL MARKETS
UBS INVESTMENT BANK

LBBW accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of LBBW who has taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

LBBW has confirmed to the dealers named under "*Subscription and Sale*" (together, the "**Dealers**") that this Base Prospectus is true, accurate and complete in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Securities, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. LBBW has further confirmed to the Dealers that this Base Prospectus when read together with relevant final terms (each, the "**Final Terms**") or a drawdown prospectus (each, the "**Drawdown Prospectus**") referred to herein contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the relevant Securities.

LBBW has not authorised the making or provision of any representation or information regarding itself or the Securities other than as contained or incorporated by reference in, or is consistent with any such representation or any such information in, this Base Prospectus, the Dealership Agreement (as defined herein) or any Final Terms or Drawdown Prospectus or as approved or provided for such purpose by the Issuer or (in the case of the provision of any information regarding the Issuer or the Securities) as is already in the public domain. Any such representation or information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

Save for LBBW, no person has authorised the whole or any part of this Base Prospectus. No representation or warranty is made or implied by the Dealers (acting in their capacity as such) or any of their respective affiliates, and neither the Dealers (acting in their capacity as such) nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained herein.

This Base Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated by reference herein and in relation to any Series and Tranche of Securities, should be read and construed together with the Final Terms or Drawdown Prospectus.

Each person contemplating making an investment in the Securities must make its own investigation, analysis and appraisal of the financial condition, creditworthiness and other affairs of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

Neither the delivery of this Base Prospectus or any Final Terms or Drawdown Prospectus nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this document by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus, any Final Terms and Drawdown Prospectus and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus and any Final Terms or Drawdown Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of

this Base Prospectus or any Final Terms or Drawdown Prospectus and other offering material relating to the Securities see "*Subscription and Sale*" and "*Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions*". In particular, the Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and the Securities may be in bearer form, which are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons. Securities may be offered and sold outside the United States in reliance on Regulation S and in the United States to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A) in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Instruments may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Neither this Base Prospectus nor any Final Terms or Drawdown Prospectus may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. If you purchase the Securities, you will be deemed to have made certain acknowledgements, representations and warranties as detailed under "*Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions*".

The Registered Instruments and Global Jumbo Pfandbriefe are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear financial risk on an investment in the Registered Instruments or Global Jumbo Pfandbriefe for an indefinite period of time. See "*Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions*".

The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than the Passport Countries (as defined below), or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of the Securities or distribution of this Base Prospectus in any jurisdiction, other than Luxembourg and the Passport Countries, where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Base Prospectus, any document incorporated by reference, 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 and the Dealers have represented and agreed to the same. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States and the EEA (see "*Subscription and Sale*"). Neither the Issuer nor any Dealer makes any representation to you that the Securities are a legal investment for you.

Neither the Issuer nor any of the Dealers has authorised the making of any Public Offer of any Securities by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Securities unless (1) the offer is made by an Authorised Offeror (as defined below) or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive and any other applicable law. Any such unauthorised offers are not made on behalf of the Issuer, any Dealer or any Authorised Offeror and none of the Issuer, any Dealer or any Authorised Offeror has any responsibility or liability for such offers or the actions of any person making such offers.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE SECURITIES TO AN INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN

ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATION, SETTLEMENT ARRANGEMENTS AND ANY EXPENSES OR TAXES TO BE CHARGED TO THE INVESTOR (THE "TERMS AND CONDITIONS OF THE PUBLIC OFFER"). THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO INVESTORS BY THAT AUHTORISED OFFEROR AT THE RELEVANT TIME. NONE OF THE ISSUER, ANY OF THE DEALERS OR OTHER AUTHORISED OFFERORS HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, AND NONE OF THE FOREGOING AUTHORITIES HAVE PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Base Prospectus nor any Final Terms or Drawdown Prospectus constitutes an offer or an invitation by or on behalf of the Issuer, the Arranger or any Dealer to subscribe for or purchase any Securities; and this Base Prospectus, any Final Terms or Drawdown Prospectus or any information supplied in connection therewith or in connection with any Securities should not be considered as a recommendation by or on behalf of the Issuer, the Arranger, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus or such information should subscribe for or purchase any Securities. Each recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

All references in this Base Prospectus to "**CHF**" and "**Swiss Francs**" are to the lawful currency of Switzerland, references to "**dollars**", "**USD**", "**U.S. dollars**", "**U.S.\$**" "**United States dollars**" or "**\$**" are to the currency from time to time of the United States of America, references to "**Sterling**" and "**£**" refer to the currency of the United Kingdom, references to the "**Euro**" or "**EUR**" or "**€**" are to the single currency which was 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 (the "**Treaty**").

References in this Base Prospectus to "**Passported Countries**" shall mean the EEA Member State(s) whose competent authorities have received from the CSSF: (i) a copy of the Base Prospectus; (ii) a certificate of approval pursuant to Article 18 of the Prospectus Directive attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive; and (iii) if so required by the relevant EEA Member State(s), a translation of the summary of this Base Prospectus.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resale of Securities that are "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer will, at its expense, furnish upon the request of a holder of such Securities or of a beneficial owner of an interest therein, to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Issuer is not a reporting company under Section 13 or

Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

STABILISATION

In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) named as the stabilising manager(s) (each a "Stabilising Manager" and together, the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or Drawdown Prospectus may over allot Securities or effect transactions with a view to supporting the market price of the Securities 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 Securities 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 Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)).

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE OR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*should*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Base Prospectus containing information on or relating to, among other things, future earning capacity, plans and expectations regarding the Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Base Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The business of the Issuer is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Base Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this

Base Prospectus: "*Summary of the Base Prospectus*", "*Risk Factors*", "*Description of LBBW*" and "*Business of LBBW*". The sections "*Risk Factors*", "*Description of LBBW*" and "*Business of LBBW*" include more detailed descriptions of factors that might have an impact on the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Base Prospectus may not occur. In addition, neither the Issuer nor the Arranger or the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Securities, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Securities. In relation to the different types of Securities which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Securities which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Securities.

Any information relating to the Securities which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Securities may be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Securities, may be contained in a Drawdown Prospectus (or may be contained in any other document in a manner permitted under the Prospectus Directive).

For a Tranche of Securities which is the subject of Final Terms, this Base Prospectus must be read in conjunction with such Final Terms. The terms and conditions applicable to any particular Tranche of Securities which is the subject of Final Terms are the Terms and Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Securities which is the subject of a Drawdown Prospectus will be the Terms and Conditions as amended, completed and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Securities or (2) by a registration document (the "Registration Document") containing the necessary information relating to the Issuer, a securities note (the "Securities Note") containing the necessary information relating to the relevant Securities and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Securities will be included in the Securities Note.

An issue specific summary will not be produced for any issue of Instruments or Pfandbriefe which have a minimum denomination of Euro 100,000 or the equivalent in another currency.

SUMMARY OF THE BASE PROSPECTUS

Summaries are made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the specification of "Not applicable".

Element	Section A – Introduction and Warnings
A.1	Warnings This summary (the "Summary") should be read as an introduction to this Prospectus. Any decision by an investor to invest in any tranche of the [Instruments] [Pfandbriefe] should be based on consideration of the Prospectus as a whole by the investor, including the documents incorporated by reference, any supplement to this Prospectus and the relevant Final Terms. Where a claim relating to the information contained in this Prospectus, the documents incorporated by reference, any supplement to this Prospectus and the applicable Final Terms is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus, the documents incorporated by reference, any supplement to this Prospectus and the applicable Final Terms before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such [Instruments] [Pfandbriefe].
A.2	Consent by the Issuer or person responsible for drawing up the Base Prospectus to the use of the Base Prospectus for subsequent resale or final placement of Securities by financial intermediaries and indication of the offer period within which subsequent resale or final placement of Securities by financial intermediaries can be made and for which consent to use the Base [Each of [●] [and/or each of [●] as financial intermediary] subsequently reselling or finally placing the [Instruments] [Pfandbriefe] in [Luxembourg] [,][and] [Germany] [,][and] [Austria] [,][and] [The Netherlands] [,][and] [The United Kingdom] is entitled to use the Prospectus for the subsequent resale or final placement of the [Instruments] [Pfandbriefe] during the offer period of the [Instruments] [Pfandbriefe] from [●] to [●], provided

Prospectus is given.
Any other conditions attached to the consent which are relevant for the use of the Base Prospectus

however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended from time to time).

When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.]

[Not Applicable. The Issuer does not give its consent to the use of the Base Prospectus.]

[In the event of an offer being made by a Dealer and/or a further financial intermediary, the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the [Instruments] [Pfandbriefe] at the time of that offer.]

Element		Section B –Issuer
B.1	Legal name	Landesbank Baden-Württemberg
	Commercial name	Landesbank Baden-Württemberg, LBBW
B.2	Domicile	The registered offices of LBBW are in Stuttgart, Karlsruhe, Mannheim, and Mainz
	Legal form & Legislation	Landesbank Baden-Württemberg is an institution under public law with legal capacity.
	Country of incorporation	Germany
B.4b	Known trends affecting the Issuer and the industries in which it operates	Due to the financial crisis, additionally regulatory requirements have been discussed and partly already been decided on a national and international level. Many of these regulatory changes, such as increased capital, liquidity and governance requirements based on Basel III rules are still in implementation. Further regulatory requirements as <i>inter alia</i> the European Banking Union will constitute new challenges for banks over the next few years.
B.5	Description of the group and the Issuer's position within the group	LBBW is the parent company of LBBW Group
		LBBW Group means LBBW and the consolidated subsidiaries
B.9	Profit forecast or estimate	Not Applicable. Profit forecasts or profit estimates are not created by the Issuer.
B.10	Nature of any qualifications in the audit report on historical	Not Applicable. For the 2013 and 2014 annual financial statements and the 2013 and 2014

financial information

consolidated financial statements an unqualified auditor's certificate was granted.

B.12

Selected historical key financial information

The consolidated financial statements for the 2014 financial year and the 2013 financial year were prepared in accordance with the regulations of the International Financial Reporting Standards (IFRS) as applicable in the European Union and additional in accordance with the regulations of section 315a (1) of the German Commercial Code (HGB). The standards and interpretations published at the time of preparation of the financial statements, adopted by the European Union and relevant and binding for the Group, are authoritative.

¹ Restatement of prior year accounts

Assets	31 Dec 2014 EUR million	31 Dec 2013 ¹⁾ EUR million	Change 2014/2013	
			EUR million	in %
Cash and cash equivalents	1,936	2,156	-220	-10.2
Loans and advances to banks	38,424	47,625	-9,201	-19.3
Loans and advances to customers	113,195	111,453	1,742	1.6
Allowances for losses on loans and advances	-1,594	-2,201	607	-27.6
Financial assets measured at fair value through profit or loss	79,884	70,105	9,779	13.9
Financial investments and shares in investments accounted for using the equity method	29,352	40,957	-11,605	-28.3
Portfolio hedge adjustment attributable to assets	750	355	395	>100
Non-current assets held for sale and disposal groups	93	727	-634	-87.2
Intangible assets	489	494	-5	-1.0
Investment property	705	481	224	46.6
Property and equipment	644	646	-2	-0.3
Current income tax assets	219	179	40	22.3
Deferred income tax assets	1,095	1,059	36	3.4
Other assets	1,038	610	428	70.2
Total assets	266,230	274,646	-8,416	-3.1

¹⁾ Adjustment of prior year values.

Equity and liabilities	31 Dec 2014 EUR million	31 Dec 2013 ¹⁾ EUR million	Change 2014/2013	
			EUR million	in %
Deposits from banks	52,314	58,045	-5,731	-9.9
Deposits from customers	69,874	82,053	-12,179	-14.8
Securitized liabilities	44,231	50,693	-6,462	-12.7
Financial liabilities measured at fair value through profit or loss	75,246	57,651	17,595	30.5
Portfolio hedge adjustment attributable to liabilities	751	685	66	9.6
Provisions	3,455	3,133	322	10.3
Liabilities from disposal groups	0	915	-915	-100.0
Current income tax liabilities	69	58	11	19.0
Deferred income tax liabilities	66	169	-103	-60.9
Other liabilities	787	742	45	6.1
Subordinated capital	6,229	7,103	-874	-12.3
Equity	13,208	13,399	-191	-1.4
Share capital	3,484	3,484	0	0.0
Capital reserve	8,240	8,240	0	0.0
Retained earnings	920	1,214	-294	-24.2
Other income	111	104	7	6.7
Unappropriated profit/loss	434	339	95	28.0
Equity attributable to non-controlling interests	19	18	1	5.6
Total equity and liabilities	266,230	274,646	-8,416	-3.1
Guarantee and surety obligations	5,574	5,933	-359	-6.1
Irrevocable loan commitments	23,432	19,071	4,361	22.9
Business volume	295,236	299,650	-4,414	-1.5

¹⁾ Adjustment of prior year values.

	31 Dec 2014	31 Dec 2013 ¹⁾
Total assets (EUR million)	266,230	274,646
Net consolidated profit/loss (EUR million)	434	339
Ratios in accordance with CRR / CRD IV (with transitional rules)		
Risk weighted assets (EUR million)	82,182	79,351
Common equity Tier 1 ratio (in %)	14.6	15.7
Total capital ratio (in %)	19.9	22.5
¹⁾ Adjustment of prior year values		

	Trend information	There has been no material adverse change in the prospects of the Issuer and LBBW Group since 31 December 2014.
	Significant change in the financial and trading position	Not Applicable. There has occurred no significant change in the financial position of the Issuer and LBBW Group since 31 December 2014.
B.13	Recent developments	Not Applicable. No significant events have occurred since 1 January 2015 which LBBW expects to affect its net assets, financial position and results of operations in any material way.
B.14	Statement of dependency upon other entities within the group	See B.5. Not Applicable. LBBW is not dependent on other entities of the LBBW Group.
B.15	Principal activities	Universal and commercial bank for business with corporate and private customers as well as the savings banks. This is flanked by efficient real estate financing and capital market products, which are also aimed at institutional customers. Central bank to savings banks in the core markets of Baden-Württemberg, Saxony, and Rhineland-Palatinate.
B.16	Major shareholders	The shareholders are the Savings Bank Association of Baden-Württemberg (<i>Sparkassenverband Baden-Württemberg</i>), the State of Baden-Württemberg, the City of Stuttgart, Landesbeteiligungen Baden-Württemberg GmbH and the Landeskreditbank Baden-Württemberg – Förderbank (" L-Bank ").
B.17	Credit ratings of the Issuer or its debt securities	The Issuer has been assigned - a long-term Deposit Rating of A2, Rating under Review up - a long-term Senior Unsecured and Issuer Rating of A2, Rating under Review up by Moody's Deutschland GmbH and a long-term credit rating in relation to senior unsubordinated debt of - A+, Outlook negative, by Fitch Deutschland GmbH The Issuer has been assigned

- a short-term Deposit Rating P-1
by Moody's Deutschland GmbH

and a short-term credit rating in relation to senior
unsubordinated debt of

- F1+
by Fitch Deutschland GmbH

[Rating of the [Instruments] [Pfandbriefe]: [●]]

Element

Section C – [Instruments] [Pfandbriefe]

C.1	Type / class / security identification number:	Class The [Instruments] [Pfandbriefe] are issued as [fixed rate] [floating rate] [zero coupon] [Instruments] [Pfandbriefe]]. [The Pfandbriefe are issued as [mortgage Pfandbriefe (<i>Hypothekenspfandbriefe</i>)] [public sector Pfandbriefe (<i>Öffentliche Pfandbriefe</i>)].] ISIN: [●] [Common Code: [●]] [German Security Code (WKN): [●]] [Other Security Code: [●]]
C.2	Currency:	[●]
C.5	Restrictions of any free transferability of the [Instruments] [Pfandbriefe]:	Not applicable. The [Instruments] [Pfandbriefe] are freely transferable, subject to the rules of the relevant clearing system and applicable law.
C.8	Rights attached to the [Instruments] [Pfandbriefe] (including the ranking and limitations to those rights):	Rights attached to the [Instruments] [Pfandbriefe] [Early redemption of the unsubordinated Instruments upon occurrence of an Event of Default] Upon the occurrence of an Event of Default, the Instruments may be redeemed in whole, but not in part, prior to their stated maturity by the Trustee or the Holders (through the Trustee), if so requested in writing by Holders in possession of at least 25 per cent. of the principal amount of the Instruments or through an Extraordinary Resolution of the Holders.] [Early Redemption of the unsubordinated Instruments at the option of the Holders at specified redemption amount(s)] The Instruments of each Holder can be redeemed at the option of the relevant Holders upon giving notice within the specified notice period to the Issuer on a date or dates specified prior to their stated maturity and at the specified redemption amount(s) [together with accrued interest to, but excluding, the relevant redemption date].]

[Status of the Instruments]

The Instruments constitute unsecured and [unsubordinated][subordinated] obligations of the Issuer ranking *pari passu* among themselves and [(except for subordinated liabilities expressed to rank junior to the subordinated Instruments)] *pari passu* with all other unsecured and [unsubordinated][subordinated] obligations of the Issuer, unless such other obligations take priority by mandatory provisions of law [or by the terms of any such other obligations]. [The Instruments are intended to qualify as Tier 2 capital (*Ergänzungskapital*) of the Issuer.]

[Status of the Pfandbriefe]

The Pfandbriefe constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsubordinated obligations of the Issuer under the same class of Pfandbriefe.

In case of an insolvency of the Issuer, claims of the Holders under the Pfandbriefe are covered mainly by a cover pool consisting of [mortgage claims] [public sector claims].]

Limitation of any rights attached to the [Instruments] [Pfandbriefe]

[Not applicable. There are no limitations of the rights attached to the [Instruments] [Pfandbriefe].]

[The Issuer may redeem the [Instruments] [Pfandbriefe] prior to the maturity date [and/or make certain amendments to the terms and conditions if so provided for in the relevant Final Terms].]

[Early redemption of the Instruments following the occurrence of [a Change in Law] [and/or] [Hedging Disruption] [and/or] [Increased Cost of Hedging]

The Instruments can be redeemed at the option of the Issuer following the occurrence of [a Change in Law][and/or][a Hedging Disruption][and/or]Increased Cost of Hedging] upon giving appropriate notice to the Holders at the specified redemption amount [together with accrued interest].

["Change in Law" means that, due to the adoption or change of any law or a change in the interpretation or application of any law by any court or regulatory authority, the Issuer's (x) transactions to hedge its risk with respect to the Instruments become (or will become) illegal, (y) costs in performing its obligations under the Instruments or managing its transactions to hedge its risk with respect to the Instruments have materially increased or will materially increase and/or (z) regulatory capital treatment of the Instruments and/or its transactions to hedge its risk with respect to the Instruments have or will become materially less favourable.]

["Hedging Disruption" means that the Issuer has or will have difficulties to enter into or manage transactions to hedge its risk with respect to the Instruments or realize/remit the

proceeds of any such transactions.]

["Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax or other expenses to enter into or manage transactions to hedge its risk with respect to the Instruments or realise/remit the proceeds of any such transactions other than where this is the result solely of the Issuer's creditworthiness deterioration.]

[Early redemption of the Instruments for taxation reasons

The Instruments can be redeemed in whole, but not in part, prior to their stated maturity at the option of the Issuer for taxation reasons. Early Redemption of the Instruments for reasons of taxation will be permitted, if as a result of any change in, or amendment to the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of the relevant jurisdiction, the Issuer will become obligated to pay additional amounts on the Instruments. [This call option of the Issuer is subject to the prior permission (if required) of the competent regulatory authority.]]

[Early Redemption at the option of the Issuer at specified redemption amount(s)

The [Instruments] [Pfandbriefe] can be redeemed in whole or in part, at the option of the Issuer upon giving notice within the specified notice period to the Holders on a date or dates specified prior to their stated maturity and at the specified redemption amount(s) [together with accrued interest to, but excluding, the relevant redemption date]. [This call option of the Issuer is subject to the prior permission (if required) of the competent regulatory authority.]]

[Redemption of Instalment Instruments

These Instruments will not be repaid in one amount but in several instalments, as set out in the Final Terms until the maturity date on which the final instalment will be paid.]

[Early redemption of the subordinated Instruments for regulatory reasons

The subordinated Instruments may be redeemed prior to their stated maturity and subject to the prior permission of the competent regulatory authority at the option of the Issuer if the Instruments (i) are disqualified from Tier 2 Capital pursuant to the applicable provisions or (ii) are in any other way subject to a less favourable treatment as own funds than on the Issue Date.]

C.9

Interest:

See C.8.

Interest rate:

[Fixed Rate [Instruments] [Pfandbriefe]

The [Instruments] [Pfandbriefe] bear interest throughout the entire term of the [Instruments] [Pfandbriefe] at the rate[s] of interest that [has] [have] been determined prior to the issue of

the [Instruments] [Pfandbriefe]. [The interest rate is [●]% *per annum* and remains the same throughout the term of the [Instruments] [Pfandbriefe].] [The interest rate [increases] [and] [decreases] throughout or partially through the term of the [Instruments] [Pfandbriefe] (the "[Step-up] [and] [Step-down] [Instruments] [Pfandbriefe]") and is [●]% *per annum* [at the dates and to the rates specified].]

[Fixed Rate Subordinated Resettable Instruments]

[Prior to [●] (the "Reset Date"), the Instruments bear a fixed interest income ("**Resettable Instruments**") of [●]% *per annum* for the first [●] interest periods, and for subsequent interest periods the Instruments will bear interest at a rate determined (and as adjusted for the applicable margin of [●]) on the basis of the [●] rate ([●]) appearing at the agreed time on the agreed screen page (the "**Reset Interest Rate**").]

[Floating Rate [Instruments] [Pfandbriefe]]

[The [Instruments] [Pfandbriefe] will bear interest at a rate determined [(and as adjusted for the applicable [margin of [●]] [factor of [●]])] on the basis of the [reference rate [(●]-EURIBOR[®])] [(●)-LIBOR[®])] [CMS rate ([●] constant maturity swap rate ("CMS") rate)] [(●)-EONIA[®])] [●] [appearing at the agreed times throughout the term of the [Instruments] [Pfandbriefe] on the agreed screen page] [(●)] (the "**Floating Interest Rate**"). [The [Instruments] [Pfandbriefe] provide for [a minimum rate of interest of [●]% *per annum*] [and] [a maximum rate of interest of [●]% *per annum*.]]]

[Prior to the start of the floating rate period, the [Instruments] [Pfandbriefe] bear a fixed interest income ("**Fixed to Floating Rate [Instruments] [Pfandbriefe]**") of [●]% *per annum* for the first [●] interest period[s] and for subsequent interest periods the [Instruments] [Pfandbriefe] will bear interest at a rate determined [(and as adjusted for the applicable [margin of [●]] [factor of [●]])] on the basis of the [reference rate [(●)-EURIBOR[®])] [(●)-LIBOR[®])] [CMS rate ([●] constant maturity swap rate ("CMS") rate)] appearing at the agreed times throughout the term of the [Instruments] [Pfandbriefe] on the agreed screen page (the "**Floating Interest Rate**"). [The [Instruments] [Pfandbriefe] provide for [a minimum rate of interest of [●]% *per annum*] [and] [a maximum rate of interest of [●]% *per annum*.]]]

[The [Instruments] [Pfandbriefe] will bear interest at a rate determined on the basis of a fixed interest rate minus the [reference rate [(●)-EURIBOR[®])] [(●)-LIBOR[®])] [CMS rate ([●] constant maturity swap rate ("CMS") rate)] appearing at the agreed times throughout the term of the [Instruments] [Pfandbriefe] on the agreed screen page (the "**Inverse Floating Rate [Pfandbriefe] [Instruments]**"). [The [Instruments] [Pfandbriefe] provide for [a minimum rate of interest of [●]% *per annum*] [and] [a maximum rate of interest of [●]% *per annum*.]]]

[The Instruments will bear interest at a rate [(and as adjusted for the applicable [margin of [●]] [factor of [●]])] equal to the

relevant ISDA Rate, whereby "**ISDA Rate**" means a rate equal to the rate which would have been payable by the Issuer had it entered into a swap transaction (to which an Interest Rate and Currency Exchange Agreement and the ISDA Definitions are applicable) with the Holder of such Instrument (the "**Floating Interest Rate**"). [The Instruments provide for [a minimum rate of interest of [●]% per annum] [and] [a maximum rate of interest of [●]% per annum.]]

[Zero Coupon [Instruments] [Pfandbriefe]

[Not applicable in the case of Zero Coupon [Instruments] [Pfandbriefe] as the [Instruments] [Pfandbriefe] will be issued without the element of periodic interest payments. The [Instruments] [Pfandbriefe] will be issued [on a discounted basis (i.e. under par value)][at their nominal amount] and redeemed at par value at maturity.]

Interest commencement date: [The issue date of the [Instruments] [Pfandbriefe]. **[insert interest commencement date]**]

[Not applicable. The [Instruments] [Pfandbriefe] do not provide for periodic interest payments.]

Interest payment date(s): **[insert interest payment date(s)]**.

[Not applicable. The [Instruments] [Pfandbriefe] do not provide for periodic interest payments.]

Underlying on which interest rate is based: [Not applicable. [Interest on the [Instruments] [Pfandbriefe] is not based on an underlying.] [The [Instruments] [Pfandbriefe] do not provide for periodic interest payments.]

[insert Reference Rate(s)][insert CMS Rate(s)]

Maturity date including repayment procedures: **[insert maturity date]** [At the maturity date, the [Instruments] [Pfandbriefe] will be redeemed at their [principal amount] [●][with the final instalment].] [Not applicable. The Instruments do not have a fixed maturity date.]

Payments of principal in respect of [Instruments] [Pfandbriefe] shall be made to the relevant clearing system or to its order for credit to the accounts of the relevant account holders of the relevant clearing system.

Indication of yield: **[●]%**

[Not applicable. The yield of the [Instruments] [Pfandbriefe] cannot be calculated as of the issue date.]

Amortisation yield: **[●]%**

[Not applicable. No amortisation yield is calculated.]

Name of representative of the Holders: **[●]** as appointed under the Trust Deed.]

[Not applicable. No Holders' Representative has been designated in the Terms and Conditions of the Pfandbriefe.]

C.10	Description of the influence of the derivative component on the interest payments under the [Instruments] [Pfandbriefe] (in case of [Instruments] [Pfandbriefe] with a derivative component):	Not applicable. The [Instruments] [Pfandbriefe] do not have a derivative component.
[C.11]	Admission to trading:	[Application has been made for [Instruments] [Pfandbriefe] to be admitted to trading on the Regulated Market of the [Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>)] [Stuttgart Stock Exchange] [Frankfurt Stock Exchange] [●].] [Not Applicable. No application has been made for an admission to trading on any stock exchange.]]
[C.21]	Markets where the Securities will be traded:	Application has been made for the Securities to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) and on the regulated market of the Stuttgart Stock Exchange. Furthermore, application may be made for the Pfandbriefe and Global Jumbo Pfandbriefe to be admitted to trading on the regulated market of the Frankfurt Stock Exchange. Furthermore, Securities may be issued under the Programme which are not admitted to trading on the Luxembourg Stock Exchange or the Stuttgart Stock Exchange or the Frankfurt Stock Exchange or any other stock exchange or which are admitted to listing and trading on any other or further stock exchange as agreed between the Issuer and the relevant Dealer(s).]

Element

Section D – Risks

D.2	Key information on the key risks that are specific to the Issuer	<u>Market Price Risk</u> Market price risk refers to potential losses in portfolio value caused by market factors including changes in interest rates, the price of shares, foreign currencies and commodities, market volatilities and credit spreads. <u>Counterparty Risk</u> The umbrella term counterparty risk describes the loss potential resulting from the fact that business partners may in future no longer be in a position to fulfill their contractually agreed payment obligations in full. Counterparty risk may occur both from direct contractual relationships (e.g. granting loans, buying a security) and indirectly, e.g. from hedging obligations (especially issuing guarantees, selling hedging via a credit derivative). <u>Liquidity Risk</u> The main risk for LBBW Group's funding potential and therefore its liquidity position is a potential loss in investor
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confidence and consequently an erosion of its funding base. The LBBW Group's liquidity could be materially adversely affected by factors the LBBW Group cannot control, which could restrict LBBW Group's access to the capital markets and limit its ability to obtain funding on acceptable terms.

Risk of a reduction in the LBBW Groups's credit ratings

A reduction in the LBBW Group's credit ratings could have a detrimental impact on LBBW Group's relationship with its investors and customers.

Operational Risk

LBBW Group is subject to operational risks. LBBW Group defines operational risks (OpRisk) as the risk of losses arising due to the unsuitability or failure of internal processes and systems, people, or due to external events. This definition also includes legal risks.

Investment Risks

Besides the risk of a potential decline in value as the result of default, there also exists the risk of receiving insufficient return or no return at all on its investments, which, however corresponds to the general book value or market value risk due to the focus on capitalized income value in the valuation of equity investments.

Real Estate Risks

Real estate risks are defined as potential negative changes in the value of LBBW Group's own real estate holdings due to deterioration of the general real estate market or deterioration in the particular attributes of an individual property.

Development Risks

Development risks are defined as the bundle of risks that typically arise when implementing commercial and residential project developments. The risks in this field mainly arise from planning and approval, the projected construction costs and deadline, and especially from letting and selling. Additional risks, such as the credit risk on the part of partners, the implementation of decisions regarding the partners, also apply if project developments are implemented in partner projects. The occurrence of these risks may also result in the forecast return not being generated, the invested capital not being recovered in full – or not at all in extreme cases – or the need for further equity injections, in case it is not non-recourse financing.

Other Risk Categories

Furthermore, there are other risk categories, such as reputation risks, pension risks and business risks.

Risks relating to the Acquisition of Sachsen LB

Losses arising from the portfolio transferred to Sealink Funding Ltd. could exceed the guarantees granted by the Free State of Saxony and the State of Baden-Württemberg for hedging LBBW's financing of Sealink.

Risks relating to regulatory changes

Banking and financial services laws may change at any time in ways which have an adverse effect on the Issuer's business, results of operation or financial condition and may materially affect the way in which the Issuer conducts business, the products or services it may offer and the value of its assets. In addition, regulatory authorities have the power to bring administrative or judicial proceedings against the Issuer, which could have a material adverse effect on the Issuer's business, results of operations or financial condition.

Stress tests may adversely affect the business of the Issuer

The Issuer may be subject to any stress testing exercise. The Issuer's results of operations may be adversely affected if LBBW or any of the financial institutions with which the Issuer does business receives negative results on such stress tests. Further, the publication of the results of the stress test could have a negative impact on the Issuer's reputation or its ability to refinance itself as well as increase its costs of funding or require other remedial actions. Further, the risks arising from the aforementioned aspects could have a material adverse effect on the Issuer's reputation, business, results of operations or financial condition.

Risks arising from the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM) and the related fund

Since November 2014, the Issuer is one of the "significant" credit institutions (which are subject to direct ECB supervision acting with the day-to-day assistance of the national competent regulatory authorities, such as BaFin) under the SSM. Procedures SSM and other regulatory initiatives could change interpretation of regulation requirements applicable and lead to additional regulatory requirements, increased cost of compliance and reporting for the Issuer. Furthermore, such developments may require re-adjustment of its business plan or having other material adverse effects on the business, results from normal operations or financial condition.

Further, pursuant to the Regulation (EU) No. 806/2014 of 15 July 2014 (the "**SRM Regulation**"), to the so-called single resolution mechanism ("**SRM**") is in the process of being established as the second pillar of the so-called EU Banking Union. Pursuant to the SRM Regulation an EU level single resolution board with centralised resolution responsibilities (the "**Board**") and a (gradually) mutualised single bank resolution fund ("**Fund**") are created. Such

Fund has been created with a view to providing medium-term funding support for the resolution of banks under certain conditions, and the funding provided by the Fund is raised through contributions from credit institutions, such as the Issuer, which may have a negative effect on the business, results from normal operations or financial condition.

Increase in regulatory activity

The global financial crisis has led to an increase in regulatory activity at national and international levels to adopt new regulations and to more strictly enforce existing regulations applicable to the financial sector, which has a significant effect on the costs of compliance and may significantly affect the activity levels of financial institutions.

Risks in relation to governmental and central bank action in response to the financial crisis

The implementation of any measures in relation to the financial crisis and with respect to other companies could adversely affect the perception of the overall prospects for the financial services sector or for a particular type or types of financial instruments. In such case the price for the financial instruments of the Issuer could drop and its costs of funding and capital could rise, which could have a material adverse effect on its business, results of operations, or financial condition.

Rights of the Holders may be adversely affected by resolution measures or Revised State Aid Guidelines

In light of changes to German law in connection with the the European Bank Recovery and Resolution Directive and the closely connected SRM, potential investors in Instruments are, if the Issuer is "non-viable" or "endangered in its existence" (within the meaning of the then applicable law) or is deemed by a resolution authority to be in such a condition and thus already prior to any liquidation or insolvency, to a particular extent exposed to a risk of default and it is likely that they will suffer a partial or full loss of their invested capital, or that Instruments will be subject to a conversion into one or more equity instruments (e.g. common equity) of the Issuer. Also, the initial debtor of Instruments (i.e. the Issuer) may be replaced by another debtor (who may have a fundamentally different risk profile or creditworthiness than the Issuer). Alternatively, the claims may remain with the original debtor, but this situation regarding the debtor's assets, business activity and/or creditworthiness may be completely different to the situation prior to the application of the resolution measure. Also, early intervention measures or ancillary requests may have a material adverse effect on its scope of business activity, results of operations or financial condition or even require the Issuer to change its legal form.

Rights of the Holders may further be adversely affected by

measures pursuant to Kreditinstitute-Reorganisationsgesetz.

Risks in relation to separation of proprietary trading

If the Issuer must separate certain trading activities pursuant to future EU proposals in relation to the Liikanen Report and/or implementation of the Trennbankengesetz, the Issuer may have a fundamentally different risk assumption or creditworthiness or it may result in other negative effects on the business model and/or the profitability of the Issuer or it may have another negative impact on the Issuer's business model which in turn may have a material prejudicial effect on Holders' rights.

Risks in relation to the sovereign debt crisis

Regulatory and political actions by European governments in response to the European sovereign debt crisis may not be sufficient to prevent the crisis from spreading or to prevent withdrawal of one or more member countries from the common currency. The withdrawal of any one or more countries from the Euro could have unpredictable consequences on the financial system and the greater economy, potentially leading to decline in business levels, write downs of assets and losses across the Issuer's businesses. The Issuer's ability to protect itself against these risks is limited.

Risks relating to consumer protection

Consumer protection requirements and laws and critical jurisprudence towards credit institutions may have an adverse effect on the Issuer's business, results of operation or financial condition.

Risks relating to changes in the deposit guarantee schemes

Amendments to the deposit guarantee schemes could, once finalized and implemented in Germany, lead to a risk of additional and possibly significant costs for the Issuer, whose dimensions are not predictable at present.

D.3 Key information on the key risks that are specific to the [Instruments] [Pfandbriefe]

Interest Rate Risk

The interest rate risk is one of the central risks of interest-bearing securities and, therefore, applies to all [Instruments][Pfandbriefe] which bear interest. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the [Instruments] [Pfandbriefe] to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In particular, holders of fixed rate [Instruments] [Pfandbriefe] are exposed to an interest rate risk that could result in a decrease in value if the market interest rate level increases. In general, the effects of this risk increase as the market interest rates increase.

Currency Risk

A holder of [Instruments] [Pfandbriefe] denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield and/or the redemption amount of such [Instruments] [Pfandbriefe].

Inflation Risk

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the [Instruments] [Pfandbriefe]. If the inflation is equal to or higher than the nominal yield, the real yield is zero or even negative.

No active trading market

There may be no active trading market for the [Instruments][Pfandbriefe] [unless, in the case of any particular tranche, such tranche is to be consolidated with and form a single series with a tranche of [Instruments][Pfandbriefe], which has already been issued].

[Risk of early redemption]

The [Instruments] [Pfandbriefe] may be redeemed [upon certain events] [and at the option of the Issuer] prior to maturity [in whole or in part] at par or at such other redemption amount as may be specified in the Final Terms. This market feature might affect the market value of the [Instruments] [Pfandbriefe]. Comparable investments might not be available at redemption.]

[Fixed Rate [Instruments] [Pfandbriefe]]

A Holder of [Fixed Rate [Instruments] [Pfandbriefe]] [Step-up][Step-down [Instruments] [Pfandbriefe] [an [Instrument] [Pfandbriefe] which provides for fixed rate of interest over a certain term] is exposed to the risk that the price of such [Instruments] [Pfandbriefe] falls as a result of changes in the market interest rate.]

[Floating Rate [Instruments] [Pfandbriefe]]

A Holder of Floating Rate [Instruments] [Pfandbriefe] is exposed to the risk of fluctuating [swap rate] [reference rate] levels and uncertain interest income. Fluctuating [swap rate] [reference rate] levels make it impossible to determine the yield of Floating Rate [Instruments] [Pfandbriefe] in advance.]

[[Instruments] [Pfandbriefe] with a multiplier (factor)]

The [Instruments] [Pfandbriefe] have a feature that for the calculation of interest payable on the [Instruments] [Pfandbriefe], an amount calculated on the basis of the interest provisions of the [Instruments] [Pfandbriefe] will be multiplied by a factor. Their market values may be even more volatile than those for [Instruments] [Pfandbriefe] that

do not include those features.]

[Inverse Floating Rate [Instruments] [Pfandbriefe]

Market values of Inverse Floating Rate [Instruments] [Pfandbriefe] are typically more volatile than market values of other conventional floating rate [Instruments] [Pfandbriefe] based on the same [reference rate] [on the same swap rate], because an increase in the [reference rate] [swap rate] not only decreases the interest rate of the [Instruments] [Pfandbriefe], but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these [Instruments] [Pfandbriefe].]

[Zero Coupon [Instruments] [Pfandbriefe]

Holders of a zero coupon [Instruments] [Pfandbriefe] are exposed to the risk that the price of such [Instruments] [Pfandbriefe] falls as a result of changes in the market interest rate. Prices of zero coupon [Instruments] [Pfandbriefe] are more volatile than prices of fixed rate [Instruments] [Pfandbriefe] and are likely to respond to a greater degree to market interest rate changes than interest bearing [Instruments] [Pfandbriefe] with a similar maturity.]

[Fixed Rate Subordinated Resettable Instruments]

Holders of Resettable Instruments which have a fixed interest rate that will be reset during the term of the Instruments are exposed to both to the risk that the price of such Instruments falls as a result of changes in the market interest rate, and the risk of fluctuating interest rate levels and uncertain interest income.]

[Clearing Systems]

Because Global [Instruments] [Pfandbriefe] representing the [Instruments] [Pfandbriefe] are held by or on behalf of [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [,] [and] [Euroclear Bank SA/NV ("Euroclear")] [,] [and] [Clearstream Banking AG, Frankfurt am Main ("CBF")] [the Depositary Trust Company ("DTC")], investors will have to rely on their procedures for transfer, payment and communication with the Issuer.]

[Safekeeping Structure]

Even if the Instruments are registered with CBL or Euroclear, the Instruments will not necessarily be recognized as eligible collateral for Eurosystem monetary policy.]

[Subordinated Instruments of the Issuer]

In the event of the dissolution, liquidation, insolvency, composition or any proceeding for the avoidance of insolvency, of or against the Issuer, the obligations under or in connection with the subordinated Instruments will be

wholly subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors and until the claims of any subordinated creditors that take priority (a) by mandatory provisions of law or (b) by the terms of the respective obligations of the Issuer shall have been satisfied in full. Further, claims under or in connection with the subordinated Instruments are exposed to the particular risks relating to resolution measures (and therefore already prior to an insolvency of the Issuer or similar aforementioned proceeding) under the BRRD, SAG and the SRM Regulation.]

[Early Redemption of Subordinated Instruments]

The subordinated Instruments may be redeemed, in whole but not in part, at the option of the Issuer and subject to the prior permission (if required) of the competent regulatory authority if in the determination of the Issuer the subordinated Instruments (i) are disqualified from Tier 2 Capital pursuant to the applicable provisions or (ii) are in any other way subject to a less favourable treatment as own funds than on the issue date. Due to the Issuer's right to an early redemption the Holder is exposed to the risk that it will receive a lower than the expected yield.]

[Permission of competent regulatory authority]

The Holders of the subordinated Instruments have no rights to call for the redemption of their Instruments and should not invest in the subordinated Instruments in the expectation that any call will be exercised by the Issuer. Even if the Issuer is granted the prior permission of the competent regulatory authority, any decision by the Issuer as to whether it will exercise a call in respect of the subordinated Instruments will be taken at the absolute discretion of the Issuer with regard to factors such as the economic and market impact of exercising a call, regulatory capital requirements and prevailing market conditions.

Holders of the subordinated Instruments should be aware that they may be required to bear the financial risks of an investment in the subordinated Instruments until final maturity of such Instruments.]

Taxation – General

The information on "Taxation" contained in the Base Prospectus is not a complete analysis of all tax considerations relating to the [Instruments] [Pfandbriefe]. Prospective purchasers of [Instruments] [Pfandbriefe] should therefore consult their own tax advisers.

[FATCA]

Under currently issued guidance, should (a) the Instruments be issued by the New York branch of LBBW or (b) the [Instruments] (other than Instruments issued by the New

York branch of the Bank) [Pfandbriefe] be issued after the date that is six months after the date on which final U.S. Treasury regulations define the term “foreign passthru payment” (the “**Passthru Payment Grandfathering Date**”), or before the Passthru Payment Grandfathering Date if the [Instruments] [Pfandbriefe] are “significantly modified” for U.S. federal income tax purposes after the Passthru Payment Grandfathering Date, then pursuant to Sections 1471 through 1474 of the Code or similar law implementing an intergovernmental approach thereto the Issuer and other financial institutions through which payments on the [Instruments] [Pfandbriefe] are made may be required to withhold U.S. tax at a rate of 30% on (x) in the case of Instruments issued by the New York branch payments of interest paid at any time and payments of principal and the gross proceeds at sale made after 31 December 2016 and (y) all, or a portion of, payments made after 31 December 2016 in respect of the [Instruments] (other than Instruments issued by the New York branch of LBBW) [Pfandbriefe]. In addition, withholding under FATCA may be triggered if the Issuer (other than Instruments issued by the New York branch of the Bank) creates and issues further [Instruments] [Pfandbriefe] in a manner that does not constitute a “qualified reopening” for U.S. federal income tax purposes after the Passthru Payment Grandfathering Date that are consolidated and form a single series with the outstanding [Instruments] [Pfandbriefe] as permitted by § 9 of the Terms and Conditions. The FATCA withholding tax may be triggered if: (a) the Issuer is the New York branch of the Bank or in the case of Instruments that are not issued by the New York branch is a foreign financial institution (as defined in FATCA) (“**FFI**”) and (b)(i) an investor does not provide information sufficient for the Issuer or FFI that is making payment to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of such FFI, (ii) in the case of Instruments issued by the New York branch of LBBW, the investor is a “non financial foreign entity” and fails to provide certain informations with respect to its substantial U.S. investors or (iii) any FFI through or to which payment on the [Instruments] [Pfandbriefe] is made is not eligible to receive payments free of FATCA withholding.

Germany has entered into an intergovernmental agreement (an “**IGA**”) with the United States to help implement FATCA for certain German financial institutions. The Issuer will be required to report certain information on its U.S. account holders to Germany in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable German law. It is not yet certain how the United States and Germany will address withholding on “foreign passthru payments” (which may include payments on [Instruments][Pfandbrief] (other than Instruments issued by the New York Branch of the Bank) or if such withholding will be required at all.

The application of FATCA to interest, principal or other amounts paid with respect to the [Instruments]

[Pfandbriefe] is not clear. If FATCA were to require that an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on (or with respect to) the [Instruments] [Pfandbriefe], then neither the Issuer, any paying agent nor any other person would, pursuant to the conditions of the [Instruments] [Pfandbriefe], be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the U.S. Internal Revenue Service, receive less interest or principal than expected.]

Market Illiquidity

There can be no assurance as to how the Instruments will trade in the secondary market or whether such market will be liquid or illiquid or that there will be a market at all.

Independent review and advice

Each prospective purchaser of [Instruments] [Pfandbriefe] must determine, based on its own independent review and such professional advice as it deems appropriate, that its acquisition of the [Instruments] [Pfandbriefe] is fully consistent with its (or if it is acquiring the [Instruments] [Pfandbriefe] in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the [Instruments] [Pfandbriefe] as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the [Instruments] [Pfandbriefe] in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the [Instruments] [Pfandbriefe].

Element	Section E – Offer
E.2b Reasons for the offer and use of proceeds:	[The Issuer will use the proceeds for general funding purposes.] [●]
[E.3] Description of the terms and conditions of the offer:	[insert aggregate principal amount] [insert issue price] [insert minimum subscription size] [insert type of distribution] [insert start and end of marketing or subscription period] [insert any underwriting or distribution by dealers or distributors] [insert other or further conditions to which the offer is subject]]
E.4 Description of any interest to the issue/offer including conflicting interests:	[●]
E.7 Estimated expenses charged to the investor by the Issuer or the Dealer:	[●]

Eine emissionsspezifische Zusammenfassung wird nicht für Schuldverschreibungen oder Pfandbriefe erstellt, die eine Mindeststückelung von Euro 100.000 oder dem entsprechenden Gegenwert in einer anderen Währung haben.

ZUSAMMENFASSUNG DES BASISPROSPEKTS

Zusammenfassungen bestehen aus Offenlegungspflichten, die als Elemente (die "Elemente") bezeichnet werden. Diese Elemente sind eingeteilt in Abschnitte A – E (A.1 – E.7). Diese Zusammenfassung enthält alle Elemente, die in einer Zusammenfassung für diese Art von Schuldverschreibungen, die Emittentin und die Garantin enthalten sein müssen. Da einige Elemente nicht zwingend angegeben werden müssen, können Lücken in der Aufzählung entstehen. Auch wenn ein Element in die Zusammenfassung aufgrund der Art der Schuldverschreibungen, der Emittentin und der Garantin aufgenommen werden müssen, ist es möglich, dass keine zutreffende Information hinsichtlich dieses Elements angegeben werden kann. In diesem Fall ist eine kurze Beschreibung des Elements mit dem Hinweis "Entfällt" enthalten

Punkt

Abschnitt A – Einleitung und Warnhinweise

A.1 Warnhinweise

Diese Zusammenfassung (die "**Zusammenfassung**") ist als Einleitung zum Prospekt zu verstehen.

Der Anleger sollte jede Entscheidung, in eine Tranche der [Schuldverschreibungen] [Pfandbriefe] zu investieren, auf den Prospekt als Ganzen stützen, einschließlich der Dokumente, die durch Verweis einbezogen sind, eines Nachtrag zu diesem Prospekt und der jeweiligen Endgültigen Bedingungen.

Ein Anleger, der wegen der in dem Prospekt, den durch Verweis einbezogenen Dokumenten, einem Nachtrag zu diesem Prospekt und den jeweiligen Endgültigen Bedingungen enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften des jeweiligen Gerichts möglicherweise für die Übersetzung des Prospekts, der durch Verweis einbezogenen Dokumenten, eines Nachtrag zu diesem Prospekt und den jeweiligen Endgültigen Bedingungen aufkommen, bevor das Verfahren eingeleitet werden kann.

Zivilrechtlich haften nur die Personen, die die Zusammenfassung samt etwaiger Übersetzung vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden [Schuldverschreibungen] [Pfandbriefe] für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.

A.2 Zustimmung des Emittenten oder der für die Erstellung des Basisprospekts verantwortlichen Person zur Verwendung des Basisprospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre und Angabe der Angebotsfrist, innerhalb derer die spätere Weiterveräußerung oder endgültige Platzierung von

[Jeder [●] [und/oder jeder [●] als Finanzintermediär], der die begebenen [Schuldverschreibungen] [Pfandbriefe] nachfolgend in [Luxemburg] [,][und] [Deutschland] [,][und] [Österreich] [,][und] [den Niederlanden] [,][und] [dem Vereinigten Königreich] weiter verkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der [Schuldverschreibungen] [Pfandbriefe] während der Angebotsperiode für den späteren Weiterverkauf oder die endgültige Platzierung vom [●] bis [●] zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 des Luxemburger Wertpapierprospektgesetzes (*Loi relative aux prospectus pour valeurs mobilières*), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (wie von Zeit zu Zeit geändert) umsetzt, noch gültig ist.

Wertpapieren durch Finanzintermediäre erfolgen kann und für die die Zustimmung zur Verwendung des Basisprospekts erteilt wird.

Alle sonstigen Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Basisprospekts relevant sind.

Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeweiliger weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.]

[Nicht anwendbar. Die Emittentin erteilt keine Zustimmung zur Prospektnutzung.]

[Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der [Schuldverschreibungen] [Pfandbriefe].]

Punkt	Abschnitt B –Emittentin	
B.1	Juristischer Name	Landesbank Baden-Württemberg
	Kommerzieller Name	Landesbank Baden-Württemberg, LBBW
B.2	Sitz	In Deutschland unterhält die LBBW Hauptsitze in Stuttgart, Karlsruhe, Mannheim und Mainz.
	Rechtsform, Rechtsordnung	Die Landesbank Baden-Württemberg ist eine rechtsfähige Anstalt des öffentlichen Rechts
	Ort der Registrierung	Bundesrepublik Deutschland
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Aufgrund der Finanzmarktkrise wurden zusätzliche regulatorische Anforderungen auf nationaler und internationaler Ebene diskutiert und teilweise bereits umgesetzt. Viele dieser regulatorischen Änderungen, wie beispielsweise erhöhte Kapital-, Liquiditäts- und Governanceanforderungen gemäß Basel III sind schon in der Umsetzung. Weitere Regulierungsmaßnahmen wie bspw. die europäische Bankenunion werden Banken in den kommenden Jahren vor neue Herausforderungen stellen.
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	LBBW ist die Muttergesellschaft des LBBW-Konzerns.
		LBBW-Konzern bezeichnet die Landesbank Baden-Württemberg und ihre konsolidierten Tochterunternehmen.
B.9	Gewinnprognosen oder – schätzungen	Nicht anwendbar. Gewinnprognosen oder – schätzungen werden von der Emittentin nicht erstellt.
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Für den Jahresabschluss und Konzernabschluss 2013 und 2014 wurde ein uneingeschränkter Bestätigungsvermerk erteilt.

B.12 Wesentliche Historische Finanzkennzahlen

Die Aufstellung des Konzernabschlusses des LBBW-Konzerns für das Geschäftsjahr 2014 sowie für das Geschäftsjahr 2013 erfolgte in Übereinstimmung mit den International Financial Reporting Standards (IFRS), wie sie in der EU anzuwenden sind, und den ergänzend nach § 315a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften. Maßgeblich sind diejenigen Standards und Interpretationen anzuwenden, die zum Zeitpunkt der Abschlusserstellung veröffentlicht, von der Europäischen Union übernommen und für den Konzern relevant und verpflichtend waren.

Aktiva	31.12.2014 Mio. EUR	31.12.2013 ¹⁾ Mio. EUR	Veränderung	
			Mio. EUR	in %
Barreserve	1 936	2 156	- 220	-10,2
Forderungen an Kreditinstitute	38 424	47 625	- 9 201	-19,3
Forderungen an Kunden	113 195	111 453	1 742	1,6
Risikovorsorge	- 1 594	- 2 201	607	-27,6
Erfolgswirksam zum Fair Value bewertete finanzielle Vermögenswerte	79 884	70 105	9 779	13,9
Finanzanlagen und Anteile an at Equity bewerteten Unternehmen	29 352	40 957	- 11 605	-28,3
Aktivisches Portfolio Hedge Adjustment	750	355	395	>100
Zur Veräußerung gehaltene langfristige Vermögenswerte und Veräußerungsgruppen	93	727	- 634	-87,2
Immaterielle Vermögenswerte	489	494	- 5	-1,0
Als Finanzinvestition gehaltene Immobilien	705	481	224	46,6
Sachanlagen	644	646	- 2	-0,3
Laufende Ertragsteueransprüche	219	179	40	22,3
Latente Ertragsteueransprüche	1 095	1 059	36	3,4
Sonstige Aktiva	1 038	610	428	70,2
Summe der Aktiva	266 230	274 646	- 8 416	-3,1

¹⁾ Korrektur Vorjahreswerte

Passiva	31.12.2014 Mio. EUR	31.12.2013 ¹⁾ Mio. EUR	Veränderung	
			Mio. EUR	in %
Verbindlichkeiten gegenüber Kreditinstituten	52 314	58 045	- 5 731	-9,9
Verbindlichkeiten gegenüber Kunden	69 874	82 053	- 12 179	-14,8
Verbriefte Verbindlichkeiten	44 231	50 693	- 6 462	-12,7
Erfolgswirksam zum Fair Value bewertete finanzielle Verpflichtungen	75 246	57 651	17 595	30,5
Passivisches Portfolio Hedge Adjustment	751	685	66	9,6
Rückstellungen	3 455	3 133	322	10,3
Verbindlichkeiten aus Veräußerungsgruppen	0	915	- 915	-100,0
Laufende Ertragsteuerverpflichtungen	69	58	11	19,0
Latente Ertragsteuerverpflichtungen	66	169	- 103	-60,9
Sonstige Passiva	787	742	45	6,1
Nachrangkapital	6 229	7 103	- 874	-12,3
Eigenkapital	13 208	13 399	- 191	-1,4
Stammkapital	3 484	3 484	0	0,0
Kapitalrücklage	8 240	8 240	0	0,0
Gewinnrücklage	920	1 214	- 294	-24,2
Sonstiges Ergebnis	111	104	7	6,7
Bilanzgewinn/-verlust	434	339	95	28,0
Nicht beherrschende Anteile	19	18	1	5,6
Summe der Passiva	266 230	274 646	- 8 416	-3,1
Bürgschafts- und Gewährleistungsverpflichtungen	5 574	5 933	- 359	-6,1
Unwiderrufliche Kreditzusagen	23 432	19 071	4 361	22,9
Geschäftsvolumen	295 236	299 650	- 4 414	-1,5

¹⁾ Korrektur Vorjahreswerte

	31.12.2014	31.12.2013 ¹⁾
Konzern-Bilanzsumme (in Mio. EUR)	266 230	274 646
Konzernergebnis (in Mio. EUR)	434	339
Kennzahlen gemäß CRR/CRD IV (mit Übergangsvorschriften)²⁾		
Risikogewichtete Aktiva (in Mio. EUR)	82 182	79 351
Harte Kernkapitalquote (in %)	14,6	15,7
Gesamtkapitalquote (in %)	19,9	22,5

Ausblick	Seit dem 31. Dezember 2014 sind keine wesentlichen negativen Veränderungen in den Aussichten der Emittentin und des LBBW-Konzerns eingetreten.
Wesentliche Veränderungen in der Finanz- bzw. Handelsposition	Nicht anwendbar. Seit dem 31. Dezember 2014 sind keine wesentlichen Veränderungen in der Finanzlage der Emittentin und des LBBW-Konzerns eingetreten.
B.13 Letzte Entwicklungen	Nicht anwendbar. Seit dem 1. Januar 2015 sind keine Vorgänge von besonderer Bedeutung eingetreten, von denen der LBBW-Konzern einen wesentlichen Einfluss auf die Vermögens-, Finanz- und Ertragslage des LBBW-Konzerns erwartet.
B.14 Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Siehe B.5. Nicht anwendbar. Die Emittentin ist als Muttergesellschaft des LBBW-Konzerns nicht von anderen Unternehmen der Gruppe abhängig.
B.15 Haupttätigkeiten	Universal- und Geschäftsbank für Bankgeschäfte in den Geschäftsfeldern Firmenkunden, Privatkunden und Sparkassen. Flankiert wird dies durch leistungsfähige Immobilienfinanzierungs- und Kapitalmarktprodukte auch für institutionelle Kunden. Sparkassenzentralbank für die Sparkassen in den Kernmärkten Baden-Württemberg, Sachsen und Rheinland-Pfalz.
B.16 Hauptanteilseigner	Anteilseigner der LBBW sind der Sparkassenverband Baden-Württemberg, das Land Baden-Württemberg, die Landeshauptstadt Stuttgart, die Landesbeteiligungen Baden-Württemberg GmbH sowie die Landeskreditbank Baden-Württemberg – Förderbank (" L-Bank ").
B.17 Kreditratings der Emittentin oder ihrer Schuldtitel	Ratings für langfristige, nicht garantierte und nicht nachrangige Wertpapiere der LBBW Moody's Deutschland GmbH: - Long-term Deposits: A2, Rating under Review up - Long-term Senior Unsecured Rating und Issuer Rating: A2, Rating under Review up Fitch Deutschland GmbH: - Langfristige A+, Ausblick negativ Ratings für kurzfristige, nicht garantierte und nicht nachrangige Wertpapiere der LBBW: Moody's Deutschland GmbH - Short-term Deposits P-1,

Fitch Deutschland GmbH:
- Kurzfrist-Rating F1+

[Rating der [Schuldverschreibungen] [Pfandbriefe]:
[●]]

Punkt

Abschnitt C – [Schuldverschreibungen] [Pfandbriefe]

**C.1 Gattung und Art der Gattung
[Schuldverschreibungen] [Pfandbriefe] /
ISIN**

Die [Schuldverschreibungen] [Pfandbriefe] werden als [festverzinsliche] [variabel verzinsliche] Nullkupon- [Schuldverschreibungen] [Pfandbriefe] begeben. [Die Pfandbriefe werden als [Hypothekenzinspfandbriefe] [öffentliche Pfandbriefe] begeben.]

ISIN: [●]

[Common Code: [●]]

[WKN: [●]]

[Andere Wertpapierkennnummer: [●]]

C.2 Währung: [●]

C.5 Beschränkungen der freien Übertragbarkeit der [Schuldverschreibungen] [Pfandbriefe]: Nicht anwendbar. Die [Schuldverschreibungen] [Pfandbriefe] sind frei übertragbar, vorbehaltlich der Regeln des betreffenden Clearingsystems und anwendbaren Rechts.

C.8 Rechte, die mit den [Schuldverschreibungen] [Pfandbriefen] verbunden sind (einschließlich des Rangs und einer Beschränkung dieser Rechte): **Rechte, die mit den [Schuldverschreibungen] [Pfandbriefen] verbunden sind**
[Vorzeitige Rückzahlung der nicht nachrangigen Schuldverschreibungen im Falle eines Kündigungsereignisses]

Die Schuldverschreibungen können vor Ablauf ihrer festgelegten Laufzeit durch den Treuhänder oder den Gläubiger (über den Treuhänder) vollständig, aber nicht teilweise, bei Eintritt eines Kündigungsgrundes fällig gestellt werden, sofern dies von wenigstens 25% der Gläubiger schriftlich oder im Wege eines außerordentlichen Gläubigerbeschlusses gefordert wird.]

[Vorzeitige Rückzahlung nach Wahl der Gläubiger zu dem festgelegten Rückzahlungsbetrag]

Die Schuldverschreibungen eines jeden Gläubigers sind nach seiner Wahl unter Einhaltung der festgelegten Kündigungsfrist durch Kündigung gegenüber der Emittentin rückzahlbar, und zwar zu dem(n) festgelegten Zeitpunkt(en) vor der angegebenen Fälligkeit und zu dem(n) festgelegten Rückzahlungsbetrag(beträgen) [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen].]

[Status der Schuldverschreibungen]

Die Schuldverschreibungen stellen unbesicherte und [nicht nachrangige] [nachrangige] Verbindlichkeiten der Emittentin dar, die untereinander und [(mit Ausnahme von nachrangigen Verbindlichkeiten, die als nachrangig gegenüber den nachrangigen Schuldverschreibungen bezeichnet werden)] mit allen anderen unbesicherten und [nicht nachrangigen] [nachrangigen] Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von anderen Verbindlichkeiten, denen durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird [oder denen durch die Bedingungen dieser Verbindlichkeiten ein Vorrang eingeräumt wird]. [Die Schuldverschreibungen sollen als Ergänzungskapital (*Tier 2*) der Emittentin eingeordnet werden.]]

[Status der Pfandbriefe]

Die Pfandbriefe stellen nicht nachrangige Verbindlichkeiten der Emittentin dar, die untereinander und mit allen anderen nicht nachrangigen Verbindlichkeiten der Emittentin unter der gleichen Kategorie von Pfandbriefen gleichrangig sind.

Im Falle einer Insolvenz der Emittentin steht für die Befriedigung der Ansprüche der Pfandbriefgläubiger unter den Pfandbriefen eine Deckungsmasse zur Verfügung, die aus [Hypothekenforderungen][Forderungen gegen die öffentliche Hand] besteht.]

Beschränkung der mit den [Schuldverschreibungen] [Pfandbriefen] verbundenen Rechte

[Nicht anwendbar. Es gibt keine Beschränkung der mit den [Schuldverschreibungen] [Pfandbriefe] verbundenen Rechte.]

[Die Emittentin kann die [Schuldverschreibungen] [Pfandbriefe] vor ihrem Fälligkeitstag zurückzahlen [und/oder Anpassungen in den Bedingungen vornehmen].]

[Vorzeitige Rückzahlung der Schuldverschreibungen bei Vorliegen [einer Rechtsänderung] [und/oder] [einer Hedging-Störung] [und/oder] [Gestiegener Hedging-Kosten]

Die Schuldverschreibungen sind nach Wahl der Emittentin bei Vorliegen [einer Rechtsänderung] [und/oder] [einer Hedging-Störung] [und/oder] [Gestiegener Hedging-Kosten] unter Einhaltung der festgelegten Kündigungsfrist durch Kündigung gegenüber den Gläubigern rückzahlbar, und zwar zu dem festgelegten Rückzahlungsbetrag [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich)

aufgelaufener Zinsen].]

["Rechtsänderung" bedeutet, dass aufgrund eines Inkrafttretens oder einer Änderung von Gesetzen oder einer Änderung der Auslegung oder Anwendung dieser Gesetze durch Gerichte oder Behörden, (x) Transaktionen der Emittentin zur Absicherung ihrer Risiken unter den Instrumenten rechtswidrig sind oder werden, (y) die Kosten, die mit den Verpflichtungen unter den Schuldverschreibungen oder dem Abwickeln von Transaktionen verbunden sind, wesentlich gestiegen sind oder steigen werden und/oder (z) die aufsichtsrechtliche Behandlung der Schuldverschreibungen und/oder der Transaktionen zur Absicherung der Risiken unter den Schuldverschreibungen sich nachteilig verändert oder verändern wird.]

["Hedging-Störung" bedeutet, dass die Emittentin Schwierigkeiten hat Transaktionen abzuschließen welche sie für die Absicherung ihrer Risiken aus den Schuldverschreibungen für notwendig erachtet bzw. etwaige Erlöse aus diesen Transaktionen nicht realisieren kann.]

["Gestiegene Hedging Kosten" bedeutet, dass die Emittentin im Vergleich zum Begebungstag einen wesentlich höheren Betrag an Steuern oder sonstigen Aufwendungen entrichten muss, um Transaktionen durchzuführen, welche die Emittentin zur Absicherung ihrer Risiken unter den Schuldverschreibungen für notwendig erachtet oder um Erlöse aus den Transaktionen zu realisieren, mit Ausnahme der Fälle, in denen dies auf eine Bonitätsverschlechterung der Emittentin zurückzuführen ist.]

[Vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen

Die Schuldverschreibungen sind vor Ablauf ihrer festgelegten Laufzeit vollständig, aber nicht teilweise, nach Wahl der Emittentin aus steuerlichen Gründen rückzahlbar. Eine vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist möglich, wenn aufgrund einer Änderung der Gesetze oder Verordnungen der relevanten Jurisdiktion die Emittentin verpflichtet ist zusätzliche Beträge unter den Schuldverschreibungen zu zahlen. [Dieses Kündigungsrecht der Emittentin unterliegt der vorherigen Erlaubnis (sofern erforderlich) der zuständigen Aufsichtsbehörde.]]

[Vorzeitige Rückzahlung nach Wahl der Emittentin zu dem festgelegten Rückzahlungsbetrag

Die [Schuldverschreibungen] [Pfandbriefe] sind nach Wahl der Emittentin vollständig oder teilweise unter Einhaltung der festgelegten Kündigungsfrist durch

Kündigung gegenüber den Gläubigern rückzahlbar, und zwar zu dem(n) festgelegten Zeitpunkt(en) vor der angegebenen Fälligkeit und zu dem(n) festgelegten Rückzahlungsbetrag(beträgen) [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen]. [Dieses Kündigungsrecht der Emittentin unterliegt der vorherigen Erlaubnis (sofern erforderlich) der zuständigen Aufsichtsbehörde.]]

[Rückzahlung von Ratenschuldverschreibungen]

Diese Schuldverschreibungen werden nicht in einem Betrag zurückgezahlt, sondern in mehreren Raten, wie in den Endgültigen Bedingungen beschrieben, bis zum Fälligkeitstag, an dem die letzte Rate gezahlt wird.]

[Vorzeitige Rückzahlung der nachrangigen Schuldverschreibungen aus regulatorischen Gründen]

Die nachrangigen Schuldverschreibungen können nach Wahl der Emittentin vorzeitig und vorbehaltlich der vorherigen Erlaubnis der zuständigen Aufsichtsbehörde zurückgezahlt werden, wenn die Schuldverschreibungen (i) nicht länger als Ergänzungskapital (Tier 2) im Sinne der anwendbaren Vorschriften angerechnet werden oder (ii) in sonstiger Weise einer weniger günstigen regulatorischen Eigenmittelbehandlung unterliegen als am Ausgabetag.]

C.9 Zinsen:

Zinssatz:

Siehe C.8.

[Festverzinsliche [Schuldverschreibungen] [Pfandbriefe]

[Die [Schuldverschreibungen] [Pfandbriefe] verbriefen einen festen Zinsertrag über die gesamte Laufzeit der [Schuldverschreibungen] [Pfandbriefe].] [Der Zinssatz beträgt [●]% per annum und bleibt während der Laufzeit der [Schuldverschreibungen] [Pfandbriefe] gleich.] [Der Zinssatz [steigt] [fällt] [über die gesamte Laufzeit] [über Teile der Laufzeit] der [Schuldverschreibungen] [Pfandbriefe] hinweg [die „Stufenzins [Schuldverschreibungen] [Pfandbriefe]“ und beträgt [●]% per annum [entspricht dem angegebenen Prozentsatz zu den angegebenen Zeitpunkten].]

[Festverzinsliche nachrangige Reset-Schuldverschreibungen]

Bis zum [●] (das „Reset-Datum“) werden die Schuldverschreibungen mit einem festen Zinssatz („Reset Schuldverschreibungen“) in Höhe von [●]% *per annum* für die ersten [●] Zinsperioden verzinst und für die nachfolgenden Zinsperioden werden die

Schuldverschreibungen mit einem Zinssatz verzinst, (angepasst um die anwendbare Marge von [●], der auf der Basis eines Swapsatzes ([●]) bestimmt wird, der zur vereinbarten Zeit auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird (der „**Reset Zinssatz**“).]

[Variabel verzinsliche [Schuldverschreibungen] [Pfandbriefe]

[Die [Schuldverschreibungen] [Pfandbriefe] werden mit einem Zinssatz verzinst [(angepasst um [die anwendbare Marge von [●]] [den anwendbaren Faktor von [●]])], der auf der Basis eines [Referenzzinssatzes [(EURIBOR[®])][(●)-LIBOR[®])] [Swapsatzes ([●] CMS-Satzes)] [(●)-EONIA[®]][●]] bestimmt wird, [der auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird] [(●)] (der „**Variable Zinssatz**“). [Die [Schuldverschreibungen] [Pfandbriefe] sind mit einem [Mindestzinssatz in Höhe von [●]] [und einem] [Höchstzinssatz in Höhe von [●]] ausgestattet.]]

[Vor dem Beginn der Periode mit variabler Verzinsung, werden die [Schuldverschreibungen] [Pfandbriefe] mit einem Festzinssatz in Höhe von [●] während der erste[n] [●] Zinsperioden verzinst („**Fest- zu Variable verzinsliche [Schuldverschreibungen] [Pfandbriefe]**“) und für die folgenden Zinsperioden mit einem Zinssatz verzinst, [(angepasst um [die anwendbare Marge von [●]] [den anwendbaren Faktor von [●]])], der auf der Basis eines [Referenzzinssatzes [(EURIBOR[®])][(●)-LIBOR[®])] [Swapsatzes ([●] CMS-Satzes)] bestimmt wird, der auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird (der „**Variable Zinssatz**“). [Die [Schuldverschreibungen] [Pfandbriefe] sind mit einem [Mindestzinssatz in Höhe von [●]] [und einem] [Höchstzinssatz in Höhe von [●]] ausgestattet.]]

[Die [Schuldverschreibungen] [Pfandbriefe] werden mit einem Zinssatz verzinst, der auf der Basis eines Festzinssatzes abzüglich des [Referenzzinssatzes [(EURIBOR[®])][(●)-LIBOR[®])] [Swapsatzes ([●] CMS-Satzes)] bestimmt wird, der auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird („**Inverse Variabel Verzinsliche [Schuldverschreibungen] [Pfandbriefe]**“). [Die [Schuldverschreibungen] [Pfandbriefe] sind mit einem [Mindestzinssatz in Höhe von [●]] [und einem] [Höchstzinssatz in Höhe von [●]] ausgestattet.]]

[Die Schuldverschreibungen werden mit einem Zinssatz verzinst [(angepasst um [die anwendbare Marge von [●]] [den anwendbaren Faktor von [●]])], der dem maßgeblichen ISDA-Kurs entspricht, wobei „**ISDA-Kurs**“ einen Kurs

bezeichnet, der dem Kurs entspricht, den die Emittentin zahlen müsste, wenn Sie mit dem Gläubiger der Schuldverschreibung eine Swap Transaktion abgeschlossen hätte (auf die ein *Interest Rate and Currency Exchange Agreement* und die ISDA Definitionen anwendbar gewesen wären) (der „**Variable Zinssatz**“). [Die Schuldverschreibungen sind mit einem [Mindestzinssatz in Höhe von [●]] [und einem] [Höchstzinssatz in Höhe von [●]] ausgestattet.]]

**[Nullkupon-[Schuldverschreibungen]
[Pfandbriefe]**

[Nicht anwendbar im Fall von Nullkupon-[Pfandbriefen] [Schuldverschreibungen, da die [Schuldverschreibungen] [Pfandbriefe] ohne periodische Zinszahlungen begeben werden. Die [Schuldverschreibungen] [Pfandbriefe] werden [auf einer abgezinsten Basis (d.h. unter dem Nennbetrag)][zum Nennbetrag] begeben und bei Fälligkeit zum Nennbetrag zurückgezahlt.]

Verzinsungsbeginn:

[Der Begebungstag der [Schuldverschreibungen] [Pfandbriefe]. **[Verzinsungsbeginn einfügen]**]

[Nicht anwendbar. Die [Schuldverschreibungen] [Pfandbriefe] sehen keine periodischen Zinszahlungen vor.]

Zinszahlungstag(e):

[Zinszahlungstag(e) einfügen]

[Nicht anwendbar. Die [Schuldverschreibungen] [Pfandbriefe] sehen keine periodischen Zinszahlungen vor.]

Basiswert auf dem der Zinssatz basiert:

[Nicht anwendbar. [Der Zinssatz basiert nicht auf einem Basiswert.] [Die [Schuldverschreibungen] [Pfandbriefe] sehen keine periodischen Zinszahlungen vor.]]

[Referenzzinssatz/-sätze einsetzen][Swapsatz/-sätze einsetzen]

Fälligkeitstag einschließlich Rückzahlungsverfahren:

[Fälligkeitstag einfügen] [Die [Schuldverschreibungen] [Pfandbriefe] werden am Fälligkeitstag zu [ihrem Nennbetrag] [●] [mit der finalen Rate] zurückgezahlt.] [Nicht anwendbar. Die Schuldverschreibungen haben keinen festgelegten Fälligkeitstag.]

Zahlungen auf Kapital in Bezug auf die [Schuldverschreibungen] [Pfandbriefe] erfolgen an das relevante Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des relevanten Clearingsystems.

Rendite:

[[●]%.]

[Nicht anwendbar. Die Rendite der

		[Schuldverschreibungen] [Pfandbriefe] kann zum Begebungstag nicht berechnet werden.]
	Amortisationsrendite:	[[●] %] [Nicht anwendbar. Es wird keine Amortisationsrendite berechnet.]
	Name des Vertreters der Inhaber der Schuldverschreibungen:	[[●] wie im Treuhandvertrag (<i>Trust Deed</i>) bestellt.] [Nicht anwendbar. Es ist kein gemeinsamer Vertreter in den Anleihebedingungen der Pfandbriefe bestellt.]
C.10	Beschreibung des Einflusses des Basiswertes auf die Zinszahlungen unter den [Schuldverschreibungen] [Pfandbriefen] (bei derivativer Komponente):	Nicht anwendbar. Die [Schuldverschreibungen] [Pfandbriefe] haben keine derivative Komponente.
[C.11]	Zulassung zum Handel:	[Es ist ein Antrag auf Zulassung der [Schuldverschreibungen] [Pfandbriefe] zum Handel im [Regulierten Markt] [●] der [Luxemburger Börse (<i>Bourse de Luxembourg</i>)] [Stuttgarter Wertpapierbörse] [Frankfurter Wertpapierbörse] [●] gestellt worden.] [Nicht anwendbar. Es wurde kein Antrag auf Zulassung zum Börsenhandel an einer Börse gestellt.]]
[C.21]	Märkte, an denen die Wertpapiere gehandelt werden	Es wurde ein Antrag auf Zulassung der Schuldverschreibungen zum Handel im Regulierten Markt der Luxemburger Börse (<i>Bourse de Luxembourg</i>) und auf Zulassung an der Official List der Luxemburger Börse und auf Zulassung und Handel im regulierten Markt der Stuttgarter Wertpapierbörse gestellt. Ferner kann ein Antrag auf Zulassung von Pfandbriefen und Global Jumbo Pfandbriefen auf Zulassung zum Handel im regulierten Markt der Frankfurter Wertpapierbörse gestellt werden. Es können unter dem Programm allerdings auch Wertpapiere begeben werden, die weder an der Luxemburger Börse noch an der Stuttgarter und der Frankfurter Börse oder einer anderen Börse zugelassen werden oder die an einer anderen Börse, wie zwischen der Emittentin und dem/den Dealer(n) vereinbart, zugelassen werden.]

Punkt

Abschnitt D – Risiken

D.2	Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind	<u>Marktpreisrisiko</u> Das Marktpreisrisiko umfasst mögliche Portfolioverluste, die durch Veränderung von Marktpreisen, wie beispielsweise Zinssätzen, Aktien-, Devisen- und Rohwarenkursen oder preisbeeinflussender Faktoren wie Marktvolatilitäten oder Credit Spreads ausgelöst werden.
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Adressenausfallrisiken

Mit dem übergeordneten Begriff Adressenausfallrisiko wird im LBBW-Konzern das Verlustpotential bezeichnet, das daraus resultiert, dass Geschäftspartner zukünftig nicht mehr in der Lage sind, vollumfänglich ihren vertraglich vereinbarten Zahlungsverpflichtungen nachzukommen. Adressenausfallrisiko kann sowohl über direkte Vertragsbeziehungen (z.B. Kreditgewährung, Kauf eines Wertpapiers) als auch indirekt z.B. über Absicherungsverpflichtungen (insb. Garantiegewährung, Verkauf von Absicherung über ein Kreditderivat) entstehen.

Liquiditätsrisiko

Das Refinanzierungspotenzial und damit einhergehend die Liquiditätssituation des LBBW-Konzerns ist maßgeblich durch das Vertrauen der Investoren sowie durch einen möglichen Abzug der Liquiditätsgrundlage geprägt. Die Liquiditätssituation kann maßgeblich negativ durch Faktoren beeinflusst werden, die außerhalb der Kontrolle der LBBW liegen. Diese können den Zugang zu den Kapitalmärkten und die Möglichkeit auf akzeptable Refinanzierungskonditionen beschränken.

Risiko einer Herabstufung des Ratings des LBBW-Konzerns

Eine Herabstufung der Ratings des LBBW-Konzerns könnte nachteilige Auswirkungen auf das gesamte Verhältnis zu Investoren und Kunden haben.

Operationelle Risiken

Der LBBW-Konzern unterliegt operationellen Risiken. Der LBBW-Konzern definiert das operationelle Risiko als das Risiko von Verlusten, die infolge der Unangemessenheit oder des Versagens von internen Verfahren und Systemen, Menschen oder infolge externer Ereignisse eintreten. Diese Definition schließt Rechtsrisiken ein.

Beteiligungsrisiken

Neben dem Risiko einer potenziellen Wertminderung infolge von Ausfällen besteht außerdem das Risiko in der Un- oder Unterverzinslichkeit der Anlage, die aufgrund der Ertragswertorientierung bei der Beteiligungsbewertung jedoch mit dem allgemeinen Buch- bzw. Verkehrswertrisiko korrespondiert.

Immobilienrisiken

Immobilienrisiken sind definiert als potenzielle negative Wertänderungen des Immobilienbestands des LBBW Konzerns durch eine Verschlechterung der allgemeinen Immobiliensituation oder eine Verschlechterung der speziellen Eigenschaften der einzelnen Immobilien.

Developmentrisiken

Das Developmentrisiko ist definiert als das Bündel von Risiken, welche im Rahmen der Realisierung von gewerblichen und wohnwirtschaftlichen Projektentwicklungen typischerweise auftreten. Die Risiken in diesem Geschäftsfeld liegen im Planungs-

und Genehmigungsbereich, den geplanten Baukosten und Terminen sowie insbesondere im Vermietungs- bzw. Veräußerungsbereich. Soweit Projektentwicklungen in Partnerprojekten durchgeführt werden, ergeben sich hieraus zusätzliche Risiken, z.B. Bonitätsrisiko des Partners, die Durchsetzung von Entscheidungen gegenüber dem Partner. Das Eintreten dieser Risiken kann dazu führen, dass die erwartete Rendite nicht erwirtschaftet, das investierte Kapital nicht vollständig bzw. im Extremfall nicht mehr zurückerhalten wird oder Eigenkapital nachgeschossen werden muss, sofern es sich nicht um Non-Recourse-Finanzierungen handelt.

Weitere wesentliche Risiken

Darüber hinaus unterliegt die LBBW weiteren Risiken wie Reputations-, Pensions- und Geschäftsrisiken.

Risiken im Zusammenhang mit der Übernahme der Landesbank Sachsen Aktiengesellschaft

Die Verluste aus dem an Sealink Funding Ltd. übertragenen Wertpapierportfolio könnten die vom Freistaat Sachsen und Land Baden-Württemberg gegebenen Garantien zur Absicherung der von der LBBW an Sealink ausgereichten Finanzierung übersteigen.

Risiken im Zusammenhang mit regulatorischen Änderungen

Das Bank- und Finanzdienstleistungsrecht kann sich jederzeit in einer Weise ändern, die das Geschäft, die Geschäftsergebnisse sowie die Finanzlage der Emittentin beeinträchtigt und die Art und Weise der Geschäftsführung der Emittentin, die von ihr angebotenen Produkte und Dienstleistungen sowie den Wert ihres Vermögens können dadurch wesentlich beeinflusst werden. Zudem haben die Regulierungsbehörden die Befugnis, Verwaltungs- oder Gerichtsverfahren gegen die Emittentin einzuleiten, die die Geschäfte, die Geschäftsergebnisse sowie die Finanzlage der Emittentin wesentlich beeinträchtigen könnten.

Stresstests können das Geschäft der Emittentin beeinträchtigen

Die Emittentin ist möglicherweise verpflichtet an Stresstests teilzunehmen. Die Geschäftsergebnisse der Emittentin können negativ beeinflusst werden, wenn LBBW oder Finanzinstitute, mit denen die Emittentin Geschäfte tätigt, negative Ergebnisse bei diesen Stresstests erzielen. Des Weiteren könnte die Veröffentlichung der Ergebnisse des Stresstests einen negativen Einfluss auf die Reputation der Emittentin oder ihre Fähigkeit, sich zu refinanzieren, haben sowie ihre Refinanzierungskosten erhöhen oder es könnten andere Sanierungsmaßnahmen erforderlich werden. Zudem könnten die aus den vorgenannten Aspekten resultierenden Risiken einen wesentlichen negativen Einfluss auf den Ruf, das Geschäft, die Geschäftsergebnisse oder die Finanzlage der Emittentin haben.

Risiken im Zusammenhang mit dem Einheitlichen Bankenaufsichtsmechanismus (*Single Supervisory Mechanism (SSM)*) und dem Einheitlichen Bankenabwicklungsmechanismus (*Single Resolution Mechanism (SRM)*) und dem entsprechenden Fonds

Seit November 2014 ist die Emittentin eines der "wesentlichen" Kreditinstitute (die der direkten Aufsicht der EZB, mit tagesaktueller Unterstützung der zuständigen nationalen Aufsichtsbehörden, wie der

BaFin, unterliegt) gemäß dem SSM. Verfahren innerhalb des SSM und weitere regulatorische Initiativen können die Auslegung der anwendbaren aufsichtsrechtlichen Anforderungen verändern und zu zusätzlichen aufsichtsrechtlichen Anforderungen, gestiegenen Kosten für Compliance und Berichterstattung für die Emittentin führen. Darüberhinaus können solche Entwicklungen eine Anpassung des Geschäftsplans erforderlich machen oder das Geschäft, die Geschäftsergebnisse oder die Finanzlage der Emittentin wesentlich beeinträchtigen.

Desweiteren wird gemäß der Verordnung (EU) No. 806/2014 vom 15. Juli 2014 (die "**SRM Verordnung**") gerade der sogenannte Einheitliche Abwicklungsmechanismus ("**SRM**") als zweite Säule der sogenannten EU Bankenunion geschaffen. Gemäß der SRM Verordnung wird ein EU weites einheitliches Abwicklungsgremium mit zentralisierten Abwicklungsrechten (das "**Gremium**") und ein (stufenweise) gegenseitiger Abwicklungsfonds (der "**Fonds**") gegründet.

Ein solcher Fonds wird mit dem Ziel gegründet mittelfristig finanzielle Unterstützung für die Abwicklung von Banken unter bestimmten Bedingungen zur Verfügung zu stellen und die Mittel, die durch den Fonds zur Verfügung gestellt werden, werden durch Beiträge von Kreditinstituten, wie z.B. der Emittentin, aufgebracht. Dies kann das Geschäft, die Geschäftsergebnisse oder die Finanzlage der Emittentin wesentlich beeinträchtigen.

Anstieg der Regulierungstätigkeit

Die weltweite Finanzkrise hat zu einem Anstieg der Regulierungstätigkeit auf nationaler und internationaler Ebene geführt, wodurch neue Vorschriften erlassen worden sind und bereits bestehende, für den Finanzsektor geltende Vorschriften in strengerem Maße durchgesetzt werden. Dies hat einen wesentlichen Einfluss auf Compliance-Kosten und kann die Handlungsmöglichkeiten der Finanzinstitute erheblich beeinflussen.

Risiken im Zusammenhang mit Maßnahmen der Regierung und der Zentralbank als Reaktion auf die Finanzkrise

Die Umsetzung von Maßnahmen im Zusammenhang mit der Finanzkrise und in Bezug auf andere Unternehmen könnte die Wahrnehmung der Gesamtaussichten für den Finanzdienstleistungssektor oder für eine bestimmte Art bzw. Arten von Finanzinstrumenten beeinträchtigen. In solchen Fällen könnte der Preis für die Finanzinstrumente der Emittentin fallen und ihre Refinanzierungs- und Kapitalkosten könnten ansteigen, was einen wesentlichen negativen Einfluss auf das Geschäft, die Geschäftsergebnisse oder die Finanzlage der Emittentin haben könnte.

Rechte der Gläubiger können durch Abwicklungsmaßnahmen entsprechend der überarbeiteten Beihilferichtlinien nachteilig beeinträchtigt werden

In Anbetracht von Änderungen des deutschen Rechts im Zusammenhang mit der EU-Richtlinie zur Sanierung und Abwicklung von Kreditinstituten und dem eng damit verbundenen SRM, sind potentielle Investoren in Schuldverschreibungen im Falle, dass die Emittentin "nicht bestandsfähig" oder "bestandsgefährdet"

(im Sinne des anwendbaren Rechts) ist oder von einer Aufsichtsbehörde erachtet wird in einem solchen Zustand zu sein bereits vor einer Liquidation oder Insolvenz in gewissem Maße einem Ausfallrisiko ausgesetzt und es ist wahrscheinlich, dass sie einen Teil oder ihr gesamtes investiertes Kapital verlieren oder dass die Schuldverschreibungen in eines oder mehrere Eigenkapitalinstrumente (z.B. Kernkapital) der Emittentin umgewandelt werden. Ebenso kann der anfängliche Schuldner von Schuldverschreibungen (z.B. die Emittentin) durch einen anderen Schuldner (der ein grundlegend anderes Risikoprofil oder eine andere Kreditwürdigkeit als die Emittentin haben kann) ersetzt werden. Alternativ können die Forderungen bei dem ursprünglichen Schuldner verbleiben, jedoch kann diese Situation in Bezug auf das Vermögen, die Geschäftstätigkeit bzw. die Kreditwürdigkeit des Schuldners grundlegend abweichen von der Situation vor der Anwendung der Abwicklungsmaßnahme. Darüberhinaus können frühe Eingriffsmaßnahmen oder verwandte Anfragen wesentliche nachteilige Auswirkungen auf das Geschäftsfeld, das Geschäftsergebnis oder die finanzielle Situation haben oder auch die Emittentin dazu zwingen ihre Rechtsform zu ändern.

Darüberhinaus können Rechte der Gläubiger durch Maßnahmen nach dem Kreditinstitute-Reorganisationsgesetz nachteilig beeinträchtigt werden.

Risiken im Zusammenhang mit der Abtrennung des Eigenhandels

Im Falle, dass die Emittentin bestimmte Handelsaktivitäten gemäß zukünftiger EU-Vorschläge im Zusammenhang mit dem Liikanen Report bzw. der Umsetzung des Trennbankengesetzes abtrennen muss, kann sie eine grundlegend andere Risikoübernahme oder Kreditwürdigkeit besitzen. Dies kann auch andere negative Auswirkungen auf das Geschäftsmodell bzw. die Profitabilität der Emittentin oder einen anderen negativen Einfluss auf das Geschäftsmodell der Emittentin haben, was sich wiederum nachteilig auf die Gläubigerrechte auswirken kann.

Risiken im Zusammenhang mit der Staatsschuldenkrise

Regulatorische und politische Maßnahmen durch europäische Regierungen als Reaktion auf die europäische Staatsschuldenkrise reichen möglicherweise nicht aus, um eine Ausweitung der Krise oder einen Ausstieg eines oder mehrerer Mitgliedsstaaten aus der gemeinsamen Währung zu verhindern. Ein Austritt aus dem Euro von einem Staat oder mehreren Staaten könnte unvorhersehbare Konsequenzen für das Finanzsystem und die gesamte Wirtschaft haben und möglicherweise zu einem Rückgang des Geschäftsvolumens sowie bereichsübergreifenden Abschreibungen auf das Anlagevermögen und Verlusten führen. Die Fähigkeit der Emittentin, sich selbst gegen diese Risiken zu schützen, ist begrenzt.

Risiken im Zusammenhang mit verbraucherrechtlichen Vorgaben

Verbraucherschutzvorgaben und Gesetze und die entsprechende, zunehmend kritische Rechtsprechung gegenüber Kreditinstituten können sich nachteilig auf die Geschäfte, die Ertrags- und die Finanzlage der Emittentin auswirken.

D.3 **Zentrale Angaben zu den
zentralen Risiken, die den
[Schuldverschreibungen]
[Pfandbriefe] eigen sind**

Risiken im Zusammenhang mit der Änderung von
Einlagensicherungssystemen

Änderungen in Bezug auf die Einlagensicherungssysteme können, wenn sie finalisiert und in Deutschland umgesetzt sind, zu dem Risiko von zusätzlichen und womöglich erheblichen Kosten für die Emittentin führen, deren Umfang derzeit nicht vorhersehbar ist.

Zinsrisiko

Das Zinsrisiko ist eines der zentralen Risiken verzinsster Wertpapiere, so dass dieses Risiko auf alle verzinsten [Schuldverschreibungen] [Pfandbriefe] Anwendung findet. Das Zinsniveau an den Geld- und Kapitalmärkten kann täglichen Schwankungen unterliegen, wodurch sich der Wert der [Schuldverschreibungen] [Pfandbriefe] täglich verändern kann. Das Zinsrisiko resultiert aus der Unsicherheit im Hinblick auf die künftige Entwicklung des Marktzinsniveaus. Insbesondere Gläubiger Festverzinslicher [Schuldverschreibungen] [Pfandbriefe] sind einem Zinsrisiko ausgesetzt, das im Falle eines Anstiegs des Marktzinsniveaus eine Wertminderung der [Schuldverschreibungen] [Pfandbriefe] zur Folge haben kann. Im Allgemeinen verstärken sich die Auswirkungen dieses Risikos mit steigendem Marktzins.

Währungsrisiko

Der Gläubiger [einer Schuldverschreibung] [eines Pfandbriefs], [die] [der] auf eine fremde Währung lautet ist dem Risiko von Wechselkursschwankungen ausgesetzt, welche den Ertrag und/oder Rückzahlungsbetrag [dieser Schuldverschreibung] [dieses Pfandbriefs] beeinflussen können.

Inflationsrisiko

Das Inflationsrisiko besteht in dem Risiko einer künftigen Verringerung des Geldwertes. Die reale Rendite einer Anlage wird durch Inflation geschmälert. Je höher die Inflationsrate, desto niedriger die reale Rendite [einer Schuldverschreibung] [eines Pfandbriefs]. Entspricht die Inflationsrate der Nominalrendite oder übersteigt sie diese, ist die reale Rendite null oder gar negativ.

Kein aktiver Handelsmarkt

Möglicherweise kann es keinen aktiven Handelsmarkt für die [Schuldverschreibungen] [Pfandbriefe] geben [, es sei denn eine bestimmte Tranche wird mit einer einzelnen Serie einer [Schuldverschreibungen] [Pfandbriefe] zusammengeführt, die bereits begeben wurde].

[Risiko der vorzeitigen Rückzahlung]

Die [Schuldverschreibungen] [Pfandbriefe] können [bei Eintritt bestimmter Ereignisse] [und] [nach Wahl der Emittentin zu bestimmten Zeitpunkten oder innerhalb bestimmter Perioden] [ganz oder auch zum Teil] vor dem Fälligkeitstermin zum Nennwert oder einem anderen Rückzahlungsbetrag zurückgezahlt werden, der in den Endgültigen Bedingungen festgelegt wird. Dieses Merkmal kann den Marktwert der [Schuldverschreibungen] [Pfandbriefe] beeinflussen. Vergleichbare Anlagemöglichkeiten können bei Rückzahlung nicht vorhanden sein.]

[Festverzinsliche [Schuldverschreibungen] [Pfandbriefe]

Der Gläubiger [einer Festverzinslichen Schuldverschreibung] [eines Festverzinslichen Pfandbriefs] [einer Stufenzinsschuldverschreibung] [eines Stufenzinspfandbriefs] [[einer Schuldverschreibung, die] [eines Pfandbriefs, der] eine feste Verzinsung für einen bestimmten Zeitraum vorsieht,] ist dem Risiko ausgesetzt, dass der Kurs [einer solchen Schuldverschreibung] [eines solchen Pfandbriefs] infolge von Veränderungen des aktuellen Marktzinssatzes fällt.]

[Variabel verzinsliche [Schuldverschreibungen] [Pfandbriefe]

Der Gläubiger [einer Variabel verzinslichen Schuldverschreibung] [eines Variabel Verzinsten Pfandbriefs] ist dem Risiko schwankender [Referenzzinssätze] [Swapsätze] und ungewisser Zinserträge ausgesetzt. Ein schwankendes [Zinsniveau] [Swapsatzniveau] macht es unmöglich, die Rendite von variabel verzinslichen [Schuldverschreibungen] [Pfandbriefen] im Voraus zu bestimmen.]

[[Schuldverschreibungen][Pfandbriefe] mit einem Multiplikator (Faktor)]

Die [Schuldverschreibungen] [Pfandbriefe] sind mit einem Merkmal ausgestattet, dass bei der Berechnung der Verzinsung der [Schuldverschreibungen] [Pfandbriefe] ein nach den Zinsregelungen ermittelter Wert mit einem Multiplikator (Faktor) multipliziert wird.

Ihr Marktwert ist möglicherweise stärkeren Fluktuationen ausgesetzt als der von [Schuldverschreibungen] [Pfandbriefen] ohne diese Ausstattungsmerkmale.]

[Inverse variabel verzinsliche [Schuldverschreibungen] [Pfandbriefe]

Die Marktwerte von Inverse variabel verzinslichen [Schuldverschreibungen] [Pfandbriefen] weisen typischerweise eine höhere Volatilität auf, als die Marktwerte konventioneller variabel verzinslicher [Schuldverschreibungen] [Pfandbriefe], die auf demselben [Referenzzinssatz] [Swapsatz] basieren, da ein Ansteigen des [Referenzzinssatzes] [Swapsatz] nicht nur den Zinssatz verringert, sondern auch ein Ansteigen der maßgeblichen Zinssätze widerspiegelt, was wiederum den Marktwert der [Schuldverschreibungen] [Pfandbriefe] beeinflusst.]

[Nullkupon-[Schuldverschreibungen] [Pfandbriefe]

Der Gläubiger [einer Nullkupon-Schuldverschreibung] [eines Nullkupon-Pfandbriefs] ist dem Risiko ausgesetzt, dass der Kurs [einer solchen Schuldverschreibung] [eines solchen Pfandbriefs] infolge von Veränderungen des Marktzinssatzes fällt. Kurse von Nullkupon-[Schuldverschreibungen] [Pfandbriefen] sind volatiler als Kurse von festverzinslichen [Schuldverschreibungen] [Pfandbriefen] und reagieren wahrscheinlich in höherem Maße auf Veränderungen des Marktzinssatzes als verzinsliche [Schuldverschreibungen] [Pfandbriefe] mit einer ähnlichen Fälligkeit.]

[Festverzinsliche nachrangige Reset Schuldverschreibungen]

Gläubiger von Reset Schuldverschreibungen, die mit einem festen Zinssatz verzinst werden, der während der Laufzeit neu berechnet wird, sind sowohl dem Risiko ausgesetzt, dass der Preis der Schuldverschreibungen aufgrund von Änderungen des Marktzinses fällt, als auch dem Risiko sich verändernder Zinssätze und einer ungewissen Zinshöhe.]

[Clearingsysteme]

Da Globalurkunden, welche die [Schuldverschreibungen] [Pfandbriefe] verbriefen, von oder namens [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [,] [und] [Euroclear Bank SA/NV ("Euroclear")] [,] [und] [Clearstream Banking AG, Frankfurt am Main ("CBF")] [der Depositary Trust Company ("DTC")] gehalten werden können, gelten für Investoren die dort maßgeblichen Verfahren für Übertragungen, Zahlungen und die Kommunikation mit der Emittentin.]

[Verwahrungsstruktur]

Auch wenn die Schuldverschreibungen von CBL oder Euroclear gehalten werden, heißt das nicht notwendigerweise, dass diese als Sicherheiten für die Zwecke der Fiskalpolitik des Eurosystems akzeptiert werden.]

[Nachrangige Schuldverschreibungen der Emittentin]

Im Falle der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen auf die Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin gehen die Verbindlichkeiten aus den nachrangigen Schuldverschreibungen den Ansprüchen dritter Gläubiger der Emittentin aus nicht nachrangigen Verbindlichkeiten oder nachrangigen Verbindlichkeiten, die aufgrund gesetzlicher Vorschriften oder aufgrund der Bedingungen dieser Verbindlichkeiten vorrangig sind, im Range nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser dritten Gläubiger der Emittentin aus nicht nachrangigen Verbindlichkeiten nicht vollständig befriedigt sind. Darüber hinaus sind Ansprüche aus und im Zusammenhang mit den nachrangigen Schuldverschreibungen den besonderen Risiken aus Abwicklungsmaßnahmen (und damit bereits vor einer Insolvenz der Emittentin oder einem anderen vorgenannten ähnlichen Verfahren) nach der BRRD, dem SAG und der SRM Verordnung ausgesetzt. Sollte dies eintreten, so stehen der Emittentin nach diesen Zahlungen möglicherweise nicht ausreichend Vermögenswerte zur Verfügung um die fälligen Zahlungen unter den Schuldverschreibungen zu leisten.]

[Vorzeitige Rückzahlung Nachrangiger Schuldverschreibungen]

Die Nachrangigen Schuldverschreibungen können nach Wahl der Emittentin und vorbehaltlich der vorherigen Erlaubnis (falls erforderlich) der zuständigen Aufsichtsbehörde vollständig, aber nicht teilweise, zurückgezahlt werden, sofern die Nachrangigen Schuldverschreibungen, nach Feststellung durch die Emittentin, (i) nicht länger als Ergänzungskapital (Tier-2-Kapital) gemäß den geltenden Vorschriften anerkannt werden oder (ii) in einer anderen

Weise einer ungünstigeren Behandlung als Eigenmittel als am Begebungstag unterliegen. Aufgrund des Rechts der Emittentin auf vorzeitige Rückzahlung ist der Gläubiger dem Risiko ausgesetzt, dass er möglicherweise einen geringeren als den erwarteten Ertrag erzielen wird.]

[Erlaubnis der zuständigen Aufsichtsbehörde]

Die Gläubiger der Nachrangigen Schuldverschreibungen sind nicht berechtigt, die Rückzahlung ihrer Schuldverschreibungen zu verlangen und sollten nicht in Nachrangige Schuldverschreibungen investieren in der Erwartung, dass eine Call-Option auch von der Emittentin ausgeübt wird. Selbst wenn die Emittentin von der zuständigen Aufsichtsbehörde eine vorherige Erlaubnis erhält, so entscheidet die Emittentin immer in ihrem freien Ermessen darüber, ob sie die Call-Option in Bezug auf die Nachrangigen Schuldverschreibungen ausüben wird, im Hinblick auf Faktoren wie wirtschaftliche und markbezogene Auswirkungen einer Ausübung der Call-Option, regulatorische Kapitalvorschriften und vorherrschende Marktkonditionen.

Gläubiger Nachrangiger Schuldverschreibungen sollten sich bewusst sein, dass sie möglicherweise die finanziellen Risiken einer Investition in Nachrangige Schuldverschreibungen bis zur Endfälligkeit solcher Schuldverschreibungen selbst zu tragen haben.]

Besteuerung – Allgemein

Die Informationen, welche in Bezug auf Besteuerung im Basisprospekt enthalten sind, sind keine vollständige Analyse aller Steuererwägungen in Bezug auf die [Schuldverschreibungen] [Pfandbriefe]. Zukünftige Erwerber der [Schuldverschreibungen] [Pfandbriefe] sollten daher vor einem Erwerb ihre eigenen Steuerberater zu Rate ziehen.

[FATCA]

Sollten, gemäß der gegenwärtig veröffentlichten Richtlinien und Hinweise, (a) Schuldverschreibungen von der New York Niederlassung der begeben werden oder (b) die [Schuldverschreibungen] (ausgenommen solcher Schuldverschreibungen, die von der New York Niederlassung der LBBW begeben werden) [Pfandbriefe] nach dem Tag, der 6 Monate nach dem Tag liegt, an dem endgültige U.S. Treasury Verordnungen den Begriff „ausländische durchgeleitete Zahlungen“ definieren (der **"Stichtag für durchgeleitete Zahlungen"**) begeben werden oder in jedem Fall vor dem Stichtag für durchgeleitete Zahlungen, sofern die [Schuldverschreibungen] [Pfandbriefe] im Sinne des US-Einkommenssteuerrechts nach dem Stichtag für durchgeleitete Zahlungen "erheblich verändert" werden, dann können (nach den Abschnitten 1471 bis 1474 des U.S. Internal Revenue Code von 1986 oder gemäß vergleichbaren Regelungen, die eine zwischenstaatliche Abstimmung dazu umsetzen ("**FATCA**") die Emittentin oder andere Finanzinstitute, über die Zahlungen auf die [Schuldverschreibungen] [Pfandbriefe] ausgeführt werden, verpflichtet sein, US-Steuern in einer Höhe von 30 % (x) im Falle von Schuldverschreibungen, die von der New York Niederlassung begeben werden, auf Zinszahlungen, die zu irgendeiner Zeit geleistet wurden, und Kapitalzahlungen und Bruttoerträge bei Verkauf nach

dem 31. Dezember 2016 sowie (y) auf alle Zahlungen, oder Teilsummen davon, zu erheben, die nach dem 31. Dezember 2016 in Bezug auf die [Schuldverschreibungen] (ausgenommen solcher Schuldverschreibungen die von der New York Niederlassung der LBBW begeben werden) [Pfandbriefe] erfolgen. Außerdem kann ein Einbehalt nach FATCA ausgelöst werden, wenn die Emittentin (ausgenommen solcher Schuldverschreibungen, die von der New York Niederlassung der LBBW begeben werden) nach dem Stichtag für durchgeleitete Zahlungen weitere [Schuldverschreibungen] [Pfandbriefe], die nicht in einer Weise begeben werden, die eine "qualifizierte Neuemission" im Sinne der US-Bundessteuergesetze begründet, ausstellt und emittiert, die konsolidiert werden und mit ausstehenden [Schuldverschreibungen] [Pfandbriefen] eine einheitliche Serie bilden, wie in § 9 der Bedingungen geregelt. Der steuerliche Einbehalt nach FATCA kann ausgelöst werden, wenn: (a) die Emittentin die New York Niederlassung der Bank ist oder im Falle von Schuldverschreibungen, die nicht von der New York Niederlassung der Bank begeben wurden, eine „foreign financial institution“ (wie in FATCA definiert) ("FFI") ist, und (b) (i) ein Investor nicht die Informationen mitteilt, die für die Emittentin erforderlich wären, um zu bestimmen, ob der Investor eine US-Person ist oder andernfalls als eine Person behandelt werden müsste, die ein „United States Account“ einer solchen FFI hält, (ii) im Falle von Schuldverschreibungen, die von der New York Niederlassung der LBBW begeben werden, es sich bei dem Investor um ein ausländisches Nicht-Finanzinstitut (*non financial foreign entity*) handelt und dieses es versäumt, bestimmte Informationen in Bezug auf maßgebliche US-Investoren bereitzustellen oder (iii) eine FFI, durch oder an die Zahlungen auf die [Schuldverschreibungen] [Pfandbriefe] erfolgen, kann Zahlungen nicht frei von FATCA Einbehalten empfangen.

Deutschland hat eine zwischenstaatliche Vereinbarung ("IGA" – *intergovernmental agreement*) mit den Vereinigten Staaten getroffen, um FATCA für bestimmte deutsche Finanzinstitute zu implementieren. Die Emittentin ist dazu verpflichtet, Deutschland bestimmte Informationen über ihre US-Kontoinhaber mitzuteilen, um (i) von einem Einbehalt nach FATCA auf Zahlungen, die sie erhält, ausgenommen zu werden und/oder (ii) geltendem deutschen Recht zu entsprechen. Es ist derzeit noch nicht sicher, wie die Vereinigten Staaten und Deutschland mit dem Einbehalt auf „ausländische durchgeleitete Zahlungen“ umgehen werden (die möglicherweise Zahlungen auf [Schuldverschreibungen] [Pfandbriefe] beinhalten (anders als Schuldverschreibungen, die von der New York Niederlassung der Bank begeben werden)) oder ob ein solcher Einbehalt überhaupt erforderlich sein wird.

Die Anwendung von FATCA auf Zinsen, Kapital oder andere Beträge, die in Bezug auf die [Schuldverschreibungen] [Pfandbriefe] geleistet werden, ist nicht geklärt. Wenn FATCA verlangen würde, dass ein Betrag aufgrund von US-Quellensteuer von Zinsen, Kapital oder anderen Zahlungen auf die (oder bezüglich der) [Schuldverschreibungen] [Pfandbriefe] abzuziehen oder einzubehalten wäre, dann wäre weder die Emittentin, eine Zahlstelle oder eine andere Person verpflichtet, zusätzliche Zahlungen aufgrund des Abzugs oder des Einbehalts einer solchen Steuer zu leisten. Im Ergebnis würde ein Investor, wenn FATCA in der Form umgesetzt wird, wie momentan von IRS vorgeschlagen, weniger Zinsen oder Kapital erhalten, als angenommen.]

Fehlende Marktliquidität

Es kann nicht vorausgesagt werden, ob es für die [Schuldverschreibungen] [Pfandbriefe] einen Sekundärmarkt geben, ob ein solcher Markt liquide oder illiquide sein wird und wie sich die [Schuldverschreibungen] [Pfandbriefe] in einem solchen Sekundärmarkt handeln lassen.

Unabhängige Einschätzung und Beratung

Jeder potentielle Erwerber von [Schuldverschreibungen] [Pfandbriefen] muss auf der Grundlage seiner eigenen unabhängigen Einschätzung und der den Umständen entsprechenden professionellen Beratung entscheiden, ob der Kauf der [Schuldverschreibungen] [Pfandbriefe] in jeder Hinsicht seinen eigenen finanziellen Möglichkeiten, Zielen und Umständen (oder für den Fall, dass die [Schuldverschreibungen] [Pfandbriefe] treuhänderisch erworben werden, derjenigen des Begünstigten) entspricht, mit allen geltenden Anlageprinzipien, Richtlinien und Einschränkungen (je nachdem, ob die [Schuldverschreibungen] [Pfandbriefe] im eigenen Namen oder treuhänderisch erworben werden) übereinstimmt und sich als geeignete, angemessene und zulässige Investition darstellt (für sich selbst oder für den Fall, dass die [Schuldverschreibungen] [Pfandbriefe] treuhänderisch erworben werden, für den Begünstigten). Dies gilt unabhängig von den offensichtlichen und erheblichen Risiken, die mit einer Investition in bzw. einer Inhaberschaft an den [Schuldverschreibungen] [Pfandbriefen] verbunden sind.

Punkt		Abschnitt E – Angebot
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse:	[Die Emittentin wird die Erlöse zu allgemeinen Finanzierungszwecken verwenden.] [●]
[E.3]	Beschreibung der Angebotskonditionen:	[Emissionsvolumen einfügen] [Verkaufskurs einfügen] [Mindestzeichnung einfügen] [Art des Verkaufes einfügen] [Beginn und Ende eines Zeichnungs- oder Vertriebszeitraums einfügen] [Emissionsübernahme oder Platzierung durch andere Institute einfügen] [weitere besondere Angaben der Angebotskonditionen einfügen]
E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Beteiligungen:	[●]
E.7	Schätzung der Ausgaben, die dem Gläubiger von der Emittentin oder Platzeuren in Rechnung gestellt werden:	[●]

RISK FACTORS

Words and expressions defined in the "Terms and Conditions of the Instruments", the "Terms and Conditions of the Pfandbriefe in bearer form" or "Terms and Conditions of the Pfandbriefe in registered form" below or elsewhere in this Base Prospectus have the same meanings, unless otherwise noted.

Prospective investors should read the entire Base Prospectus. Investing in the Securities involves certain risks. Prospective investors should consider, among other things, the following factors may affect the ability of the Issuer to fulfil its obligations under Securities issued by it under the Programme:

Regulatory changes or enforcement initiatives could adversely affect the business of the Issuer

The Issuer is subject to banking and financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory authorities have broad administrative surveillance authority over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, money laundering, privacy, record keeping, and marketing and selling practices. Banking and financial services laws, regulations and policies currently governing the Issuer may change at any time in ways which have an adverse effect on its business. Furthermore, changes in existing banking and financial services laws and regulations may materially affect the way in which the Issuer conducts business, the products or services it may offer and the value of its assets.

In addition, regulatory authorities have the power to bring administrative or judicial proceedings against the Issuer, which could result, among other things, in suspension or revocation of the Issuer's licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action.

Such proceedings and/or other regulatory initiatives or enforcement actions could have a material adverse effect on the Issuer's business, results of operations or financial condition.

Stress tests may adversely affect the business of the Issuer

The Issuer may become subject to stress testing exercises initiated and/or conducted by the German financial regulatory authorities Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") and Deutsche Bundesbank (the "**German Central Bank**"), the European Banking Authority ("**EBA**"), the European Central Bank ("**ECB**") and/or any other competent authority. The Issuer's results of operations may be adversely affected if the Issuer or any of the financial institutions with which the Issuer does business receives negative results on such stress tests.

If the Issuer's capital was to fall below the predefined threshold of a given stress test at the end of the stress test period, remedial action may be required to be taken by the Issuer, including potentially requirements to strengthen the capital situation of the Issuer and/or other supervisory interventions.

Further, the publication of the results of a stress test (and its findings), their evaluation by financial market participants and the market's general impression that a stress test is not strict enough could have a negative impact on the Issuer's reputation or its ability to refinance itself as well as increase its costs of funding or require other remedial actions. Further, the risks arising from the aforementioned aspects could have a material adverse effect on the Issuer's reputation, business, results of operations or financial condition.

The Issuer may be exposed to specific risks arising from the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM)

The ECB, supported by the participating national competent authorities (NCAs, such as BaFin), is responsible for conducting banking supervision in the euro area. Based upon the Regulation on the

single supervisory mechanism (Council Regulation (EU) No. 1024/2013 of 15 October 2013, the "**SSM Regulation**" and the "**SSM**", respectively), which confers specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The SSM is considered as the first pillar of the so-called EU Banking Union. Since November 2014, the Issuer is one of the "significant" credit institutions (which are subject to direct ECB supervision albeit acting with the day-to-day assistance of the NCAs) under the SSM. With a view to fulfil the supervisory tasks assumed by it, the ECB is *inter alia* empowered to require significant credit institutions to take early correction measures (which may exceed regular regulatory requirements) to address potential problems, including individual capital and liquidity adequacy requirements. The new supervisory regime and the SSM's supervisory new procedures and practices are not yet fully established and/or disclosed and it is expected that they will be subject to constant scrutiny, change and development. Procedures within the Single Supervisory Mechanism (SSM) and other regulatory initiatives could change interpretation of regulation requirements applicable and lead to additional regulatory requirements, increased cost of compliance and reporting for the Issuer. Furthermore, such developments may require re-adjustment of its business plan or having other material adverse effects on the business, results from normal operations or financial condition.

Further, the regulation in relation to the single resolution mechanism (Regulation (EU) No. 806/2014 of 15 July 2014, the "**SRM Regulation**" and the "**SRM**", respectively) was adopted in April 2014. The SRM is considered as the second pillar of the so-called EU Banking Union. Pursuant to the SRM Regulation an EU level single resolution board with centralised resolution responsibilities (the "**Board**") and a (gradually) mutualised single bank resolution fund ("**Fund**") are created. For credit institutions (like the Issuer) that are directly supervised by the ECB, the effect of the SRM Regulation becoming applicable will be the shift of most of the responsibilities of national resolution authority in the relevant Member State (i.e. with respect to Germany, the *Bundesanstalt für Finanzmarktstabilisierung*, "**FMSA**") under the BRRD from the national level to the Board and the ECB. Under the SRM Regulation, for entities and groups that are directly supervised by the ECB (like the Issuer) and certain cross-border groups (i.e. groups which have supervised entities in two or more participating Member States), the Board is *inter alia* responsible for resolution planning, setting so-called minimum requirements for eligible liabilities (MREL), adopting resolution decisions, writing down capital instruments and is entitled to take other early intervention measures. As a result, a creditor of the Issuer may already prior to the occurrence of an insolvency or a liquidation of the Issuer be exposed to the risk of losing part of or all of the invested capital (in this respect, please see "*Rights of the Holders may be adversely affected by resolution measures and the State Aid Guidelines*"). The SRM Regulation provides for further details and instruments of the SRM which may already impact on the Issuer and its business activities prior to the Issuer being in a difficult financial situation or being considered to fail or likely to fail.

Further, the SRM provides for the creation of the Fund with a view to providing medium-term funding support for the resolution of banks under certain conditions, in particular, without limitation, the requirement that generally losses totalling not less than 8 % of total liabilities including own funds have already been absorbed by the creditors of the affected credit institution (e.g. shareholders and creditors in subordinated instruments), and the funding provided by the Fund is limited to the lower of 5 % of total liabilities including own funds or the means available to the Fund and the amount that can be raised through ex-post contributions from credit institutions within three years.

The SRM Regulation is closely connected with the Bank Recovery and Resolution Directive ("**BRRD**") as implemented into German national law. The resolution measures available to the resolution authorities under the SRM Regulation are intended to correspond to those set out in the BRRD. It is expected that the SRM Regulation will, for the most part of its provisions, apply from 1 January 2016. Until then, resolution measures can be taken by the German national resolution authority on the basis of the German Act on the Restructuring and Resolution of Institutions (*Sanierungs- und Abwicklungsgesetz*, the "**SAG**") pursuant to which the German legislator has transposed the BRRD into binding law. Even though the BRRD only required Member States to transpose the bail-in tool (which means in particular the power of competent authorities to write-down

the claims of unsecured creditors and to convert debt claims into “equity”) into binding law from 1 January 2016 at the latest, German law already allows the application of the bail-in tool under the SAG since 1 January 2015. In respect risks in relation to resolution measures under the BRRD and the SAG, see *Rights of the Holders may be adversely affected by resolution measures and the State Aid Guidelines*” below.

Under particular circumstances, the early transposition of the bail-in tool under the BRRD into German binding law prior to the implementation in other EU Member States which transpose the BRRD only in the future could have a negative impact on the rating of German credit institutions (like the Issuer) and/or their ability to refinance themselves.

Also, such aforementioned proceedings and/or other regulatory initiatives could change the interpretation of regulatory requirements applicable to the Issuer and lead to additional regulatory requirements, increased cost of compliance and reporting as well as require the Issuer to provide cost contributions to the Fund in addition to existing bank levies or resolution cost contributions. Further, such developments may have other material adverse effects on the Issuer’s business, results of operations or financial condition.

The global financial crisis has led to an increase in regulatory activity at national and international levels to adopt new regulations and to more strictly enforce existing regulations applicable to the financial sector, which has a significant effect on the costs of compliance and may significantly affect the activity levels of financial institutions

The financial crisis has led many governments and international organisations to make significant changes in banking regulations. Within the EU, some of the post-crisis reform measures developed by the Basel Committee to the New Basel Capital Accord on capital requirements for financial institutions (so called “**Basel III**”) has been implemented on the basis of a package of amendments to the Capital Requirements Directive (by virtue of EU Directive 2013/36/EU, as amended or replaced from time to time, the “**CRD IV**” and the related German implementation law, the “**CRD IV-Umsetzungsgesetz**”, and regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended, supplemented or replaced from time to time, the “**CRR**”, together with the related regulatory and technical standards and the CRD IV as well as the CRD IV-Umsetzungsgesetz, the “**CRD IV/CRR-Package**”). The CRR became effective as from 1 January 2014 and largely replaced the previous national provisions of capital and liquidity requirements. Given the fact that certain relevant regulations required to implement the CRD IV/CRR-Package partially exist in draft form only and competent regulatory bodies may not have confirmed their understanding of the interpretation of related provisions, the full impact of those regulatory requirements is subject to ongoing review, implementation and revision.

Pursuant to the CRD IV/CRR-Package, the capital requirements for credit institutions will become significantly tighter in terms of both quality and quantity. In addition to the gradual introduction of the new capital ratios by 2019, CRD IV provides for a transitional phase until 2022 for capital instruments that were previously recognised as regulatory Tier 1 capital, but do not meet the CRR requirements for Common Equity Tier 1 capital (CET 1 capital). Further, under the CRD IV-Umsetzungsgesetz the German legislator has empowered BaFin to impose capital requirements exceeding the requirements pursuant to the CRR, in particular if risk aspects are not fully covered by the capital requirements under the CRR or if the risk-bearing capability is endangered. Also, additional capital requirements in terms of capital buffers, increased requirements regarding liquidity and large exposures may be imposed. Even though such regulatory measures may not necessarily directly interfere with Holders’ rights, the mere fact that BaFin or any other competent authority applies such tool to a specific credit institution may have indirect negative effects, e.g. on pricing of instruments issued by such entity or on the entity’s ability to refinance itself.

In respect of systemically important banks, the CRD IV/CRR-Package differentiates between global systemically important institutions ("G-SIIs") and other systemically important institutions ("O-SIIs", systemically important for the European Union or individual member states). For O-SIIs, member states can prescribe capital buffers of up to 2% of RWA. It cannot be excluded that the Issuer may have to build up a further capital buffer as a result of being categorized as systemically important on a domestic level. Domestic systemically important banks could be made subject to further regulatory measures, in particular relating to crisis management and taking respective preventive measures such as drawing up emergency and resolution plans.

In addition, further regulatory requirements are envisaged to be implemented such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) which will be of great importance to credit institutions such as the Issuer in the future. According to the current implementation plan, the liquidity requirements relating to the LCR (which requires credit institutions to maintain certain liquid assets for a 30-day-period against the background of a stress scenario) will be implemented from 2015 commencing with a minimum LCR ratio of 60 % which will be gradually increased in the subsequent years to up to 100% to be met from 2018 and onwards. The implementation of a binding minimum requirement relating to the NSFR (which requires credit institutions to refinance their long term assets under regular as well as under stressed market conditions with respective long term stable funding) is subject to an observation period. Whilst substantial changes have been made to the Basel III proposals, parts of the respective liquidity reform proposals have been adapted by the European legislator via Implementing Technical Standards (ITS) and/or Regulatory Technical Standards (RTS) and other parts, requirements and interpretation guidelines are still not yet finally specified. Finally, the CRD IV/CRR-Package sets out a non-risk-based maximum leverage ratio, details of which remain to be determined. Officially, the leverage ratio is planned to become effective in the form of a binding minimum requirement starting from 2018, while first reports to authorities should be already provided in 2015.

Areas where changes could have a particular impact on the Issuer's business include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in governmental or regulatory policy that may significantly influence investors' decisions, in particular in markets in which the Issuer operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation among financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and
- implementation of regionally applicable systems for customer or depositor compensation or remuneration schemes.

Implementation of such regulatory changes has already resulted in and may continue to increase the cost of compliance for the Issuer and other financial institutions which may affect their results of operations. According to the type of regulatory changes, the regulatory aspects could lead to reduced levels of activity for financial institutions, which could significantly impact the Issuer's business, financial condition and results of operations.

If the Issuer fails to address, or appears to fail to address, appropriately any changes or initiatives in banking regulation, its reputation could be harmed and it could be subject to additional legal and litigation risk such as an increase in the number of claims and damages, enforcement actions, administrative fines and penalties.

Given that capital adequacy requirements have been increased and liquidity requirements have been implemented, this may require the Issuer to increase capital or reduce its risk weighted assets (RWAs) to a greater extent which in turn may result in an adverse effect on the Issuer's long term profitability. As a consequence, this may potentially have an adverse effect on an investor's economic or legal position under the Instruments. The introduction of a legally binding leverage ratio, market pressure to comply with a certain leverage ratio (regardless of whether such may legally be required) and increased requirements relating to capital resources, may lead to similar results.

Governmental and central bank action in response to the financial crisis significantly affects competition and may affect the legal or economic position of investors

In response to the financial markets crisis, there has been significant intervention by governments and central banks in the financial services sector, *inter alia* in taking direct shareholdings in individual financial institutions and contributions of other forms of capital, taking over guarantees of debt and purchasing distressed assets from financial institutions. In some instances, individual financial institutions have been nationalised. The eligibility to benefit from such measures is in some instances tied to certain commitments of the participating bank, such as lending to certain types of borrowers, adjustments to the bank's business strategy, suspension of dividends and other profit distributions and limitations on the compensation of executives.

Such interventions involve significant amounts of money and have significant effects on both the participating institutions as well as the non-participating institutions, in particular in terms of access to funding and capital and recruiting and maintaining good employees.

The implementation of any such measures with respect to other companies could adversely affect the perception of the overall prospects for the financial services sector or for a particular type or types of financial instruments. In such case the price for the financial instruments of the Issuer could drop and its costs of funding and capital could rise, which could have a material adverse effect on its business, results of operations, or financial condition.

Rights of the Holders may be adversely affected by resolution measures or Revised State Aid Guidelines

The EU framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, the "BRRD") which provides for an EU-wide recovery and resolution regime for financial institutions established in the European Union was enacted in July 2014.

The BRRD obliges all EU Member States to introduce national legislation that, among others, (i) obliges Banks and resolution authorities to draw up recovery and resolution plans on how to deal with situations of financial stress, (ii) to accord bank supervisory authorities with early intervention tools, (iii) to introduce a set of resolution tools that resolution authorities can apply to preserve critical functions without the need to bail out the bank, and (iv) to set up national resolution funds, to finance and facilitate the effective and efficient resolution of banks.

Changes to German law with respect to the BRRD provisions, which are implemented into German law by the Act on the Restructuring and Resolution of Institutions (*Sanierungs- und Abwicklungsgesetz*, the "SAG") and which will be supplemented by the regulation of the so-called single resolution mechanism regulation for such EU Member States that either use the Euro as a single currency or join the SSM voluntarily (EU Regulation (EU) Nr. 1093/2010) regarding to the single resolution mechanism, the "SRM Regulation" and the "SRM", respectively) may result in claims for payment of principal, interest or other amounts under the Instruments being subject to a permanent reduction, including to zero, or a conversion into one or more instruments that constitute common equity tier 1 capital instruments, such as ordinary shares by intervention of the competent "resolution authorities". In addition, the competent resolution authorities are able to apply any other resolution measure, including, but not limited to, any transfer of the Instruments and/or the

Pfandbriefe to another entity, the amendment of the terms and conditions of the Instruments or the cancellation of the Instruments or even the change of the legal form of the Issuer. Each of these measures are hereinafter referred to as "**Resolution Measures**". The Holders of Instruments are bound by any Resolution Measure. The Holders would have no claim or any other right against the Issuer arising out of any Resolution Measure of the Issuer to make payments under the Instruments. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" or "its existence is endangered" (within the meaning of the respective definition under the then applicable law) or is deemed by the competent supervisory authority as "endangered in its existence" or "non-viable" without such write-off or conversion or without a public sector injection of capital. The "resolution authorities" will exercise their power in a way that results in (i) common equity tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities (potentially including some liabilities under and in connection with Instruments other than Subordinated Instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with the hierarchy of claims in normal insolvency proceedings. In this respect, the German legislator has already changed such hierarchy in light of the BRRD and implemented for a preferential treatment for certain claims of depositors over claims of Holders of the Instruments and it cannot be excluded that this hierarchy will be further amended also with retroactive effect including with the result of a subordinated treatment and thereby Holders having a lower ranking as claims of ordinary unsecured non-preferred creditors. Whether and if, to which extent the Instruments or the Pfandbriefe (if not or not fully exempted by way of protective provisions) will be subject to Resolution Measures depends on a number of factors (including those that are outside the Issuer's control), and it is not clearly predictable if at all and to which extent Resolution Measures will be taken by competent resolution authorities. The exercise of any Resolution Measure would in particular not constitute any right to terminate the Instruments. Potential investors should consider the risk arising from Resolution Measures, in particular that Holders of Instruments may lose all of their investment, including the principal amount plus any accrued interest, or that the Instruments are subject to any change in the terms and conditions of the Instruments, or the Instruments or Pfandbriefe (if not or not fully exempted by way of protective provisions) would be subject to a moratorium, transferred to another entity or are subject to any other Resolution Measure.

Further, on 10 July 2013, the European Commission announced that it has adapted its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines provide for strengthened burden-sharing requirements, which require banks with capital needs to obtain shareholders' and subordinated debt holders' contribution before resorting to public recapitalisations or asset protection measures. The European Commission applies the principles set out in the Revised State Aid Guidelines since 1 August 2013. In these guidelines, the European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the BRRD. To improve a crisis-ridden bank's recovery prospects and foster general economic stability, bail-in tools may apply at least until 8% of its total assets have been fully absorbed. This may mean that shareholders and many creditors of an affected bank such as holders of bonds (such as the Holders of Subordinated Instruments and also other Instruments) are at risk to lose their invested capital and related rights as a result of application of resolution measures such as the bail-in tool.

Potential investors in the Instruments should therefore take into consideration that, in the event of a crisis of the Issuer and thus already prior to any liquidation or insolvency or such procedures being instigated, they will to a particular extent be exposed to a risk of default and that, in such a scenario, it is likely that they will suffer a partial or full loss of their invested capital, or that the Instruments will be subject to a conversion into one or more equity instruments (e.g. common equity) of the Issuer. As the Subordinated Instruments are issued with the aim of being recognised as Tier 2 capital pursuant to CRR, as well as the BRRD and the related bail-in system, investors in the Subordinated Instruments

in particular should take into consideration that they may be significantly affected by such aforementioned procedures and measures. As a consequence, a competent resolution authority might in any such situation be entitled, *inter alia*, to demand – for instance as a prerequisite for the granting of state or similar support – that any interest thereon not be paid and that the nominal amount of subordinated debt securities such as Subordinated Instruments be reduced down to zero, or impose other regulatory measures, including, but not limited to, conversion of the Subordinated Instruments into one or more equity instruments (e.g. common equity). Any such regulatory measure may release the Issuer from its obligations under the terms and conditions of the Subordinated Instruments. In such circumstances, Holders would not be entitled to demand early redemption of the Subordinated Instruments, or to exercise any other rights in this respect.

Also, pursuant to such aforementioned measures, the initial debtor of the Instruments (i.e. the Issuer) may be replaced by another debtor (who may have a fundamentally different risk profile or creditworthiness than the Issuer). Alternatively, the claims may remain with the original debtor, but this situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the application of the measure.

Further, even though any resolution measure may not in all cases directly interfere with the Holders' rights, already the mere fact that the Board, the FMSA or another competent authority prepares or actually applies such resolution measures towards the Issuer or even a different credit institution may have a negative effect, e.g. on the rating of the Issuer, the pricing of liabilities issued by it or on the Issuer's ability to refinance itself or the refinancing costs.

Rights of the Holders may be adversely affected by measures pursuant to Kreditinstitute-Reorganisationsgesetz

As a German credit institution, the Issuer is subject to the Kreditinstitute-Reorganisationsgesetz ("KredReorgG") which, *inter alia*, introduced special restructuring schemes for German credit institutions consisting since 1 January 2011: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to § 2 et seqq. of the KredReorgG and (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to § 7 et seq. of the KredReorgG.

Whereas a restructuring procedure may generally not directly interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide for measures that affect the rights of the credit institution's creditors including a reduction of existing claims or a suspension of payments. Such measures may, however, not affect the asset pool serving as cover for Pfandbriefe. The measures proposed in the reorganisation plan are subject to a particular majority vote mechanism of the creditors and shareholders of the respective credit institution. Furthermore, the KredReorgG stipulates detailed rules on the voting process and on the required majorities and to what extent negative votes may be disregarded. Measures pursuant to the KredReorgG are instituted only upon the respective credit institution's request and respective approval by the BaFin and the competent higher regional court (*Oberlandesgericht*). Claims of the Holders may be adversely affected by any restructuring or reorganisation procedure (or the announcement thereof), including the perception of the market that a resolution measure pursuant to the BRRD / SRM framework may soon be taken with the respective risks for Holders (in this respect, please see "*Rights of the Holders may be adversely affected by resolution measures*").

Risks in relation to separation of proprietary trading and other high-risk trading from other banking business

Upon request from the EU Internal Markets Commissioner Michel Barnier, a group of experts led by Erkki Liikanen proposed a set of recommendations for structural reforms to promote financial stability and efficiency of the EU banking sector which were published in October 2012 (the so-called Liikanen Report). In this respect, the EU Commission presented proposals for the future bank structure in the EU on 29 January 2014, in particular with respect to the so-called "system of

institutional separation of commercial and investment banking functions" (*Trennbankensystem*). Thus, the largest and most complex EU banks with significant trading activities (measured as the ratio of trading activities to total assets or in terms of the absolute trading volume) shall be prevented from certain proprietary trading activities in financial instruments and commodities and supervisors shall be granted the power and, in certain instances, the obligation to require the transfer of other high-risk trading activities (potentially including market-making activities, complex derivatives and securitisation operations) to separate legal trading entities within the group. Compared to the German *Trennbankengesetz* described below, the EU Commission's proposals in relation to the *Trennbankensystem* may have lower triggers for banks' transfer obligations in respect of a broader definition of critical trading activities and therefore may require legislative amendments to the current German law. However, details of such proposals are still subject to negotiations and may therefore be subject to changes.

In August 2013, the German law act for the "ringfencing of risks and for the planning, recovery and resolution of credit institutions" ("**Trennbankengesetz**") was published in the German Federal Gazette. Pursuant to the *Trennbankengesetz*, subject to certain criteria, it will be required that trading activities of credit institutions are legally separated from the other business areas in separate subsidiaries. The provision applies to credit institutions that accept deposits and other repayable funds and grant loans for their own account, provided their balance sheet positions exceed certain thresholds. Accordingly, banks whose Held-for-Trading and Available-for-Sale assets either exceed EUR 100 billion (absolute threshold) or exceed 20% of total assets and amount to at least EUR 90 billion (relative threshold) may become subject to the separation requirement. The prohibition does not apply to hedging activities performed to hedge transactions with clients, to manage interest rates, currencies and liquidity, or to buy or sell long-term equity investments. Any potential related separation requirement would not apply before 1 July 2015.

Even though it is currently not clearly foreseeable how the future EU proposals in relation to the Liikanen Report and/or implementation of the *Trennbankengesetz* will affect Holders' rights, it is conceivable that, if the Issuer must separate certain trading activities, the Issuer may have a fundamentally different risk assumption or creditworthiness or that this may result in other negative effects on the business model and/or the profitability of the Issuer or that this may have other negative impact on the Issuer's business model which in turn may have a material prejudicial effect on Holders' rights.

Regulatory and political actions by European governments in response to the European sovereign debt crisis may not be sufficient to prevent the crisis from spreading or to prevent withdrawal of one or more member countries from the common currency. The withdrawal of any one or more countries from the Euro could have unpredictable consequences on the financial system and the greater economy, potentially leading to decline in business levels, write-downs of assets and losses across the Issuer's businesses. The Issuer's ability to protect itself against these risks is limited

If European policymakers are unable to contain the European sovereign debt crisis, the Issuer's results of operations and financial position would likely be materially and adversely affected as banks, including the Issuer, may be required to take further write-downs on the Issuer's sovereign debt exposures and other assets as the macroeconomic environment deteriorates. In addition, the possibility exists that one or more members of the Eurozone may leave the common currency, resulting in the reintroduction of one or more national currencies in such countries. The effects of such an event are difficult to anticipate and may have a substantial negative effect on the Issuer's business and outlook, including as a consequence of adverse impacts on economic activity both inside and outside the Eurozone.

The deterioration of the sovereign debt market in the Eurozone and Eastern Europe, particularly the increasing costs of borrowing affecting many Eurozone states late in 2011 and downgrades in the credit ratings of most Eurozone countries in 2011 and 2012, indicate that the sovereign debt crisis can

affect even the financially most stable countries in the Eurozone, including Germany. While the costs of borrowing declined again in 2012 and 2013, substantial doubt remains whether actions taken by European policymakers will be sufficient to contain the crisis over the medium to longer term. In particular, credit rating downgrades of France and Austria in 2012 showed that the effectiveness of the European Financial Stability Facility (generally referred to as the EFSF), the temporary special purpose vehicle created by the European Union to combat the sovereign debt crisis, or the new permanent framework (the European Stability Mechanism ("ESM")) which was established in September 2012 can be undermined by rating downgrades of its members. Since the EFSF's and ESM's credit ratings are based on the ratings of its financing members, the reduction of these members' ratings may increase the borrowing costs of the EFSF or ESM such that its ability to raise funds to assist Eurozone governments would be reduced. In addition, the austerity programs introduced by a number of countries across the Eurozone in response to the sovereign debt crisis may have the effect of dampening economic growth over the short, medium and long terms. Declining rates of economic growth (or a fall into recession) in Eurozone countries could exacerbate their difficulties in refinancing their sovereign debt as it comes due, further increasing pressure on other Eurozone governments.

Should a Eurozone country conclude it must exit the common currency, the resulting need to reintroduce a national currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences. Given the highly interconnected nature of the financial system within the Eurozone, the levels of exposure the Issuer has to public and private counterparties around Europe, the Issuer's ability to plan for such a contingency in a manner that would reduce the Issuer's exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the Eurozone, nearly all of the Issuer's business segments, including its more stable flow businesses, could be adversely affected, and if the Issuer is forced to write down additional exposures, the Issuer could incur substantial losses.

Risks relating to consumer protection

In addition to regulatory aspects, consumer protection requirements and laws might well present a challenge for credit institutions. Further legal risks might be created by a jurisprudence increasingly critical towards credit institutions. These risks might negatively affect the Issuer's business and may have an adverse effect on the Issuer's asset, financial and earning position.

Risks relating to changes in the deposit guarantee schemes

In addition, the directive 2014/49/EU on deposit guarantee schemes was published. This revised directive provides, *inter alia*, for faster repayments. In general, financial means dedicated to the compensation of the depositors in times of stress have to comply with 0.8 per cent of the amount of the covered deposits by 3 July 2024, whereby the calculation of the contributions has to be made in due consideration of the risk profiles of the respective business models and those with a higher risk profile should provide higher contributions. These amendments could, once finalized and implemented in Germany, lead to a risk of additional and possibly significant costs for the Issuer, whose dimensions are not predictable at present.

Risks Relating to the Securities

The Securities may be subject to interest rate risk

The interest rate risk is one of the central risks of interest-bearing securities and, therefore, applies to all Securities which bear interest. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the Securities to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In particular, holders of Securities with a fixed rate of interest are exposed to an interest rate risk that could result in a decrease in value if the market interest rate level increases. In general, the effects of this risk increase as the market interest rates increase.

The Securities may be subject to currency risks

A holder of Securities denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Securities. A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of a Security denominated in a currency other than Euro. If the exchange rate falls and the value of the Euro correspondingly rises, the price of the Security and the value of interest and principal payments made thereunder expressed in Euro falls.

The Securities are subject to inflation risk

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Security. If the inflation is equal to or higher than the nominal yield, the real yield is zero or even negative.

Securities may be subject to no active trading market.

Securities issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Securities which is already issued). If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Securities issued under the Programme to be admitted to trading on the Regulated Market, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Securities.

The Securities may be redeemed prior to maturity.

Unless in the case of any particular Tranche of Instruments the relevant Final Terms or the Drawdown Prospectus, as the case may be, specifies otherwise, in the event that, as a result of a relevant change in law, the Issuer would be obliged to increase the amounts payable in respect of any Instruments due to any withholding or deduction 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 or on behalf of and Issuer Taxing Jurisdiction (as defined in Condition 7 of the Terms and Conditions of the Instruments), any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Instruments in accordance with the Conditions.

In addition, in the case of any particular Tranche of Securities the relevant Final Terms or the Drawdown Prospectus, as the case may be, may specify that the Securities are redeemable at the Issuer's option in certain circumstances including, without limitation changes affecting the hedging arrangements entered into by the Issuer with respect to the securities or on certain dates or during certain periods.

In such cases, the Issuer may choose (but is not obliged) to redeem the Securities, especially also at times when prevailing interest rates may be relatively low (e.g. in particular when Issuers cost of borrowing is lower than on the issue date the Securities). In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security and/or at an effective interest rate or yield as high as that of the relevant Securities and/or on other terms comparable to those of the relevant Securities. Potential investors should consider reinvestment risks in light of other investments available at that time. An optional redemption feature of Securities is also likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If so specified in the Final Terms or the Drawdown Prospectus for any particular Tranche of Securities the Issuer may also redeem not all but some only of the Securities of a particular Tranche. In such cases the Securities to be redeemed shall be selected by being drawn by lot and/or in accordance with the rules of the relevant stock exchange and clearing system. Therefore, the Securities of such Tranche held by an investor might or might not be redeemed or only a number of them and the investor is not entitled to resist or demand such selection or redemption.

Risks of Fixed Rate Securities (including Step-up/Step-down Securities and Resettable Instruments)

A holder of a Security with a fixed rate of interest ("**Fixed Rate Securities**") is exposed to the risk that the price of such Securities falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Securities as specified in the relevant Final Terms is fixed during the life of such Security, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Security also changes, but in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Security typically falls, until the yield of such Security is approximately equal to the market interest rate. If the market interest rate falls, the price of a Fixed Rate Security typically increases, until the yield of such Security is approximately equal to the market interest rate. If the holder of a Fixed Rate Security holds such Security until maturity, changes in the market interest rate are without relevance to such holder as the Security will be redeemed at a specified redemption amount, usually the principal amount of such Security. The same risks apply to fixed rate Securities where the fixed rate of interest increases over the term of the Securities ("**Step-up Securities**") or where the fixed rate of interest decreases over the term of the Securities ("**Step-down Securities**") and, together with Step-up Securities, the "**Step-up/Step-down Securities**") if the market interest rates in respect of comparable Securities are higher than the rates applicable to such Securities.

In the case of Instruments with a coupon reset, an investment in the Instruments involves the risk that changes in market interest rates during the period until the date at which a coupon reset occurs (if the Instruments are not redeemed early at such date) (the "**Reset Date**") or, as the case may be, during the period after such Reset Date (the "**Reset Period**"), may adversely affect the value of the Instruments. In addition, a holder of instruments with a fixed interest rate that will be reset during the term of the relevant securities, such as the Instruments, is also exposed to the risk of fluctuating reference interest rate levels and uncertain interest income. The interest rate applicable to the Instruments in respect of the Reset Period could be less than the initial interest rate applicable until the Reset Date. This could affect the market value of the Instruments.

Investors will not be able to calculate in advance their rate of return on floating rate securities

A key difference between floating rate securities and fixed rate securities is that interest income on floating rate securities cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate securities at the time they purchase them, so that their return on investment cannot be compared with that of investments having a longer term with fixed interests. If the terms and conditions of the notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Variable rate securities with a multiplier or other leverage factor and Inverse Floating Rate Securities may be volatile instruments

Securities with variable interest rates can be volatile investments. 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.

Inverse Floating Rate Securities have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR[®] or LIBOR[®]. The market values of such securities typically are

more volatile than market values of conventional floating rate debt securities using the same reference rate (and otherwise with comparable terms). Inverse Floating Rate Securities are more volatile because an increase in the reference rate not only decreases the interest rate on the securities but also reflects an increase in prevailing interest rates, which further adversely affects the market value of these securities.

Zero coupon securities do not pay current interest

Zero coupon Securities do not pay current interest but are issued at a discount from their nominal value (discounted zero coupon Securities) or at their nominal value (compounded zero coupon Securities) (the "**Zero Coupon Securities**"). Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of a Zero Coupon Security is exposed to the risk that the price of such Security falls as a result of changes in the market interest rate. Prices of Zero Coupon Securities are more volatile than prices of Fixed Rate Securities and are likely to respond to a greater degree to market interest rate changes than interest bearing Securities with a similar maturity. The amount to be paid on redemption prior to maturity by the Issuer is calculated pursuant to a formula reflecting the interest income until such early redemption (which is lower than the redemption price at maturity).

Because the Global Instruments are held by or on behalf of Euroclear and Clearstream, Luxembourg or Clearstream, Frankfurt or DTC, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Securities issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depository or, as the case may be, a common safekeeper for Euroclear and Clearstream, Luxembourg or with Clearstream, Frankfurt or with a custodian for and registered in the name of a nominee of DTC. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg and DTC will maintain records of the beneficial interests or co-ownership participations in the Global Instruments. While the Securities are represented by one or more Global Instruments, investors will be able to trade their beneficial interests or co-ownership participations only through Euroclear and Clearstream, Luxembourg or through Clearstream, Frankfurt or DTC.

While the Securities are represented by one or more Global Instruments the Issuer will discharge its payment obligations under the Securities by making payments to the common depository or, as the case may be, a common safekeeper for Euroclear and Clearstream, Luxembourg or to Clearstream, Frankfurt, for distribution to its account holders or a custodian for DTC, for distribution to its account holders. A holder of a beneficial interest or a co-ownership participation in a Global Security must rely on the procedures of Euroclear and Clearstream, Luxembourg or Clearstream, Frankfurt or DTC to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests or co-ownership participations in the Global Instruments.

Holders of beneficial interests or co-ownership participations in the Global Instruments will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg or by Clearstream, Frankfurt or by DTC to appoint appropriate proxies.

New Safekeeping Structure

The Issuer intends that the Instruments will be registered on issue in the name of a nominee for Euroclear or Clearstream, Luxembourg (as defined below) as common safekeeper. This does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all

times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Risks relating in particular to Subordinated Instruments

Subordinated Instruments may be subordinated to most of LBBW's liabilities

Potential investors in the Subordinated Instruments should be aware that, due to the ranking of the Subordinated Instruments, their claims are exposed to an increased extent to the risks in connection with resolution measures (in particular in light of the Revised State Aid Guidelines) and as a result – and therefore already in a crisis of the Issuer and not only in an insolvency scenario - may lose all of their investment, including the principal amount plus any accrued interest, or that the Subordinated Instruments are subject to any change in the terms and conditions of the Subordinated Instruments, be transferred to another entity or are subject to any other resolution measure.

For further related risk details please see risk factor *Rights of the Holders may be adversely affected by resolution measures or Revised State Aid Guidelines*.

Further, if in the case of any particular Tranche of Instruments the relevant Final Terms or the Drawdown Prospectus, as the case may be, specifies that the Securities are Subordinated Instruments, such instruments constitute wholly subordinated obligations of LBBW (except for subordinated liabilities expressed to rank junior to the Subordinated Instruments) and in the event of the dissolution, liquidation, insolvency, composition or any proceeding for the avoidance of insolvency, of or against LBBW, such obligations will be wholly subordinated (i) to the claims of all unsubordinated creditors of LBBW and (ii) to claims of any subordinated creditors of LBBW that take priority (a) by mandatory provisions of law or (b) by the terms of the respective obligations so that in any such event no amounts shall be payable under such obligations until the claims of all unsubordinated or subordinated creditors of the Issuer, as the case may be, shall have been satisfied in full.

The Holders of the Subordinated Instruments are not entitled to set off claims arising from the Subordinated Instruments against any of the Issuer's claims. Subject to compliance with the subordination, the Issuer shall be entitled to satisfy the liabilities under the Subordinated Instruments also by making use of its further free assets (*sonstiges freies Vermögen*). No security of whatever kind is, or shall at any later time be, provided by the Issuer or any of its associated companies or any third party that has a close link with the Issuer or any of its associated companies or any other person securing rights of the Holders under the Subordinated Instruments.

Furthermore, the termination, the redemption, the repurchase and the repayment of the Subordinated Instruments are subject to specific restrictions, which are also shown in the specific terms and the risk factors. These specific terms particularly show effect on the market value of the Subordinated Instruments with the result that the market value of instruments from the same issuer with the same specific terms but without subordination is generally higher.

In accordance with applicable provisions concerning the classification as own funds, the Subordinated Instruments shall be available for the Issuer as eligible capital in the form of Tier 2 capital ("**Tier 2 Capital**"). However, there is no guarantee that Subordinated Instruments will be qualified as Tier 2 Capital or, if they are to be qualified as Tier 2 Capital, that this will remain during the term of the instruments or that these instruments will be excluded from future EU provisions regarding capital maintenance. Related to this is the Issuer's right to terminate Subordinated Instruments on the basis of a regulatory event which is subject to prior permission of the competent regulatory authority, if such is legally required. In case of redemption caused by a regulatory event there is no guarantee for the Holders to be able to reinvest their amounts invested and redeemed on similar terms.

In certain circumstances, the Issuer will have a right to redeem the Subordinated Instruments before their scheduled maturity. In the event of an early redemption, the Holders may, as a result, receive a lower than the expected yield on the invested capital

If in the determination of the Issuer the Subordinated Instruments (i) are disqualified from Tier 2 Capital pursuant to the applicable provisions or (ii) are in any other way subject to a less favourable treatment as own funds than on the Issue Date the Subordinated Instruments may be redeemed, in whole but not in part, at the option of the Issuer and subject to the prior permission (if required) of the competent regulatory authority.

Due to the Issuer's right to an early redemption the Holder is exposed to the risk that it will receive a lower than the expected yield. As it cannot be excluded that the Issuer exercises an early redemption right at a time when the yield on comparable bonds in the capital market has fallen, the investor may also not be able to reinvest the redemption proceeds in comparable bonds with an equal or higher yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Early redemption rights in relation to the Subordinated Instruments may be subject to the prior permission of the competent regulatory authority and may not be exercised by the Issuer

The Holders of the Subordinated Instruments have no rights to call for the redemption of their Securities and should not invest in the Subordinated Instruments in the expectation that any call will be exercised by the Issuer. An early redemption or repurchase of the Subordinated Instruments may be subject to the prior permission of the competent regulatory authority (if such is required) and compliance with regulatory capital rules applicable from time to time to the Issuer. Under the CRR, the competent regulatory authority may only permit institutions to redeem Tier 2 instruments such as the Subordinated Instruments prior to their contractual maturity if certain conditions prescribed by the CRR are complied with. For example, in the case of an early redemption during the initial five years from the date of issue of the Subordinated Instruments as a result of certain changes in applicable tax treatment, as provided under Condition 5.03 of the Terms and Conditions, the institution must demonstrate to the satisfaction of the competent regulatory authority that the change is material and was not reasonably foreseeable at the date of issue; in the case of an early redemption during the initial five years due to the disqualification of the Subordinated Instruments from Tier 2 Capital or if those become in any way subject to a less favourable treatment as own funds than on the Issue Date, as provided under Condition 5.04 of the Terms and Conditions, the competent regulatory authority must be satisfied that such a change is sufficiently certain and the institution must demonstrate to the satisfaction of the competent regulatory authority that such regulatory reclassification was not reasonably foreseeable at the date of issue. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the competent regulatory authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the competent regulatory authority will apply these criteria in practice and such rules and standards may change during the life of the Subordinated Instruments. It is therefore difficult to predict whether at any time, and on what terms, the competent regulatory authority will permit any early redemption or repurchase of the Subordinated Instruments.

Furthermore, even if the Issuer is granted the prior permission of the competent regulatory authority, any decision by the Issuer as to whether it will exercise a call in respect of the Subordinated Instruments will be taken at the absolute discretion of the Issuer with regard to factors such as the economic and market impact of exercising a call, regulatory capital requirements and prevailing market conditions.

Holders of the Subordinated Instruments should be aware that they may be required to bear the financial risks of an investment in the Subordinated Instruments until final maturity of such Instruments.

Denominations and higher integral multiples of less than EUR 100,000

In relation to any issue of Instruments which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Instruments may be traded in amounts in excess of the Specified Denomination (or its equivalent in other currencies) that are not integral multiples of the Specified Denomination (or its equivalent in other currencies). In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase a principal amount of Instruments such that its holding amounts to a Specified Denomination.

Taxation

General

The Base Prospectus contains a general description of certain tax considerations relating to the Securities (see "*Taxation*" and in particular the EU Savings Directive description), based upon the law as in effect on the date of the Base Prospectus and is subject to any change in law that may take effect after such date. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere. Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries.

Payments under the Instruments may be subject to withholding tax pursuant to FATCA

With respect to Instruments issued by LBBW acting through its New York branch, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30.00 per cent. on payments of interest made at any time and payments of principal and the gross proceeds from the sale, exchange or redemption of the Instruments made on or after 1 January 2017 to foreign financial institutions unless the payee foreign financial institution certifies that it is eligible to receive such payments free of FATCA withholding. Payments of the foregoing amounts made to certain non financial foreign entities that do not disclose certain information about any substantial U.S. owners (or certify that they do not have any substantial U.S. owners) may also be subject to withholding at the rate of 30.00 per cent. under FATCA.

With respect to Instruments issued by a member of the LBBW Group other than the New York branch of LBBW the date that is six months after the date on which the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Passthru Payment Grandfathering Date**") the Issuer may under certain circumstances, be required under FATCA to withhold U.S. tax at a rate of 30.00 per cent. on all or a portion of payments of principal and interest which are treated as "passthru payments" made on or after 1 January 2017 to foreign financial institutions unless the payee foreign financial institution certifies that it is eligible to receive payments free of FATCA withholdings.

FATCA withholding may also be required with respect to Instruments issued before the Passthru Payment Grandfathering Date, that are "significantly modified" for U.S. federal income tax purposes after the Passthru Payment Grandfathering Date. In addition, FATCA withholding may be required if the Issuer creates and issues further Securities in a manner that does not constitute a "qualified reopening" for U.S. federal income tax purposes after the Passthru Payment Grandfathering Date that are consolidated and form a single series with the outstanding Securities as permitted by §9 of the Terms and Conditions.

Germany has entered into an intergovernmental agreement (an "IGA") with the United States to help implement FATCA for certain German financial institutions. The Issuer will be required to report certain information on its U.S. account holders to Germany in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable German law. It is not yet certain how the United States and Germany will address withholding on "foreign passthru payments" (which may include payments on Securities (other than Instruments issued by the New York branch of the Bank) or if such withholding will be required at all.

If applicable, FATCA will be addressed in an annex to the relevant Final Terms with respect to Securities issued after the General Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Instruments as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would pursuant to the conditions of the Instruments be required to pay additional amounts as a result of the deduction or withholding of such tax.

The Secondary Market Generally

Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities 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 Securities 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 Securities.

Independent Review and Advice

Each potential investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. The Issuer disclaims any responsibility to advise potential investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries on the Securities. If a potential investor does not inform itself in an appropriate manner with regard to an investment in the Securities, the investor risks disadvantages in the context of its investment.

Risks relating to LBBW

Risk Management

LBBW Group defines risk management as the use of a comprehensive set of tools to address risks within the scope of the risk-bearing capacity and the strategy set out by the Board of Managing Directors (as defined in "*Description of LBBW – Board of Managing Directors*"). Risks should be taken within the scope of the internal control process, in a deliberate and controlled manner, and on the basis of the associated opportunities for income and growth potential.

The internal control process thus forms a core element of the LBBW Group-wide system for risk-oriented steering instruments and particularly comprises the organizational and operational structure, the risk management and control processes, and internal auditing.

The Board of Managing Directors and the Supervisory Board (as defined in "*Description of LBBW – Supervisory Board*") stipulate the principles of the risk management system by defining risk strategies that are consistent with LBBW's Group business strategy.

Risk strategy guidelines are defined in the group risk strategy, which applies to the entire Group and across all risk types in accordance with the Minimum Requirements for Risk Management (MaRisk). It is determined through the definition of basic risk-strategy principles, strategic limits, the liquidity risk tolerance and the principles of risk management and observed in all business activities.

The basic risk-strategy principles reflect the conservative risk policy defined in the business strategy:

- Sustainable observance of risk-bearing capacity even under stress conditions
- Solvency and observance of liquidity risk tolerance at all times
- Sustainable observance of EBA stress test requirements and the regulatory minimum ratios

The strategic limit system operationalizes the requirements and objectives defined in the business strategy for all material risk types covered by risk-bearing capacity. The upper risk limit for economic capital for 2015 was defined by the Group's Board of Managing Directors, taking into account the aforementioned fundamental risk strategy requirements and the economic capital forecast for the coming five years, and allocated to the material risk types.

The liquidity risk tolerance caps the liquidity risk in the narrower meaning (i.e. it limits the risk of not meeting payment obligations).

The risk guidelines represent core principles for balancing opportunities and risks within LBBW. They contribute to the creation of a uniform risk culture and - in accordance with materiality principles - form the framework for the precise organization of processes and methods of risk management. They include both general risk guidelines on the topics of MaRisk, management, new products and markets and outsourcing as well as risk guidelines on specific risk types.

In addition, the specific risk strategies approved for each material risk type document the current and target risk profile of LBBW Group, specify customer-, product- and market-specific guidelines and thereby create the framework for medium-term planning together with the business strategy.

Operational implementation of these requirements is monitored by deviation analyses, monthly analyses of results and strategic and operational limit systems.

A Group-wide compilation of risks across all material risk types and subsidiaries, and the comparison of this with the capital calculated from an economic perspective (aggregate risk cover) are carried out in the calculation of risk-bearing capacity according to the so-called liquidation principle. Internal monitoring of this figure ensures the adequacy of the LBBW Group's economic capital resources.

At LBBW Group, aggregate risk cover (corresponds to risk coverage potential as per MaRisk) denotes the equity restricted according to economic criteria which is available to cover unexpected losses. In addition to equity (as per IFRS including AfS reserves), subordinated debt and income statement results in accordance with IFRS are considered components of aggregate risk cover. Extensive conservative deductible items are also included in aggregate risk cover due to regulatory requirements.

Economic capital is calculated as a uniform risk measure at the highest level. This is deemed to constitute the amount of economic capital necessary to cover the risk exposure resulting from business activities. In contrast with the capital backing stipulated by regulatory bodies, it therefore represents the capital backing required from LBBW Group's point of view for economic purposes, calculated using the Bank's own risk models. It is quantified as value-at-risk (VaR) at a confidence level of 99.93% and a one-year holding period for counterparty, market price, real estate, development, investment and operational risks, and using simplified procedures for other risks.

The upper risk limit for economic capital (economic capital limit) represents the Group-wide overarching limit for all relevant quantified risk types. This limit reflects LBBW Group's maximum willingness to accept risk. In keeping with the conservative principle underlying risk tolerance it is substantially below the aggregate risk cover and thus provides scope for risks arising from unforeseeable stress situations. In addition, the economic capital limit is verified on the basis of target figures. On the basis of the upper economic capital limit, economic capital limits are defined for the various directly quantified risk types and for the other risks not quantified within a model approach. The risk-bearing capacity is monitored by Group Risk Control by means of a traffic light system. The respective traffic light thresholds are linked to the recovery plan in accordance with the Minimum Requirements for the Design of Recovery Plans (MaSan) and tied to an escalation process. Risks within the framework of the LBBW Group's risk-bearing capacity are described before possible measures to limit risks (so-called gross presentation).

In addition to management across risk types, economic risk management is implemented at segment level. LBBW Group's risk capital management also includes the management of regulatory capital.

At LBBW Group, transactions can only be entered into within clearly defined limits or approval powers and in accordance with the principles of the risk strategy. Within the defined framework, risk management decisions are made by the departments with portfolio responsibilities, maintaining the separation of functions; these decisions are monitored by Group Risk Control. The risk control and risk management system set up for this purpose covers all material risks and the details specific to the risk types.

Potential concentration of risk receives particular attention. On the one hand, concentrations tend to arise as a result of the synchronization of risk positions within one risk type. On the other hand, they can also be produced as a result of common risk factors or interactions between various risk factors of different risk types. At LBBW Group, appropriate processes are used to identify and to deliberately manage risk concentration. Risks to the Group's going concern status must be excluded. Differentiated monitoring processes (e.g. report on risk concentrations, stress tests) and limits (e.g. sector and country limits) are available for the purpose of monitoring this strategic requirement.

The Risk Committee comprises the Board members with responsibility for financial markets/international business, finance/controlling and risk management/compliance/auditing in addition to divisional managers from, among other areas, Group Risk Control, Financial Controlling and Treasury. As an advisory committee, it prepares decisions for the Board of Managing Directors and supports it in risk monitoring, risk methodology and risk strategy for the Group as a whole. The monthly overall risk report and other reports prepared on specific issues as required form the basis for this.

The Asset Liability Committee (ALCo) also has an advisory role and works on preparing decisions for the Group's Board of Managing Directors. The focus of the Asset Liability Committee is on strategic resource management for the Group as a whole. It supports the Board of Managing Directors, among other things in structuring the balance sheet, managing capital and liquidity as well as in funding and managing market-price risks. The Committee comprises the Chairman of the Board of Managing Directors, the Board members responsible for financial markets/international business, risk management/compliance/auditing as well as the board member responsible for finance/controlling/investments in addition to specific divisional managers from Treasury, Group Risk Control, Financial Controlling and Finance, among other areas.

The coordinating Regulatory/Accounting Committee evaluates at an early stage the requirements of the large number of provisions of banking supervisory law and accounting that are relevant for management purposes, and to take the measures required. The committee comprises the board members with responsibility for financial markets/international business, finance/controlling and risk management/compliance/auditing as well as divisional heads from Finance, Group Risk Control, Treasury and Group Strategy/Legal, among other areas.

The Group Auditing division is a process-independent department that monitors the operations and business workflows, risk management and control and the internal control system (ICS) with the aim of safeguarding LBBW Group's assets and boosting its operating performance. The Group Auditing division exercises its duties autonomously. The Board of Managing Directors is informed of the results of audits in written audit reports which are discussed with the audited operating units. The Group Auditing division also monitors the measures taken in response to the audit findings.

The auditing activities of the Group Auditing division are generally based on an audit schedule, approved annually by the Board of Managing Directors, on the basis of a long-term risk-oriented plan which records all the activities and processes of the LBBW Group, allowing for risk weighting, in a reasonable period, but always within three years.

Market Price Risk

Market price risk refers to potential losses in portfolio value caused by market factors including changes in interest rates and credit spreads, the price of shares, foreign currencies, commodities and market volatilities. Market price risks are managed on an ongoing basis by the Bank's trading units. Positions bearing market price risk are booked in both the banking and trading book of LBBW Group.

Responsibility for managing market price risk at an aggregated level is taken primarily by the Board of Managing Directors' Asset Liability Committee. The treasury division of LBBW Group (the "**Treasury Division**") uses offsetting transactions to close out interest rate risks from new transactions with customers in near real-time. The strategic risk positions relate mainly to the investment of own funds and specific maturity transformations in Euro and foreign currencies. In addition to interest rate positions, other positions are held in foreign currencies and stocks. The Treasury Division presents the proposals it develops to manage these strategic positions for approval by the Asset Liability Committee as part of its monthly meeting.

In order to manage its risk positions on a day-to-day basis, LBBW Group has set up an operational limit system that distinguishes between risk limits and Loss Warning Trigger. The individual risk limits are derived from the strategic economic capital limit for market price risk which is part of the maximum limit for the LBBW Group as a whole. In addition, sensitivity limits at a lower portfolio level allow in depth monitoring of trading strategies. While the risk limits refer to potential losses from open market price risk positions, the Loss Warning Trigger takes into account accumulated realised and unrealised losses. In addition to the Loss Warning Trigger there is a Trailing P&L on portfolio level. The Trailing P&L is the 40-day-P&L.

The measurement and control of market price risk at LBBW Group is performed by the "Group Risk Controlling". Risk Controlling is set up independently of the trading units. Group Risk Controlling calculates the risk figures for the banking and trading books on a daily basis. LBBW Group uses a simulation-based risk model ("**SiRA**") to calculate Value at Risk ("**VaR**"), enabling the Bank to identify not only interest rate risks, but also option price and credit spread risks. The model has been recognised as an "internal risk model" defined by the *Solvabilitätsverordnung* of the Banking Act for capital backing of market price risks. In the context of market price risk VaR-calculations are based on market moves (volatilities) and market correlations observed within a given historical period. The VaR describes the aggregate market price risk of a portfolio, including risk compensation effects.

A confidence level of 95% and a holding period of one day are assumed for all portfolios for internal risk measurement and limitation. All historical analyses refer to the last 250 trading days and are included in the calculations with an equal weight. Market price risk across all portfolios is calculated on a daily basis.

Since the beginning of 2014 LBBW Group reduced its market price risk considerably from VaR (confidence level of 99%, holding period 10 days) EUR 171 million (30 December 2013) to EUR 165 million (30 December 2014). Contributory factors here were the almost complete sale of the non-guaranteed part of the credit substitute business and the introduction of an adjustment in the risk model approved by the regulator.

Credit spread risks were LBBW Group's principal market price risk throughout 2014, when VaR average was EUR 175 million (99% / 10 days).

Credit spread risks are split in general and issuer specific risk. Therefore, LBBW Group maps the cashflows of credit spread sensitive positions to rating and sectorspecific interest rate curves. Credit derivatives are priced with issuer specific spreads.

The market price risks entered into were fully within LBBW Group's risk bearing capacity in 2014. The Loss Warning Trigger on the level of LBBW Group was not breached throughout the entire year.

The quality of the calculated risk figures is subject to a daily backtesting by Group Risk Controlling. Exceptions are losses, which exceed the measured VaR value in absolute terms. The ratio of exceptions is expected to be in line with the confidence level of the VaR measurement. As of 30 December 2014 (inclusive), backtesting for the last 250 trading days produced one outlier for LBBW group level, the banking book and the trading book. This was caused by strong movements on the markets (widening of bond and CDS spreads, swap rates, forex rates and interest rate volatilities). For the the portfolio, for which capital adequacy for equity risks and general interest rate risks is measured using the internal risk model (CRR portfolio), no outliers were observed.

Based on the dirty P&L calculation LBBW Group experienced one outlier for the trading book and the CRR portfolio. This means that no additional capital needs to be required concerning model outliers for regulatory purposes. Additionally StressVaR is calculated on a weekly basis. For this calculation the same model is used as for VaR calculation, but the time period for the market data differs. To calculate the StressVaR, the time period with the worst market data for the related portfolio for which capital adequacy for equity risks and general interest rate risks is measured using the internal risk model is choosen. In addition to VaR, Group Risk Controlling also calculates stress test figures. The figures demonstrate losses that can be incurred in case of extreme market events. Time series since 1 January 1990 are used to develop these scenarios.

The Board of Managing Directors and the departments assuming portfolio responsibility receive a daily report from Group Risk Controlling including the level of market price risk limits utilised and managerial analyses of trading results. Results of stress test simulations are reported on a weekly basis and the Board of Managing Directors receives consolidated information on the risk and earnings situations by means of monthly reporting.

Counterparty Risk

LBBW Group defines counterparty risk as the risk that borrowers and other counterparties cannot meet their contractual payment obligations. Counterparty risk may occur both from direct contractual relationships (e.g. granting loans, buying a security) and indirectly, e.g. from hedging obligations (especially issuing guarantees, selling hedging via a credit derivative). The creditworthiness of existing and new customer accounts is primarily assessed using rating procedures, the aim of which is to estimate the probability of default and to allocate accounts to the appropriate rating class. The financial circumstances that have to be assessed as part of this procedure vary depending on the customer group and include market conditions, product quality, the competitive situation, management, cash flow and forward looking data. In addition to changes in total debt, account transactions, and industry forecasts, other suitable internal and external sources of information are regularly used to identify heightened default risks or credit rating deterioration at an early stage.

LBBW Group 's internal risk classification, i.e. it's rating systems, are operated as joint projects by the Sparkassen Rating und Risikosysteme GmbH ("**S-Rating**") or the "**Rating Service Unit**", as well as under LBBW Group's responsibility. The quality of the internal risk classification procedure in use is reviewed regularly and refined if necessary.

Continual information exchange with the BaFin is maintained as part of the development process. LBBW Group is represented on the advisory committee that prepares recommendations for codifying and implementing (i) the Basle Capital Accord/European Union ("**EU**") Capital Requirement

Directive, and, respectively, (ii) the current changes concerning regulatory and supervisory aspects into German law. As at 1 January 2008, LBBW Group began using the Internal Ratings-Based Approach (IRBA) to measure capital adequacy for counterparty risk after the rating procedures used by the LBBW Group were audited and approved by the supervisory authorities.

The credit risk strategy ("**CRS**") is the basis for LBBW Group-wide credit risk management. The main task of the CRS management instrument is to ensure consistent Group-wide objectives with respect to market activities and the largely uniform treatment of similar risks. From a risk perspective, the aim is to prevent concentration risks within the LBBW Group or to limit such risks to an appropriate extent. Accordingly, the CRS sets out the framework for the lending business within the LBBW Group, taking into account the guidelines and requirements set out in the Business Strategy and the Group Risk Strategy. The CRS is oriented to current overall economic conditions, taking into account the Bank's risk-bearing potential and the economic capital limit for credit risk. Key components of this strategy are quantitative and business-segment-specific standards, which are applied for individual transactions or business areas and sub-portfolios.

The organisational structure of the lending business prescribes a strict separation between loan acquisition and the loan approval process. In the course of processing and approving loans, loan authorising staff are required to accept full responsibility for making independent decisions.

LBBW Group has several departments managing its lending business; each is responsible for a specific group of borrowers. Each department is individually responsible for processing loan applications, reviewing the creditworthiness of borrowers and evaluating the collateral to be provided, as well as for monitoring the risks associated with its outstanding loans. In limiting credit risk arising from individual borrowers the following tasks are paramount for all customer groups: responsible risk assessment, limitation of loan obligations and risk-adjusted pricing. All such decisions must comply with the relevant legal requirements, which mainly arise from the Banking Act, as well as with the provisions of the Bank's Ordinance (*Satzung*), internal credit rules (*Entscheidungsordnung*), the CRS guidelines and further requirements, especially working instructions (*Kredit.net-Regelungen, Arbeitsanweisungen*). The degree of authority required for loan approvals depends on the type of borrower, the loan amount, the internal rating and the compliance with regulations of the CRS. The approval is given by an executive at the respective level of the Bank's hierarchy and, if the internal credit rules so specifies, by one or more members of the Management Board, the credit committee (*Kreditkomitee*), the entire Management Board or the Risk Committee of the Supervisory Board (*Risikoausschuss*).

At least once a year a decision is made on the total risk attributed to a borrower/counterparty as well as the structure (term/use) of such risk on the basis of the creditworthiness assessment. This is in accordance with § 18 of the Banking Act. These assessments must be suitably documented and if necessary, this review process is carried out more often than once a year. LBBW Group's internal processes aim to identify commitments affected by low credit ratings or deterioration in credit ratings at an early stage, on the basis of early warning indicators. This enables the Bank to start a dialogue with customers to initiate timely countermeasures. Depending on the level of risk, problematic commitments are classified as cases requiring intensive tracking, restructuring or liquidation and are dealt with by specialized divisions. LBBW Group aims to minimize losses through successful restructuring activities, in line with the Bank's own interests and those of customers.

Country and transfer risk relate to a situation in which customers abroad who are both willing and able to meet their payment obligations cannot fully meet their obligations in foreign currencies arising from cross-border transactions due to limitations on currency transfer or other government actions. To assess country and transfer risk LBBW Group applies a rating system which is approved by the banking supervision and validated annually. In order to control country risks, the Board of Managing Directors establishes a country limit for each country upon recommendation by the Bank's country limit committee. These individual maximum limits are calculated on the basis of key factors such as the country creditworthiness category, the respective country's gross domestic product, and the equity of LBBW Group. A central supervision area compares each country's aggregate risks to the applicable

country limits on a daily basis. Reports on the country exposure/transfer risk are regularly submitted to the Board of Managing Directors.

In accordance with IFRS, LBBW Group establishes specific valuation allowances (SLLP) for potential decreases in loan values (for example, material adverse change in the financial condition of the borrower or its line of business, additional sovereign risk etc.), if it is probable that a loss on the loan will occur, which means that neither the debtor nor the guarantor nor any type of collateral related to the loan is available to repay the obligation in full. The adequacy of such provisions is one of the core issues addressed by the public accountants during their annual audit. Unimpaired, unrecoverable loans and receivables are written off directly (IAS 39.63). Recoveries on loans already written off are recognised in net profit or loss. The portfolio- and general loan loss provisions are calculated as a product of the exposure, the probability of default on a commitment within one year, the loss ratio at the time of the default as well as (if applicable) the time frame between the occurrence of an event and its identification.

The total volume of risk provisions for counterparty risks in connection with LBBW Group's lending business amounted to EUR 1,595 million as at 31 December 2014 (31 December 2013: EUR 2,201 million). In the year ended 31 December 2014, LBBW Group's total write-offs amounted to EUR 100 million (2013: EUR 98 million). In 2014, LBBW Group received recoveries in the amount of EUR 16 million in connection with loans and guarantee payments written-off in previous years (2013: EUR 17 million). LBBW Group aims to keep the default rate low through a number of measures, including intensive management of loans at risk and loans for which specific provisions have been recorded.

The intention of LBBW Group's credit risk management activities is to establish long-term portfolio quality. Based on net-exposure (defined as exposure less collateral) compared to the last year the portfolio quality has improved. This is indicated in a higher portfolio share of 88.9% of the exposure which is rated investment grade (2013: 88.1%). At the same time the proportion of investments upon upper non investment grade level declined to 7.8% (2013: 8.2%). The proportion of the portfolio classified as non investment grade remains at 1.1% more or less stable (2013: 1.2%), the part of the portfolio in default declines to 1.2% (2013: 1.6%). The rest of the portfolio is marked as bearing no risk relevance (0.8%) (2013: 0.8%) and 0.2% is not classified (2013: 0.1%).

In terms of regional distribution, business in Germany predominates, with a share of 74.6%. The following table shows a regional breakdown of LBBW Group's portfolio (net-exposure) as at 31 December 2013:

	As at 31 December 2014 (per cent)
Germany	75.8
Western Europe (excluding Germany)	15.6
North America	5.3
Asia Pacific	1.7
Eastern Europe	0.8
Others*	0.8
Total	100

* Includes Africa, Latin America and Supranational Organisations.

Liquidity Risk

Liquidity Risks are defined as the inability to meet payment obligations as they fall due (liquidity risks in a narrow meaning) and to raise the required funds at the expected costs (funding (spread) risks).

Liquidity management at LBBW Group is viewed as a cross-departmental responsibility and is performed by the Treasury Division. As a general rule, new business is funded without affecting the overall liquidity position. Existing liquidity surpluses in mid-range and longer maturities are actively managed within the framework of the liquidity risk and funding strategy. In addition, the quality (market liquidity and eligibility for rediscount at the European Central Bank and the United States Federal Reserve) and volume of securities in the liquidity reserve (liquidity buffer) are constantly monitored.

For the purpose of ensuring medium to long term liquidity, all transactions having an impact on liquidity are tracked as part of the management of new business. Short term liquidity is managed on the basis of daily forecasts that bundle all expected payments from all activities of the Bank affecting liquidity. The short term funding risk, particularly the Bank's dependence on the liquidity provided by the interbank market, is minimised bank-wide through the use of limits. Group Risk Control monitors adherence to these limits daily and surplus liquidity is actively managed.

Throughout the financial crisis, LBBW Group has maintained its ability to generate sufficient funds. To further strengthen the ability to absorb liquidity shocks, LBBW Group has substantially reduced its liquidity risk exposure during the past years.

The main risk for LBBW Group's funding potential and therefore its liquidity position is a potential loss in investor confidence and consequently an erosion of its funding base. Although LBBW Group maintains a well-diversified funding base, including both institutional investors from in- and outside the Sparkassen financial group as well as private clients, a loss of confidence by some or all of these investor groups could endanger LBBW Group's liquidity position.

The LBBW Group's liquidity could be materially adversely affected by factors the LBBW Group cannot control, such as the continued general disruption of the financial markets or negative views about the financial services industry in general, which could restrict LBBW Group's access to the capital markets and limit its ability to obtain funding on acceptable terms. In addition, the LBBW Group's ability to raise funding could be impaired if lenders develop a negative perception of the short-term or long-term financial prospects, or a perception that the LBBW Group is experiencing greater liquidity risk. Further, the LBBW Group's cost of obtaining long-term unsecured funding is directly related to its credit spreads in both the cash bond and derivatives markets. A reduction in the LBBW Group's credit ratings or even the possibility of a downgrade could have a detrimental impact on LBBW Group's relationship with its customers and on the sale of products and services and thereby adversely affect its liquidity, widen its credit spreads or otherwise increase its borrowing costs, or limit its access to the capital markets.

Operational Risk

LBBW Group defines operational risks (OpRisk) as the risk of losses arising due to the unsuitability or failure of internal processes and systems, people, or due to external events. This definition also includes legal risks.

Operational risks move into the centre of attention as an independent kind of risk due to the rising complexity of the banking industry, the growing speed of innovation as well as the strong increase of use of challenging technology in the banking business. LBBW Group's institutional banking business is based on highly developed information technology and is therefore subject to IT risks. IT-systems are susceptible to different problems e.g. computer viruses, hacking, soft- and hardware failures or the blackout of infrastructure.

The changing environment in the banking industry requires great demands on the employees and their qualification. Human mistakes in working processes and risks of internal fraud can never be eliminated completely.

LBBW Group is exposed to forces of nature (e.g. floodings) and other extreme events e.g. risks in connection with the construction of Stuttgart 21. General trends which consist of more attacks with criminal threshold (e.g. credit card fraud) or the risk of terrorism or vandalism also apply to LBBW Group. Credit risks in connection with operational risks e.g. falsification of a balance sheet can also occur.

LBBW Group is exposed to legal risks (e.g. new legal rules, changes in jurisdiction or advisor's liability). Following new recent decisions in connection with customer transactions involving complex derivatives and topics relating to consumer law, legal risks stay in the focus of LBBW Group.

The standard approach is used to calculate regulatory capital requirements at LBBW Group. In connection with LBBW Group's risk-bearing capacity (RBC), an operational value-at-risk (OpVaR) model is applied for the internal economic management.

The model is based on the loss distribution approach. Separate segment-specific modeling is carried out for the distribution of frequency and size of loss. Internal and external losses together with scenario analyses are included for the OpVaR calculation.

In the 2014 financial year various fundamental changes were made in the model in the course of a review. Model cells were consolidated. The loss-based model was separated from the results from the scenario analyses and subsequently combined, producing weighted models. Conservative methods were used to model the correlations.

A time frame of one year and a confidence level of 99.93 % were used to calculate the OpVaR within the framework of risk-bearing capacity.

The OpVaR model used for internal controlling is integrated into the Group's strategic limit system. There are economic stress scenarios that vary the risk parameters of the OpVaR model (frequency or amount of loss in expected future loss events). This covers the main business lines and event types. The stress test results for operational risks are also incorporated in the overarching MaRisk stress scenarios.

The LBBW Group has a comprehensive system for the management and controlling of operational risks. On the basis of a dual overall approach, firstly an independent, centralized organizational unit within the Group Risk Control division is tasked with further developing and implementing the methods and tools used by OpRisk Controlling. Secondly, in the LBBW Group, the execution of the processes implemented for the management of operational risks is mainly the responsibility of the individual divisions and Group companies.

The central parameters for handling operational risks are anchored in the risk strategy and policy for operational risks as well as in the work rules. Here the risk strategy and policy regulate the risk profile of the LBBW Group, the principles of the risk culture as well as the risk management and controlling process with regard to operational risks.

One of the main goals of operational risk management and control activities is to identify operational risks at an early stage, presenting them in a transparent manner and managing them proactively. The central link-up point for all management and controlling instruments is the functional organizational model, which comprehensively describes the roles and responsibilities of those involved in the process. In this context, the local Operational Risk Managers are very important. They support division management and managing directors in the use of operational risk controlling tools and the

reporting system, serve as contacts for their respective employees regarding operational risks, and are in close contact with LBBW Group's centralized OpRisk Controlling unit.

Various methods and tools are used to identify and assess the risk situation. In addition to the internal and external incident database, a risk inventory is conducted annually with self-assessments and scenario analyses. The self-assessments record the individual risks of each division of the LBBW Group with the aim of conducting division-specific analyses and obtaining wide-ranging information of relevance to management. The most important risks detected in the course of the self-assessments are aggregated in the scenario analysis using standard scenarios; they are then analyzed extensively and measures for reducing the risks are collected. This forms the basis for drawing up and implementing measures to reduce these risks. This methodology has been rolled out in all business units and principal subsidiaries of the LBBW Group. The results of the scenario analyses are used in the OpVaR model. In addition, risk indicators are regularly recorded and reported.

OpRisk measure management plays a key role in managing operational risks. They are managed proactively by the divisions and Group companies on the basis of the risk strategy for operational risks. Four action strategy options are available for handling operational risks: avoid, transfer, reduce or accept risks. The measure management implemented the internal control system and an open risk culture play an important role when it comes to determining which option is to be chosen. A key role in avoiding operational risks is played by the sensitivity to risks of all staff members and the handling of risks in an open manner. The objective is to minimize or avoid risks, taking cost/benefit aspects into consideration. If it is not possible to completely avoid possible losses the central Group Strategy/Legal division obtains insurance policies to cover potential losses - as far as this is possible and reasonable. Continuous improvement of business process, among other things, offers another possibility of reducing potential operational risks. Emergency concepts and business continuation plans are used to limit losses in the event of an emergency.

The centralized OpRisk Controlling unit provides decision-makers with relevant information as part of regular risk reporting. The Risk Committee also supports the Board of Managing Directors in exercising its supervisory function.

Investment Risks

Besides the risk of a potential decline in value as the result of default, there also exists the risk of receiving insufficient return or no return at all on its investments, which, however corresponds to the general book value or market value risk due to the focus on capitalized income value in the valuation of equity investments. The main drivers here are the large strategic equity investments. LBBW Group's equity investment portfolio is heavily oriented to the financial sector. For this reason, disruption in this segment of the market may lead to substantial losses on equity investments.

In addition, liability risks also arise from the profit and loss transfer agreements signed with some subsidiaries as well as public institution liability (*Anstaltslast*) or guarantor's liability (*Gewährträgerhaftung*) with respect to former equity investments in public sector corporations. LBBW-Bank has also issued letters of comfort for several equity investments.

Real Estate Risks

Real estate risks are defined as potential negative changes in the value of the Group's own real estate holdings due to deterioration of the general real estate market or deterioration in the particular attributes of an individual property.

The portfolio is diversified within commercial real estate, particularly for office and retail use, and by size class. Diversification in terms of macro-location is restricted as the commercial portfolio is predominantly located in Stuttgart.

LBBW Group uses a real estate value-at-risk (IVaR) model to measure real estate risk. The central Group Risk Control division calculates IVaR indicators for real estate risks quarterly and incorporates these into the Group's analysis of risk-bearing capacity.

Development Risks

Development risks are defined as the bundle of risks that typically arise when implementing commercial and residential project developments. The risks in this field mainly arise from planning and approval, the projected construction costs and deadline, and especially from letting and selling. Additional risks, such as the credit risk on the part of partners, the implementation of decisions regarding the partners, also apply if project developments are implemented in partner projects. The occurrence of these risks may also result in the forecast return not being generated, the invested capital not being recovered in full – or not at all in extreme cases – or the need for further equity injections, given it is not a non-recourse financing.

Development risk is calculated quarterly by the Controlling division of the LBBW Immobilien Group. The central Group Risk Control division includes this in the LBBW Group's analysis of risk-bearing capacity.

Other Risk categories

Furthermore, there are other risk categories examined by LBBW Group's risk management, such as reputation risks (losses caused by damage to the Bank's reputation), pension risks (this risk type entails the possible need to increase pension provisions and business risks (losses due to less favorable business performance than expected or from strategic errors, provided that they do not relate to other characteristic banking risks).

Reputation risks, business risk and pension risks as well as other immaterial risk positions are taken into account within the scope of the risk-bearing capacity.

Risks relating to the Acquisition of Sachsen LB

When Sachsen LB was acquired by LBBW in 2008, the structured portfolios Ormond Quay and Sachsen Funding I were excluded from the acquisition. These portfolios with an aggregated nominal outstanding of originally EUR 17.3 billion were transferred to an Irish special-purpose vehicle, Sealink Funding Ltd. ("Sealink"), established in 2008. Currently there are still EUR 6.5 billion of these securities outstanding (as per 31 December 2014).

The refinancing of the securities denominated in EUR, USD and GBP is done by LBBW's subordinated financing of EUR 5.9 billion (as 31 December 2014). LBBW has been repaid its proportion of the higher-ranking senior loan arranged within a syndicate of German Landesbanks of initially EUR 390 million without any loss.

The Free State of Saxony has issued a first loss guarantee in the amount of EUR 2.75 billion to cover losses arising from the Sealink portfolio.

Payment defaults in excess of the amount guaranteed by the Free State of Saxony have to be borne by LBBW based on its junior refinancing of Sealink. Since June 30, 2009, LBBW has been covered against these payment defaults up to an amount of EUR 5.5 billion by the risk shield of the state of Baden-Württemberg.

There remains a reduced residual risk due to currency exchange rate driven increase of the junior loan exceeding the sum of both Euro denominated guarantees by the Free State of Saxony and the State of Baden-Württemberg.

CONSENT TO USE THE PROSPECTUS

If so specified in the Final Terms in respect of any Tranche of Securities, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Securities during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in Luxembourg, Germany, Austria, the Netherlands and/or United Kingdom, as specified in the relevant Final Terms by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the conditions (if any) specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in Luxembourg, Germany, Austria, the Netherlands and/or United Kingdom, as specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers (each an "**Authorised Offeror**") under the Markets in Financial Instruments Directive (Directive 2004/39/EC). **The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms to the use of this Base Prospectus as described above and, if they do so, the Issuer or the financial intermediaries will publish the above information in relation to them on their website.**

In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

The consent referred to above relates to Offer Periods occurring in their entirety within 12 months from the date of this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, a Public Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents, all of which have been previously published and which have been filed with the CSSF and shall be deemed to be incorporated in, and form part of, this Base Prospectus:

- (1) the audited consolidated financial statements for LBBW in respect of the fiscal year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards, as adopted in the European Union ("**IFRS**"), (set out on pages 122 to 261 of the 2014 LBBW Annual Report), including:

- (a) Income Statement for the year ended 31 December 2014 2014 LBBW Annual Report p 125
- (b) Total Comprehensive Income for the year ended 31 December 2014 2014 LBBW Annual Report p 126
- (c) Balance Sheet as at 31 December 2014 2014 LBBW Annual Report p 128 - 129
- (d) Statement of Changes in Equity for the year ended 31 December 2014 2014 LBBW Annual Report p 130 - 131
- (e) Cash Flow Statement for the year ended 31 December 2014 2014 LBBW Annual Report p 132 - 133
- (f) Notes to the Consolidated Financial statements for the year ended 31 December 2014 2014 LBBW Annual Report p 135 - 252
- (g) List of companies included in the consolidated financial statements 2014 LBBW Annual Report p 240 - 248

and the relevant auditor's report (*Bestätigungsvermerk*) for the fiscal year ended 31 December 2014 (2014 LBBW Annual Report p 255);

- (2) the audited consolidated financial statements for LBBW in respect of the fiscal year ended 31 December 2013, prepared in accordance with the International Financial Reporting Standards, as adopted in the European Union ("**IFRS**"), (set out on pages 116 to 248 of the 2013 LBBW Annual Report), including:

- (a) Income Statement for the year ended 31 December 2013 2013 LBBW Annual Report p 119
- (b) Total Comprehensive Income for the year ended 31 December 2013 2013 LBBW Annual Report p 120
- (c) Balance Sheet as at 31 December 2013 2013 LBBW Annual Report p 122 - 123
- (d) Statement of Changes in Equity for the year ended 31 December 2013 2013 LBBW Annual Report p 124 - 125
- (e) Cash Flow Statement for the year ended 31 December 2013 2013 LBBW Annual Report p 126 - 127
- (f) Notes to the Consolidated Financial statements for the year ended 31 December 2013 2013 LBBW Annual Report p 129 - 239
- (g) List of companies included in the 2013 LBBW Annual Report p 226 - 234

consolidated financial statements

and the relevant auditor's report (Bestätigungsvermerk) for the fiscal year ended 31 December 2013 (2013 LBBW Annual Report p 242);

- (3) the Base Prospectus dated 9 September 2005 in respect of the Programme, including:
 - Terms and Conditions of the Instruments p 29 - 87
- (4) the Base Prospectus dated 12 May 2006 in respect of the Programme, including:
 - (a) Terms and Conditions of the Instruments p 38 - 96
 - (b) Terms and Conditions of the Pfandbriefe p 97 - 108 and p 113 - 125
 - (c) Terms and Conditions of the Global Jumbo Pfandbriefe p 109 - 112 and p 126 - 129
- (5) Supplement No. 1 dated 5 September 2006 in respect of the Base Prospectus dated 12 May 2006;
- (6) the Base Prospectus dated 11 May 2007 in respect of the Programme, including:
 - (a) Terms and Conditions of the Instruments p 42 - 105
 - (b) Terms and Conditions of the Pfandbriefe p 106 - 117 and p 122 - 134
 - (c) Terms and Conditions of the Global Jumbo Pfandbriefe p 118 - 121 and p 135 - 138
- (7) the Base Prospectus dated 9 May 2008 in respect of the Programme, including:
 - (a) Terms and Conditions of the Instruments p 45 - 107
 - (b) Terms and Conditions of the Pfandbriefe p 108 - 119 and p 124 - 136
 - (c) Terms and Conditions of the Global Jumbo Pfandbriefe p 120 - 123 and p 137 - 140
- (8) Supplement No. 1 dated 17 July 2008 in respect of the Base Prospectus dated 9 May 2008;
- (9) the Base Prospectus dated 15 May 2009 in respect of the Programme, including:
 - (a) Terms and Conditions of the Instruments p 48 - 112
 - (b) Terms and Conditions of the Pfandbriefe p 113 - 125 and p 130 - 142
 - (c) Terms and Conditions of the Global Jumbo Pfandbriefe p 126 - 129 and p 143 - 146
- (10) the Base Prospectus dated 11 May 2010 in respect of the Programme, including:
 - (a) Terms and Conditions of the Instruments p 41 - 120
 - (b) Terms and Conditions of the Pfandbriefe p 121 - 135 and p 141 - 156

- (c) Terms and Conditions of the Global Jumbo Pfandbriefe p 136 - 140 and p 157 - 161
- (11) the Base Prospectus dated 9 May 2011 in respect of the Programme;
 - (a) Terms and Conditions of the Instruments p 45 - 125
 - (b) Terms and Conditions of the Pfandbriefe in bearer form p 126 - 140 and p 150 - 165
 - (c) Supplemental Terms and Conditions of the Pfandbriefe in registered form p 141 - 144 and p 166 - 169
 - (d) Terms and Conditions of the Global Jumbo Pfandbriefe p 145 - 149 and p 170 - 174
- (12) the Base Prospectus dated 11 May 2012 in respect of the Programme;
 - (a) Terms and Conditions of the Instruments p 48 - 128
 - (b) Terms and Conditions of the Pfandbriefe in bearer form p 129 - 144 and p 154 - 169
 - (c) Supplemental Terms and Conditions of the Pfandbriefe in registered form p 145 - 148 and p 170 - 173
 - (d) Terms and Conditions of the Global Jumbo Pfandbriefe p 149 - 153 and p 174 - 178
- (13) the Base Prospectus dated 14 May 2013 in respect of the Programme;
 - (a) Terms and Conditions of the Instruments p 71 - 104
 - (b) Terms and Conditions of Fixed Rate Pfandbriefe in Bearer Form p 105 - 114 and p 165 - 174
 - (c) Terms and Conditions of Floating Rate Pfandbriefe in Bearer Form p 115 - 129 and p 175 - 190
 - (d) Terms and Conditions of Zero Coupon Pfandbriefe in Bearer Form p 130 - 136 and p 191 - 197
 - (e) Terms and Conditions of Fixed Rate Pfandbriefe in Registered Form p 137 - 144 and p 198 - 206
 - (f) Terms and Conditions of Floating Rate Pfandbriefe in Registered Form p 145 - 158 and p 207 - 220
 - (g) Terms and Conditions of Zero Coupon Pfandbriefe in Registered Form p 159 - 164 and p 221 - 221
- (14) the Base Prospectus dated 7 May 2014 in respect of the Programme;
 - (a) Terms and Conditions of the Instruments p 91 - 126
 - (b) Terms and Conditions of Fixed Rate p 127 - 136 and p 187 - 196

Pfandbriefe in Bearer Form

- (c) Terms and Conditions of Floating Rate Pfandbriefe in Bearer Form p 137 - 151 and p 197 - 213
- (d) Terms and Conditions of Zero Coupon Pfandbriefe in Bearer Form p 152 - 158 and p 214 - 220
- (e) Terms and Conditions of Fixed Rate Pfandbriefe in Registered Form p 159 - 166 and p 221 - 229
- (f) Terms and Conditions of Floating Rate Pfandbriefe in Registered Form p 167 - 180 and p 230 - 243
- (g) Terms and Conditions of Zero Coupon Pfandbriefe in Registered Form p 181 - 186 and p 244 - 249

Any information, not contained in the cross reference list above, but included in the documents incorporated by reference, is either not relevant for an investor or covered in another part of the Base Prospectus.

The Issuer has undertaken, in connection with the listing of any Securities and in compliance with its obligations under the Prospectus Directive, that if there shall occur any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus in the business or financial position of such Issuer or any information set out under the "*Terms and Conditions of the Instruments*", "*Terms and Conditions of the Pfandbriefe in bearer form*" and "*Terms and Conditions of the Pfandbriefe in registered form*" that is material in the context of issuance under the Programme which is not reflected in the Base Prospectus (or any of the documents incorporated by reference in the Base Prospectus) the Issuer will prepare or procure the preparation of a supplement to the Base Prospectus or, as the case may be, publish a new Base Prospectus for use in connection with any subsequent offering by the Issuer of Instruments under the Programme to be listed on the official list of the Luxembourg Stock Exchange.

The Issuer will, at the specified offices of the Paying Agent in Luxembourg, provide upon the oral or written request, free of charge, a copy of the Base Prospectus (or any document incorporated by reference in the Base Prospectus). Written or oral requests for such documents should be directed to the registered office of the Issuer or the specified office of the Paying Agent in Luxembourg.

GENERAL DESCRIPTION OF THE PROGRAMME AND OF THE SECURITIES

General Description of the Programme

The Programme is a Euro 50,000,000,000 Programme for the Issuance of Debt Securities under which LBBW may, from time to time, issue Securities in accordance with and subject to all applicable laws and regulations and denominated in any currency, subject as set out herein. Securities issued under the Programme will not benefit from any state guarantee.

General Description of the Securities

General

The following description is an abstract presentation of the following possible structures of the Securities to be issued under the terms of this Base Prospectus and does not refer to a specific issue of Securities which will be issued under the terms of this Base Prospectus.

The relevant terms and conditions of the Securities, which will govern the relationship between the Issuer and the Holders, are attached to the relevant global note(s) and form an integral part of such global note(s). The form of terms and conditions is set out in the Sections "*Terms and Conditions of the Instruments*", "*Terms and Conditions of the Pfandbriefe in bearer form*" or "*Terms and Conditions of the Pfandbriefe in registered form*" of this Base Prospectus with regard to Instruments and Pfandbriefe.

Potential investors should note that information relating to a specific issue of Securities **that is not yet known at the date of this Base Prospectus**, including, but not limited to, the issue price, the date of the issue, the level of the interest rate (if the Securities bear interest), the type of interest payable (if the Securities bear interest), the maturity date and other details significantly affecting the economic assessment of the Securities is not contained in this section of this Base Prospectus but in the relevant Final Terms. **Consequently, the following description does not contain all information relating to the Securities. Any investment decision by an investor should therefore be made only on the basis of full information on the Issuer and on the Securities to be offered which is set out in this Base Prospectus, the relevant Final Terms or Drawdown Prospectus, as the case may be, for such Securities when read together with this Base Prospectus, any supplement thereto and the relevant terms and conditions applicable to the Securities.**

Various categories of potential investors to which the Securities may be offered

Securities may be offered to qualified investors and/or retail investors and/or institutional investors as further specified in the relevant Final Terms.

Issue price of the Securities and Yield

Securities may be issued at an issue price, which is at par or at a discount to, or premium over, par, as stated in the relevant Final Terms. The issue price for Securities to be issued will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Dealers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine an issue price, all to correspond to the yield.

The yield for Fixed Rate Securities will be calculated by the use of the ICMA method, which determines the effective interest rate of Securities taking into account accrued interest on a daily basis. The yield is calculated at the issue date of the Securities on the basis of the issue price of the Securities. It is not an indication of future yield.

Interest on the Securities and Redemption of the Securities

The Programme provides for the issue of Securities with the following interest and/or redemption structures:

1. Fixed Rate Securities (including Step-up/Step-down/Step-up and Step-down Securities/Resetable Instruments);
2. Floating Rate Securities (including Fixed to Floating Rate Securities and Inverse Floating Rate Securities);
3. Zero Coupon Securities.

Securities will be redeemed at the maturity date at a redemption amount or, in the case of Instalment Instruments, in several instalment amounts on dates, prior to, and including, the maturity date which may not be less than the outstanding principal amount of the Securities. Alternatively, Open End Instruments may be issued which do not provide for a fixed maturity date, but which may be redeemed at the option of the Issuer as specified in the Final Terms.

Should an Early Redemption Event occur in relation to Zero Coupon Instruments, the Instruments might be redeemed prior to their stated maturity. In such case, the redemption amount can be less than the principal amount, but will not be less than the issue price.

Hence, Securities with a derivative component within the meaning of the Prospectus Regulation will not be issued under the Programme.

1. Fixed Rate Securities

In the case of Fixed Rate Securities, the rate of interest on the basis of which periodic interest payments are calculated will be specified before the issue date of the Securities.

Fixed Rate Securities may be issued with one interest rate applicable throughout the entire term of the Securities or more, different interest rates, each applicable during a certain time period during the term. If Fixed Rate Securities are issued with more than one interest rate for different time periods, they may be issued as Step-up or as Step-down Securities or as a combination thereof or in the combination of a classical Fixed Rate Securities over a certain time period and with a step-up or step-down element of interest or a combination of step-up and step-down elements for a succeeding time period or as Resetable Instruments. Step-up Securities provide for predetermined fixed rates of interest which increase over the term of the Securities. Step-down Securities provide for predetermined fixed rates of interest which decrease over the term of the Securities. Step-up and Step-down Securities provide for several interest periods, during each of which a predetermined fixed rate of interest will either increase or decrease. Resetable Instruments provide for predetermined fixed rates of interest which upon a call date are reset using a predetermined reference rate for the remainder of the term of the Instruments (if the Issuer decides not to redeem such Instruments early on such date).

2. Floating Rate Securities

In the case of Floating Rate Securities, the interest rate on the basis of which the amount of interest payable to the Holders is calculated is not specified at the issue date of the Securities. Instead, the rate at which interest accrues changes over time and only the relevant variable, fluctuating rate on which the rate of interest on the Securities is based and calculated is specified. Floating Rate Securities may be issued with a structure where the interest rate applicable to the Floating Rate Securities is based and calculated on a reference rate such as the EURIBOR[®] or the LIBOR[®] or EONIA[®] (the "Reference Rate") or a swap rate such as the constant maturity swap rate ("CMS" and the "CMS Rate").

Reference Rate

The Reference Rate may be either the EURIBOR[®] or the LIBOR[®] or EONIA[®].

Euro Interbank Offered Rate (EURIBOR[®]) is a daily interest rate at which Eurozone banks offer to lend unsecured funds to other banks for a term of 1 and 2 weeks and on a monthly basis for a term of 1 month and 2, 3, 6 and 12 months.

London Interbank Offered Rate (LIBOR[®]) is an interest rate at which banks of the London market offer to lend unsecured funds to other banks in the London market to be determined on a daily basis for a term of 1 and 2 weeks and on a monthly basis for a term of 1 month and 2, 3, 6 and 12 months.

Each reference rate reflects the normal terms currently applying on the capital market for raising funds in the form of debt capital for a period of between 1 and 2 weeks and 1 and 2, 3, 6 and 12 months.

Euro OverNight Index Average (EONIA[®]) is an effective overnight interest rate computed as a weighted average of all overnight unsecured lending transactions in the Eurozone market. Such overnight interest rates will be averaged out over the duration of the relevant interest period.

CMS Rate

The CMS Rate is the CMS (constant maturity swap) which is an interest rate swap where the interest rate on one leg is reset periodically, but with reference to a market swap rate rather than EURIBOR[®]. The other leg of the swap is EURIBOR[®] but may be a fixed rate or potentially another constant maturity swap.

Additional features of Floating Rate Securities

Floating Rate Securities are linked to a Reference Rate or a CMS Rate, as the case may be, and the rate of interest may be calculated in accordance with one or more of the following variants:

- (i) the Reference Rate or the CMS Rate represents the rate of interest applicable to the Securities on a one to one basis; or
- (ii) a fixed rate of interest (margin) is added (premium) to the Reference Rate or the CMS Rate, depending on the credit rating of the Issuer, the maturity of the Securities and the interest rates currently applying on the capital market for raising debt capital, i.e. the Reference Rate or the CMS Rate and the premium together produce the rate of interest applicable to the Securities ("**Floating Rate Securities with an Interest Premium**"); or
- (iii) a fixed rate of interest (margin) is deducted (discount) from the Reference Rate or CMS Rate depending on the maturity of the Securities and the interest rates currently applying on the capital market for raising debt capital, i.e. the Reference Rate or the CMS Rate after deducting the discount produces the rate of interest applicable to the Securities ("**Floating Rate Securities with an Interest Discount**"); or
- (iv) the rate of interest based on the Reference Rate or the CMS Rate is multiplied with a factor, i.e. the Reference Rate or the CMS Rate multiplied with the factor produce the rate of interest applicable to the Securities ("**Floating Rate Securities with a factor**"); or
- (v) prior to the term of the floating rate term the Securities provide for one or more fixed rate interest period(s) which are connected upstream to the floating rate interest periods, i.e. the Securities first provide for interest payments based on a fixed rate of interest and after completion of such fixed rate interest period(s), the Securities provide for interest payments based on a floating rate of interest which may be structured as (i) through (vii) above ("**Fixed to Floating Rate Securities**"); and

- (vi) the rate of interest applicable to the Securities is calculated on the basis of a fixed rate of interest from which a rate based upon a Reference Rate or a CMS Rate is deducted, i.e. the fixed rate of interest after deducting the Reference Rate or the CMS Rate produces the rate of interest applicable to the Securities (“**Inverse Floating Rate Securities**”).

The interest rate calculated may be subject to the following modifications:

- (i) the rate of interest based on the Reference Rate or the CMS Rate is limited to a lower minimum interest rate determined in advance (minimum rate of interest or "**Floor**"), i.e. even if the Reference Rate or the CMS Rate (or the interest rate based thereon) were to be lower than the Floor, the Floor would be applicable to the Securities for the relevant interest period or the whole term of the Securities ("**Floating Rate Securities with a Floor**"); or
- (ii) the rate of interest based on the Reference Rate or the CMS Rate is limited to an upper maximum interest rate determined in advance (maximum rate of interest or "**Cap**"), i.e. even if the Reference Rate or the CMS Rate (or the interest rate based thereon) were to be higher than the Cap, the Cap would be applicable to the Securities for the relevant interest period or the whole term of the Securities ("**Floating Rate Securities with a Cap**"); or
- (iii) the rate of interest based on the Reference Rate or the CMS Rate is limited to a lower minimum interest rate determined in advance (minimum rate of interest or "**Floor**") and an upper maximum interest rate determined in advance (maximum rate of interest or "**Cap**"), i.e. even if the Reference Rate or the CMS Rate (or the interest rate based thereon) were to be lower than the Floor, the Floor would be applicable to the Securities for the relevant interest period or the whole term of the Securities or even if the Reference Rate or the CMS Rate (or the interest rate based thereon) were to be higher than the Cap, the Cap would be applicable to the Securities for the relevant interest period or the whole term of the Securities ("**Floating Rate Securities with a Floor and a Cap**").

3. Zero Coupon Securities

Zero Coupon Securities are Securities with no periodic payment of interest. Return on Zero Coupon Securities occurs as a one-time payment at maturity in the form of a redemption amount that is higher than the issue price.

Due dates for interest payments and calculation of the amount of interest (except for Zero Coupon Securities)

Interest payments may be made monthly, quarterly, semi-annually or annually. The amount of interest payable in respect of the Securities is calculated by applying the relevant interest rate for the interest period concerned and the day count fraction to the par value of the Securities.

Redemption of the Securities at maturity

Securities issued under the terms of this Base Prospectus have a maturity which is determined at the issue date. Prior to the issue date of the Securities, the Issuer determines the maturity date on which it is obliged to redeem the Securities.

Early redemption of the Securities

Optional rights of early redemption

The Terms and Conditions of the Securities may provide for the following rights of early termination at the option of the Issuer and/or the Holder:

- (i) Early redemption at the option of the Issuer: right of early termination of the Issuer (which is, in relation to the Subordinated Instruments, subject to the prior permission by the competent authority) at predetermined early redemption dates at predetermined early redemption amount(s).
- (ii) Early redemption at the option of the Holder (not applicable with regard to Pfandbriefe and Subordinated Instruments): right of early termination of the Holder at predetermined early redemption dates at predetermined early redemption amount(s).
- (iii) Tax call (not applicable with regard to Pfandbriefe): right of early redemption of the Issuer (which is, in relation to the Subordinated Instruments, subject to the prior permission by the competent regulatory authority) for reasons of taxation in case of a result of any change in, or amendment to relevant tax laws and regulations as further specified in the Terms and Conditions of the Instruments.
- (iv) Regulatory call (only applicable with regard to Subordinated Instruments): right of early redemption of the Issuer subject to the prior permission (if required) of the competent regulatory authority for regulatory reasons in case that the Issuer is no longer entitled to treat the Subordinated Instruments as Tier 2 Capital due to any change in the relevant regulatory and accounting provisions or in case the Subordinated Instruments are in any other way subject to a less favourable treatment as own funds than on the issue date.
- (v) Call for hedging events (not applicable with regard to Pfandbriefe and Subordinated Instruments): right of early redemption of the Issuer for reasons of a hedging event, i.e. a hedging disruption, increased cost of hedging or a change in law in relation to a hedging transaction as further specified in the Terms and Conditions of the Instruments.

Non optional rights of early redemption

Furthermore, the Terms and Conditions of the Instruments provide for a right of early termination by a Holder due to the occurrence of an event of default as further specified in the Terms and Conditions of the Instruments (except for Subordinated Instruments). Events of default comprise aspects such as a default with regard to the payment of interest (except for Zero Coupon Instruments) and/or principal, failure by the Issuer to perform any other obligation under the Instruments (other than Subordinated Instruments) or the Trust Deed or a law is enacted for the dissolution or winding-up of the Issuer.

The Terms and Conditions of the Instruments do not provide for any cross default clause.

Except for discounted Zero Coupon Securities, any early redemption amount applicable to the Securities will not be less than the nominal amount of the Securities. With respect to discounted Zero Coupon Securities, an early redemption amount may be less than the nominal amount of the Securities but may not be less than the amount invested in such discounted Zero Coupon Securities. Hence, Securities with a derivative component within the meaning of the Prospectus Regulation will not be issued under the Programme.

Further Issues, Purchase and Cancellation

The Issuer may from time to time, without the consent of the Holders, issue further Securities having the same terms and conditions as the Securities 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 Securities.

The Issuer may (except as otherwise provided for) at any time purchase Securities in the open market or otherwise and at any price. Securities 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 Securities must be made available to all Holders of such Securities alike.

All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

Minimum Denomination of the Securities

The minimum denomination of Securities issued under the Programme is EUR 1,000 or the equivalent amount in another currency.

Currency of the Securities

Securities may be issued in any currency as determined by the Issuer subject to applicable laws and regulations.

Status and ranking of Instruments

Unsubordinated Instruments

The obligations under the Instruments constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer save for certain exemptions provided by law.

Subordinated Instruments

The obligations under the Subordinated Instruments constitute unsecured and subordinated obligations of the Issuer, ranking (i) *pari passu* among themselves; and (ii) *pari passu* with all other unsecured subordinated obligations of the Issuer (except for subordinated liabilities expressed to rank junior to the Subordinated Instruments), unless such other obligations take priority by mandatory provisions of law or the terms of such subordinated Instruments.

The Subordinated Instruments are intended to qualify as Tier 2 capital (*Ergänzungskapital*) of the Issuer. In the event of the dissolution, liquidation, insolvency, composition or any proceeding for the avoidance of insolvency, of or against the Issuer, the obligations under or in connection with the subordinated Instruments will be wholly subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors of the Issuer shall have been satisfied in full. Further, claims under or in connection with the subordinated Instruments are exposed to the particular risks relating to resolution measures (and therefore already prior to an insolvency of the Issuer or similar aforementioned proceeding) under the BRRD, SAG and the SRM Regulation.

Status and ranking of Pfandbriefe

The obligations under the Pfandbriefe constitute unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the Pfandbrief Act (*Pfandbriefgesetz*) and each class of Pfandbriefe ranks at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer under mortgage covered Pfandbriefe (*Hypothekendarlehen*) (in the case of mortgage covered Pfandbriefe) and public sector Pfandbriefe (*Öffentliche Pfandbriefe*) (in the case of public sector Pfandbriefe).

Form of Securities

The Instruments are represented by the issue of one or more global note(s) in bearer form or in registered form. Instruments in definitive form will only be issued for bearer Instruments.

The Pfandbriefe are represented by the issue of one or more global note(s) in bearer form or in registered form. Pfandbriefe in definitive form will not be issued.

Negative Pledge

The Terms and Conditions of the Securities do not provide for any negative pledge clause.

Governing law, place of performance, jurisdiction and limitation period

The Instruments, as to form and content, all other documentation and all rights and obligations of the Holders and the Issuer, shall be governed by English law.

The Pfandbriefe, as to form and content, all other documentation and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

The courts of England shall have jurisdiction for any action or other legal proceedings arising out of or in connection with the Instruments.

The District Court (*Landgericht*) in Stuttgart shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Pfandbriefe.

The presentation period provided in § 801 paragraph 1, sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to five years for the Pfandbriefe. If presentation occurs, the claim prescribes within two years from the end of the presentation period.

Claims under the Instruments against the Issuer in respect of principal will become void unless made within ten years (or, in the case of interest, five years).

FORMS OF THE SECURITIES

Instruments of each Series will be in bearer form or in registered form.

Registered Form Instruments

Unless otherwise provided with respect to a particular Series of Registered Instruments, the Registered Instruments of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold outside the United States to persons that are not U.S. persons, will initially be represented by an Unrestricted Global Registered Instrument which will be registered in the name of a nominee of, and will be deposited with a common safekeeper for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the Distribution Compliance Period (as defined under "*Terms and Conditions of the Instruments*" below) applicable to a Tranche of Instruments, beneficial interests in an Unrestricted Global Registered Instrument relating to such Tranche may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Unrestricted Global Registered Instrument will bear a legend regarding such restrictions on transfer. Unrestricted Global Registered Instruments will be exchangeable for Definitive Registered Instruments only in the limited circumstances as more fully described herein.

Registered Instruments of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to QIBs pursuant to Rule 144A who agree to purchase the Instruments for their own account or for the account of a QIB over which they exercise sole investment discretion and not with a view to the distribution thereof. The Registered Instruments of each Tranche sold to QIBs will be represented by a Restricted Global Registered Instrument which will be deposited with a custodian for, and registered in the name of Cede & Co as nominee for, DTC, except in the case of Restricted Global Registered Instrument that is a new safekeeping structure ("NSS") Global Registered Instrument, will be registered in the name of a nominee of, and will be deposited with a common safekeeper for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg.

Persons holding beneficial interests in Registered Global Instruments will be entitled or required, as the case may be, under the circumstances described in Condition 2, to receive physical delivery of Definitive Registered Instruments.

Bearer Form Instruments

Each Tranche of Instruments issued in bearer form may be in the form of either a Temporary Global Instrument or a Permanent Global Instrument, in each case as specified in the relevant Final Terms or Drawdown Prospectus, as the case may be. Each global Instrument which is not intended to be issued in new global instrument ("NGI") form, as specified in the relevant Final Terms or Drawdown Prospectus, as the case may be, will be deposited on or around the relevant issue date thereof with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each global Instrument which is intended to be issued in NGI form, as specified in the relevant Final Terms or Drawdown Prospectus, as the case may be, will be deposited on or around the issue date of the relevant Tranche of Instruments with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. LBBW, acting through its New York branch, shall not issue any Instruments in bearer form.

On 13 June 2006, the European Central Bank ("ECB") announced that Instruments in NGI form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Instruments in NGI form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after

31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGI form is used.

Each Temporary Global Instrument will be exchangeable for interests in a Permanent Global Instrument in CGI form or NGI form, as appropriate, or, if so specified in the relevant Final Terms or Drawdown Prospectus, as the case may be, for Instruments in definitive bearer form. Any interest in an Instrument in global form will be transferable only in accordance with the rules and procedures of the relevant clearing system or systems. Each Permanent Global Instrument will be exchangeable for definitive Instruments in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, have interest coupons and, if so specified, a Talon attached and will, if the principal thereof is repayable by installments, have a grid for recording the payment of principal endorsed thereon.

All interest on any Bearer Instrument (including any Talon attached thereto) will only be payable outside of the United States or its possessions.

Issue of further Tranches

Pursuant to the Paying Agency Agreement (as defined under "*Terms and Conditions of the Instruments*" below) the Principal Paying Agent shall arrange that, where a further Tranche of Instruments is issued, the Instruments of such Tranche shall be assigned, in the case of Restricted Global Registered Instruments, a CUSIP number, and, in the case of Bearer Instruments and Unrestricted Global Registered Instruments, a CINS number, a common code and ISIN, which are different from the CUSIP number, CINS number, common code and ISIN assigned to Instruments of any other Tranche of the same Series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, CINS number, common code and ISIN, as the case may be, thereafter applicable to the Instruments of the relevant Series will be notified by the Principal Paying Agent to the relevant Dealer.

Holders of Instruments, Limitations on Transfer

For so long as any of the Instruments is represented by a Global Bearer Instrument or an Unrestricted Global Registered Instrument deposited with a common depositary or, as the case may be, a common safekeeper for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Restricted Global Registered Instrument, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or, as the case may be, DTC as entitled to a particular nominal amount of Instruments (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee as to the nominal amount of Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Instruments for all purposes other than with respect to the payment of principal or interest on the Instruments for which purpose such common depositary, common safekeeper, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Instruments in accordance with and subject to the terms of the relevant global Instrument (and the expression "Holder" and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Instrument will be able to exchange or transfer that interest except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg and DTC, in each case to the extent applicable.

The following legend will appear on all Bearer Instruments, Coupons and Talons:

"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."

Subject to the following sentence, Pfandbriefe and Global Jumbo Pfandbriefe will be in bearer form and will be issued as a single bearer global note. Pfandbriefe which shall be placed in the United

States of America under Rule 144A or in another transaction exempt from the registration requirements under the Securities Act and cleared through DTC, shall be issued in registered form.

ISSUE PROCEDURES

Issue Procedures for the Instruments

The Issuer and the relevant Dealer(s) will agree on the Terms and Conditions applicable to each particular Tranche of Instruments, which will be constituted by the "*Terms and Conditions of the Instruments*", as completed by the provisions of the applicable Final Terms as provided below.

Language in relation to the Terms and Conditions of the Instruments

The Final Terms and the Terms and Conditions of the Instruments will be drafted in the English language only.

Issue Procedures for the Pfandbriefe

The Issuer and the relevant Dealer(s) will agree on the Terms and Conditions applicable to each particular Tranche of Pfandbriefe, which will be constituted by the "*Terms and Conditions of the Pfandbriefe in bearer form*" and the "*Terms and Conditions of the Pfandbriefe in registered form*", respectively, as completed by the provisions of the applicable Final Terms as provided below.

The terms and conditions of the Pfandbriefe (the "**Terms and Conditions of the Pfandbriefe**") are set forth in the following 6 options (each an "**Option**" and, together, the "**Options**");

Option I applies to Fixed Rate Pfandbriefe in bearer form (including Step-up/Step-down/Step-up and Step-down Pfandbriefe).

Option II applies to Floating Rate Pfandbriefe in bearer form (including Fixed to Floating Rate Pfandbriefe and Inverse Floating Rate Pfandbriefe).

Option III applies to Zero Coupon Pfandbriefe in bearer form.

Option IV applies to Fixed Rate Pfandbriefe in registered form (including Step-up/Step-down/Step-up and Step-down Pfandbriefe).

Option V applies to Floating Rate Pfandbriefe in registered form (including Fixed to Floating Rate Pfandbriefe and Inverse Floating Rate Pfandbriefe).

Option VI applies to Zero Coupon Pfandbriefe in registered form.

Each set of Terms and Conditions of the Pfandbriefe contains, for the relevant Option, in certain places placeholders or potentially a variety of possible further variables for a provision. These are marked with square brackets and corresponding comments.

The conditions applicable to the relevant Series of Pfandbriefe (the "**Conditions**") will be determined as follows:

The Final Terms will (i) determine which of the Option I through VI of the Terms and Conditions shall apply to the relevant Series of Pfandbriefe by inserting such Option in the Final Terms Part I and will (ii) specify and complete such Option so inserted, respectively.

The Conditions only will be attached to the respective Global Note.

Language in relation to the Terms and Conditions of the Pfandbriefe

German with an English convenience translation

Generally, the Final Terms in relation to a Series of Pfandbriefe elect that the German text of the Conditions shall be legally binding. A non-binding English translation may be prepared for convenience only.

German only

The Final Terms relating to a Series of Pfandbriefe may also determine that the Conditions are drafted in the German language only.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the Terms and Conditions of the Instruments which (subject to completion by the relevant Final Terms) will be applicable to each Tranche of Instruments provided however that the relevant Final Terms in relation to any Tranche of Instruments which is not subject to the Prospectus Directive may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Tranche of Instruments:

The Instruments are constituted by a trust deed (the "**Trust Deed**" which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) dated 24 April 2015 and made between Landesbank Baden-Württemberg, acting through its head office or its branches in London or Singapore or New York¹ (as specified in the relevant Final Terms or the Drawdown Prospectus, as the case may be) ("**LBBW**" or the "**Issuer**") and Deutsche Trustee Company Limited (the "**Trustee**"). The Instruments will be the subject of an amended and restated agency agreement (the "**Paying Agency Agreement**", which expression shall include any amendments or supplements thereto or any amendment and restatement or novation thereof) dated 24 April 2015 and made between the Issuer and Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and as principal registrar (the "**Principal Registrar**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), The Bank of New York Mellon (Luxembourg) S.A. in its capacity as first alternative registrar (the "**First Alternative Registrar**", which expression shall include any successor to The Bank of New York Mellon (Luxembourg, S.A. in its capacity as such) and Citibank, N.A., New York Office in its capacity as second alternative registrar (the "**Second Alternative Registrar**", which expression shall include any successor to Citibank, N.A., New York Office in its capacity as such) (each, a "**Registrar**", and together the "**Registrars**") and the paying agents named therein (the "**Paying Agents**", which expression shall include the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Paying Agency Agreement). Copies of the Trust Deed and the Paying Agency Agreement are available for inspection at the specified office of each of the Trustee, the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Trust Deed and the Paying Agency Agreement insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each a "**Tranche**") of Instruments. Each Tranche will be the subject of final terms (each, a "**Final Terms**") or a drawdown prospectus (each, a "**Drawdown Prospectus**"). In the case of a Tranche of Instruments which is the subject of a Drawdown Prospectus, each reference to information being identified or specified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

A copy of the Final Terms in respect of any Tranche, in relation to which application has been made for admission to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated market (*Bourse de Luxembourg*) of the Luxembourg Stock Exchange (the "**Regulated Market**"), will be filed with the Luxembourg *Commission de Surveillance du Secteur Financier* and be available at the specified office of the Paying Agent in Luxembourg. In the case of a Tranche of Instruments in relation to which application has not been made for listing by any other listing authority or on any other stock exchange, copies of the relevant Final Terms or the Drawdown Prospectus, as the case may be, will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Trust Deed) in respect of, such Instruments.

¹ LBBW, acting through its New York Branch, shall not issue any Instruments in bearer form. This restriction does not relate to any Instruments in registered form issued by LBBW acting through its New York Branch.

In these Terms and Conditions, references to "**Issuer**" are to the Issuer, references to "**Instruments**" are to Instruments of the relevant Series and references to "**Coupons**" are to Coupons relating to Instruments of the relevant Series.

1. Form and Denomination

- 1.01** Instruments are issued in bearer form ("**Bearer Instruments**") or in registered form ("**Registered Instruments**"), as specified in the relevant Final Terms. Bearer Instruments will not be exchangeable for Registered Instruments, and Registered Instruments will not be exchangeable for Bearer Instruments. No single Series or Tranche may comprise both Bearer Instruments and Registered Instruments.

Each issue of Instruments may be represented by (i) Bearer Instruments or (ii) Registered Instruments, as indicated in the Final Terms (in the relevant form scheduled to the Trust Deed).

If indicated in the relevant Final Terms, any Instruments issued from time to time may be intended to be held in a manner which will allow Eurosystem eligibility. This simply means that such Instruments are intended to be issued in Eurosystem-eligible NGI form or Eurosystem eligible NSSGRI form, respectively (as the case may be), in each case deposited with a Common Safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Form of Bearer Instruments

- 1.02** Each Tranche of Bearer Instruments will be represented upon issue by a temporary global instrument (a "**Temporary Global Instrument**") in substantially the form (subject to amendment and completion) of the First Schedule, Part A to the Trust Deed, or, in the case of Instruments denominated in Swiss francs or to be deposited with Clearstream Banking AG, Frankfurt, by a global instrument (a "**Global Instrument**") in substantially the form (subject to amendment and completion) of the First Schedule, Part B to the Trust Deed or the First Schedule, Part C to the Trust Deed (as the case may be). On or after the date (the "**Exchange Date**") which is forty days after the completion of the distribution of the Instruments of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument) has been received, interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global instrument (a "**Permanent Global Instrument**") representing the Instruments of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Trust Deed; or
- (ii) if so specified in the relevant Final Terms, definitive bearer instruments ("**Definitive Instruments**") in substantially the form (subject to amendment and completion) scheduled to the Trust Deed.

Each exchange of an interest in a Temporary Global Instrument for an interest in a Permanent Global Instrument or for a Definitive Instrument, and each exchange of an interest in a Permanent Global Instrument or a Global Instrument for a Definitive Instrument shall be made outside the United States.

- 1.03** If any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global

Instrument or such other form as may replace it) has been received by Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or any other relevant clearing system. Payments of principal or interest (if any) on a Global Instrument will be made through the relevant clearing system without any requirement for certification. Payments of principal or interest (if any) on a Permanent Global Instrument will be made outside the United States or its possessions through the relevant clearing system without any requirement for certification.

- 1.04** Interests in a Temporary Global Instrument, Permanent Global Instrument or in a Global Instrument will be exchangeable for Definitive Instruments (a) if any Instrument of the relevant Series becomes due and repayable following a Default (as defined in Condition 6); or (b) if either Euroclear or Clearstream, Luxembourg, as the case may be, or any other relevant clearing system should be closed for business for a continuous period of fourteen days (other than by reason of public holidays) or should announce an intention permanently to cease business.
- 1.05** Interest-bearing Definitive Instruments will, if so specified in the relevant Final Terms, have endorsed thereon a grid for the recording of the payment of interest or have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which outside the United States or its possessions will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Definitive Instruments if specified in the relevant Final Terms as having Coupons attached will also, if so specified in the relevant Final Terms and shall, in the case of such Open End Instruments (as defined in Condition 5.02) or long dated Instruments, have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.
- 1.06** Instruments, the principal amount of which is repayable by instalments ("**Instalment Instruments**") which are Definitive Instruments or Registered Instruments, will have endorsed thereon a grid for recording the repayment of principal.

Form of Registered Instruments

- 1.07** Unless otherwise provided in the applicable Final Terms with respect to a particular Series of Registered Instruments, Registered Instruments of each Tranche sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") will be represented by a permanent global Registered Instrument without Coupons or Talons (each an "**Unrestricted Global Registered Instrument**"), in substantially the form (subject to amendment and completion) of Schedule 4, Part A to the Trust Deed, which will be registered in the name of a nominee for, and will be deposited with a common safekeeper for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg. Instruments in definitive registered form ("**Unrestricted Definitive Registered Instruments**") issued in exchange for Unrestricted Global Registered Instruments or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Unrestricted Global Registered Instruments, are referred to herein as "Unrestricted Instruments". With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Instruments, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the "**Distribution Compliance Period**"), beneficial interests in an Unrestricted Global Registered Instrument may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After the expiry of such Distribution Compliance Period, beneficial interests in an Unrestricted Global Instrument, other than a NSS Global Registered Instrument, may be

held through The Depository Trust Company ("**DTC**") directly by a participant in DTC or indirectly through a participant in DTC.

- 1.08** Registered Instruments of each Tranche, other than NSS Global Registered Instruments, sold in private transactions in reliance upon Rule 144A under the Securities Act to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("**QIBs**") will, unless otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Instrument, without Receipts, Coupons or Talons (each, a "**Restricted Global Registered Instrument**" and, together with any Unrestricted Global Registered Instrument, the "**Registered Global Instruments**") in substantially the form (subject to amendment and completion) of Schedule 4, Part A to the Trust Deed, deposited with a custodian for, and registered in the name of a nominee for DTC. Instruments in definitive form ("**Restricted Definitive Registered Instruments**" and, together with Unrestricted Definitive Registered Instruments, the "**Definitive Registered Instruments**") issued in exchange for Restricted Global Registered Instruments or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Instruments, are referred to herein as "Restricted Instruments".

NSS Global Registered Instruments sold to QIBs in the United States in reliance on Rule 144A under the Securities Act will be represented by a Restricted Global Registered Instrument. NSS Global Registered Instruments sold to investors outside the United States in reliance on Regulation S under the Securities Act will be represented by an Unrestricted Global Registered Instrument. Both the Unrestricted Global Registered Instrument and the Restricted Global Registered Instrument will be deposited with, and registered in the name of a nominee for, a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

Ownership of beneficial interests in the Unrestricted Global Registered Instrument and the Restricted Global Registered Instrument will be limited to Persons that have accounts with Euroclear or Clearstream, Luxembourg or Persons that may hold interests through such participants. Beneficial interests in the NSS Global Registered Instrument will be shown on, and transfers thereof will be effected through, records maintained in book entry form by Euroclear, Clearstream, Luxembourg and their participants.

- 1.09** Restricted Instruments shall bear a legend specifying certain restrictions on transfer (each, a "**Legend**"). Upon the transfer, exchange or replacement of Restricted Instruments, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2.07) deliver only Restricted Instruments or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.
- 1.10** Subject as otherwise provided in Condition 2, Definitive Registered Instruments may be exchanged or transferred in whole or in part in the Specified Denominations (as defined in the relevant Final Terms) for one or more Definitive Registered Instruments of like aggregate nominal amount.
- 1.11** Each Definitive Registered Instrument will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

Denominations

- 1.12** Instruments are issued in the Specified Denomination(s) set out in the applicable Final Terms which, in the case of Registered Instruments sold other than pursuant to Regulation S, shall be the Authorised Denomination (as defined below) and, in the case of Registered Instruments

having a maturity of 183 days or less, shall be at least U.S.\$500,000 (or the equivalent in any other currency or currencies).

"Authorised Denomination" means in the case of a Restricted Global Registered Instrument, U.S.\$100,000 (or its equivalent rounded upwards as specified in the relevant Final Terms) and higher integral multiples of U.S.\$1,000, or such higher denomination or denominations specified in the applicable Final Terms.

- 1.13** Any minimum Authorised Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Instrument shall be such as applied on or prior to the date of issue of such Instrument.

Currency of Instruments

- 1.14** Instruments may be denominated in any currency subject to compliance with all applicable legal or regulatory requirements.

References to "Instruments"

- 1.15** For the purposes of these Terms and Conditions, references to **"Instruments"** shall, as the context may require, be deemed to be to Temporary Global Instruments, Global Instruments, Permanent Global Instruments, Definitive Instruments or, as the case may be, Registered Instruments.

2. Title

- 2.01** Subject as set out below, title to Bearer Instruments, Receipts, Coupons and Talons will pass by delivery and references herein to **"Holders"** of Bearer Instruments, Receipts, Coupons and Talons are to the bearers of such Bearer Instruments, Receipts, Coupons and Talons.

- 2.02** Title to Registered Instruments will pass upon registration of transfers in the books of the Registrar. References herein to the **"Holders"** of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in such books, subject as provided below. The Issuer, the Trustee, the Principal Paying Agent, any Paying Agent, and the Registrar may deem and treat the bearer of any Bearer Instrument, Receipt or Coupon and any person in whose name a Registered Instrument is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Instrument, without prejudice to the provisions set out in the next succeeding paragraph.

- 2.03** For so long as any of the Bearer Instruments is represented by a bearer global Instrument held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or common safekeeper, as the case may be, or for so long as the common depositary or its nominee or, as the case may be, DTC or its nominee is the registered holder of a Registered Global Instrument, each person (other than Euroclear, Clearstream, Luxembourg or, as the case may be, DTC) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or, as the case may be, DTC, as the holder of a particular nominal amount of such Instruments (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or, as the case may be, DTC, as to the nominal amount of such Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agent and the Registrar as the Holder of such nominal amount of such Instruments for all purposes other than with respect to the payment of principal or interest on the Instruments for which purpose the bearer of the relevant Global Instrument shall be treated by the Issuer, the Trustee, any Paying Agent and the Registrar as the holder of such Instruments in accordance with and subject to the terms of the relevant global Instrument (and expression **"Holder"** and related expressions shall be construed accordingly). Instruments which are represented by a global Instrument will be transferable only in accordance with the rules and

procedures for the time being of Euroclear, Clearstream, Luxembourg and DTC, as the case may be.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the relevant Dealer and the Principal Paying Agent and specified in the applicable Final Terms.

Exchange and Transfer of Registered Instruments

Exchange of interests in Registered Global Instruments for Definitive Registered Instruments

- 2.04** Interests in any Registered Global Instrument will be exchangeable for Definitive Registered Instruments, if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Registered Global Instrument, (ii) if applicable, DTC ceases to be a "Clearing Agency" registered under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business, and a successor depository or alternative clearing system satisfactory to the Issuer is not available, (iii) a Default (as defined in Condition 6) has occurred and is continuing with respect to such Instruments, or (iv) if so provided in the applicable Final Terms, a written request for one or more Definitive Registered Instruments is made by a holder of a beneficial interest in an Unrestricted Global Instrument; *provided that* in the case of (iv) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not less than 60 days (or such other period as may be indicated in the applicable Final Terms) prior to the requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Definitive Registered Instruments to be delivered, *provided that*, notwithstanding the above, no Definitive Registered Instruments will be issued until expiry of the applicable Distribution Compliance Period.

Transfers of Registered Global Instruments

- 2.05** Transfers of any Registered Global Instrument deposited with a custodian for DTC shall be limited to transfers of such Registered Global Instrument, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

Transfers of interests in Unrestricted Instruments

- 2.06** Prior to expiry of the applicable Distribution Compliance Period, transfers by the Holder of, or of a beneficial interest in, an Unrestricted Instrument to a transferee in the United States will only be made:
- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Paying Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar, from the transferor of the Instrument or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

After the expiry of the applicable Distribution Compliance Period, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to any transfer restrictions relating to each Unrestricted Instrument as specified therein and in the applicable Final Terms.

Transfers of interests in Restricted Instruments

2.07 Transfers of Restricted Instruments or beneficial interests therein may be made:

- (i) to the Issuer; or
- (ii) to a transferee who takes delivery of such interest through an Unrestricted Instrument, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Instruments being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (iii) to a transferee who takes delivery of such interest through a Restricted Instrument: where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if applicable), subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States.

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Exchanges and transfers of Registered Instruments generally

2.08 Registered Instruments may not be exchanged for Bearer Instruments and vice versa.

Holders of Definitive Registered Instruments may exchange such Definitive Registered Instruments for interests in a Registered Global Instrument of the same type at any time.

Transfers of beneficial interests in Registered Global Instruments will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Instrument will be transferable and exchangeable for Instruments in definitive form or for a beneficial interest in another Registered Global Instrument only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be.

Upon the terms and subject to the conditions set forth in the Trust Deed and the Paying Agency Agreement, a Definitive Registered Instrument may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the Holder or Holders surrendering the Definitive Registered Instrument for registration of the transfer of the Definitive Registered Instrument (or the relevant part of the Definitive Registered Instrument) at the specified office of the Registrar, with the form of transfers thereon duly executed by the Holder or Holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe, including any

restrictions imposed by the Issuer on transfers of Definitive Registered Instruments originally sold to a U.S. person. Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) sent by mail to such address as the transferee may request, a new Definitive Registered Instrument of a like aggregate nominal amount to the Definitive Registered Instrument (or the relevant part of the Definitive Registered Instrument) transferred. In the case of the transfer of part only of a Definitive Registered Instrument, a new Definitive Registered Instrument in respect of the balance of the Definitive Registered Instrument not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a Holder of a Definitive Registered Instrument for an interest in, or to a person who takes delivery of such Instrument through, a Registered Global Instrument will be made no later than 60 days after the receipt by the Registrar of the Definitive Registered Instrument to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

Registration of transfer upon partial redemption

- 2.09** In the event of a partial redemption of Instruments under Condition 5.05 or Condition 5.06, the Issuer shall not be required:
- (a) to register the transfer of Registered Instruments (or parts of Registered Instruments) during the period beginning on the 15th day before the date fixed for the partial redemption and ending on the date fixed for such partial redemption (both inclusive); or
 - (b) to register the transfer of any Registered Instrument, or part of a Registered Instrument, called for partial redemption.

Closed Periods

- 2.10** No Holder may require the transfer of a Registered Instrument to be registered during the period of 15 days ending on the due date for any payment of principal or interest or payment on that Instrument.

Costs of exchange or registration

- 2.11** Registration of transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as the Registrar may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

3. Status of the Instruments

3A Status — Unsubordinated Instruments

- 3A.01** This Condition 3A is applicable in relation to Instruments specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated ("**Unsubordinated Instruments**").
- 3A.02** The Instruments of the relevant Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other similar direct, unconditional, unsubordinated and unsecured obligations of the Issuer, save for certain exemptions provided by law.

3B Status — Subordinated Instruments

3B.01 This Condition 3B.01 is applicable in relation to Instruments specified in the Final Terms as being Subordinated Instruments ("**Subordinated Instruments**"). The Subordinated Instruments are intended to qualify as Tier 2 capital (*Ergänzungskapital*) of the Issuer.

The Subordinated Instruments of the relevant Series constitute unsecured and wholly subordinated obligations of the Issuer ranking *pari passu* among themselves and (except for subordinated liabilities expressed to rank junior to the Subordinated Instruments) *pari passu* with all other unsecured and subordinated obligations of the Issuer, unless such other obligations take priority by mandatory provisions of law or the terms of any such other obligations. In the event of the dissolution, liquidation, insolvency, composition or any proceeding for the avoidance of insolvency, of or against the Issuer, such obligations will be wholly subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors of the Issuer shall have been satisfied in full. No Holder may set off his claims arising under the Subordinated Instruments against any claims of the Issuer. Subject to compliance with the subordination, the Issuer shall be entitled to satisfy the liabilities under the Subordinated Instruments also by making use of its further free assets (*sonstiges freies Vermögen*). No security of whatever kind and no guarantee is, or shall at any time be, provided by the Issuer or any other person securing or guaranteeing rights of the Holders under such Subordinated Instruments. No subsequent agreement may limit the subordination pursuant to the provisions set out in this Condition 3B.01 or amend the Maturity Date in respect of the Subordinated Instruments to any earlier date or shorten any applicable notice period (*Kündigungsfrist*). If the Subordinated Instruments are redeemed before the Maturity Date other than (i) in the circumstances described in this Condition 3B.01 or (ii) as a result of an early redemption according to Condition 5.03, Condition 5.04 or Condition 5.05 or repurchased by the Issuer, then the amounts redeemed or paid must be returned to the Issuer irrespective of any agreement to the contrary unless the competent regulatory authority in relation to the Issuer has given its permission to such redemption or repurchase. Any termination or redemption of the Instruments pursuant to Condition 5.03, Condition 5.04 or Condition 5.05 or a repurchase of the Subordinated Instruments prior to their maturity is only permissible with the prior permission of the competent regulatory authority.

4. Interest

Instruments may be interest-bearing or non-interest-bearing, as specified in the relevant Final Terms. The Final Terms in relation to each Tranche of interest-bearing Instruments shall specify which of Condition 4A, 4B or 4C shall be applicable and Condition 4F will be applicable to each Tranche of interest-bearing Instruments as specified therein. The Final Terms in relation to each Tranche of non-interest-bearing Instruments ("**Zero Coupon Instruments**") shall specify that Condition 4D will be applicable to each Tranche of Zero Coupon Instruments.

4A Interest — Fixed Rate

Instruments in relation to which this Condition 4A is specified in the relevant Final Terms as being applicable shall bear interest from their date of issue (the "**Issue Date**") (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms (the "**Interest Commencement Date**") at the rate or rates per annum (or otherwise) (the "**Rate of Interest**") specified in the relevant Final Terms. Such interest will be payable in arrear on such dates (the "**Interest Payment Dates**") as are specified in the relevant Final Terms and on the date of final maturity thereof (the "**Maturity Date**"). Interest in respect of a period of less than one year will be calculated as follows (the "**Day Count Fraction**"):

- (a) if "**Actual/Actual (ICMA)**" is specified in the relevant Final Terms as applying in relation to this Condition 4A
 - (i) where the Calculation Period (as defined in Condition 4B.05) is equal to or shorter than the Regular Period during which it falls, by dividing the actual number of days in the Calculation Period by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- where "**Regular Period**" means:
- (i) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
 - (ii) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
 - (iii) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period; or
- (b) if "**30/360**" is specified in the relevant Final Terms as applying in relation to this Condition 4A, on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

4B Interest — Floating Rate and Swap Rate

4B.01 Instruments in relation to which this Condition 4B is specified in the relevant Final Terms as being applicable, shall bear interest at the rate or rates per annum (or otherwise) determined in accordance with this Condition 4B.

4B.02 Such Instruments shall bear interest from their Issue Date (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms (the "**Interest Commencement Date**"). Such interest will be payable on each Interest Payment Date (as defined in Condition 4D.02) and on the maturity date (the "**Maturity Date**") (if any).

4B.03 The Final Terms in relation to each Series of Instruments in relation to which this Condition 4B is specified as being applicable shall specify which page (the "**Relevant Screen Page**") on the Reuters Screen or any other information vending service shall be applicable. For these purposes, "**Reuters Screen**" means the Reuter Money 3000Xtra Service (or such other services or service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

4B.04 The rate of interest (the "**Rate of Interest**") for each Interest Period in relation to which this Condition 4B is specified as being applicable shall be determined by the Calculation Agent (as defined in Condition 4D.04) on one of the following bases as applicable:

(1) Floating Rate

- (i) the Calculation Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards), in the relevant currency for a period of the duration of the relevant Interest Period or for such other period of duration as specified in the relevant Final Terms on the Relevant Screen Page as of 11.00 a.m. (London time) in the case of LIBOR[®] or, in the case of EURIBOR[®], 11.00 a.m. (Brussels time) or such other time as may be specified in the relevant Final Terms (the "**Interest Determination Time**") on the second business day in London prior to the start of each Interest Period if LIBOR[®], or the second TARGET Business Day (as defined in Condition 8C.03(iii) below) prior to the start of each Interest Period if EURIBOR[®] or on another business day as determined in the relevant Final Terms if EONIA[®] (or, in the case of Instruments denominated in Pounds Sterling or in another currency if so specified in the relevant Final Terms, on the first day of the relevant Interest Period) (the "**Interest Determination Date**"). If five or more rates for deposits appear on the Relevant Screen Page as at the relevant Interest Determination Time on the Interest Determination Date, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such rates for deposits;
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than three such rates for deposits so appear) or if the Relevant Screen page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market, selected by the Calculation Agent after consultation with the Issuer, at the relevant Interest Determination Time on the Interest Determination Date to prime banks in the London interbank market (or, in the case of Instruments where the Final Terms specifies a Relevant Screen Page referable to EURIBOR[®], the Euro-Zone interbank market) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. If two or more of such banks provide the Calculation Agent with such quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of such quotations;
- (iii) if fewer than two or no rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in

Condition 8C.03) (or, in the case of Instruments denominated in Euro, in such financial centre or centres in the Euro-Zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Period for loans in the relevant currency or currencies to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Instruments during each Interest Period will be the sum of the relevant margin (the "**Relevant Margin**") or the product of the relevant factor (the "**Relevant Factor**") specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean of rates) so determined or if so specified in the Final Terms, the difference between the Relevant Margin and the rate (or, as the case may be, the arithmetic mean of rates) so determined *provided that*, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Instruments during such Interest Period will be the sum of the Relevant Margin or the product of the Relevant Factor and the rate (or, as the case may be, the arithmetic mean of rates) last determined in relation to such Instruments in respect of the last preceding Interest Period or if so specified in the Final Terms, the difference between the Relevant Margin and the rate (or, as the case may be, the arithmetic mean of rates) last determined in relation to such Instruments in respect of the last preceding Interest Period *provided that* if there is specified in the relevant Final Terms a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed such minimum or maximum interest rate.

(2) Swap Rate

- (i) the Calculation Agent will determine the swap rate (or, as the case may require, the arithmetic mean of swap rates rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards), in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page at such time as may be specified in the relevant Final Terms (the "**Swap Rate Determination Time**") on the second business day in Frankfurt or such other city(ies) as may be specified in the relevant Final Terms before (or, in the case of Instruments denominated in Pounds Sterling or in another currency if so specified in the relevant Final Terms, on) the first day of the relevant Interest Period (the "**Swap Rate Determination Date**"). If five or more swap rates appear on the Relevant Screen Page as at the relevant Swap Rate Determination Time on the Swap Rate Determination Date, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such swap rates;
- (ii) if, on any Swap Rate Determination Date, no such swap rate so appears (or, as the case may be, if fewer than three such swap rates so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which swaps in the relevant currency are offered by four major banks in the relevant interbank market, selected by the Calculation Agent after consultation with the Issuer, at the relevant Swap Rate Determination Time

on the Swap Rate Determination Date to prime banks in the relevant interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. If two or more of such banks provide the Calculation Agent with such quotations, the rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of such quotations;

- (iii) if fewer than two or no rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 8C.03) (or, in the case of Instruments denominated in Euro, in such financial centre or centres in the Euro-Zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Period for swaps in the relevant currency or currencies to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Instruments during each Interest Period will be the sum of the Relevant Margin or the product of the Relevant Factor specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean of rates) so determined or if so specified in the Final Terms, the difference between the Relevant Margin and the rate (or, as the case may be, the arithmetic mean of rates) so determined *provided that*, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Instruments during such Interest Period will be the sum of the Relevant Margin or the product of the Relevant Factor and the rate (or, as the case may be, the arithmetic mean of rates) last determined in relation to such Instruments in respect of the last preceding Interest Period or if so specified in the Final Terms, the difference between the Relevant Margin and the rate (or, as the case may be, the arithmetic mean of rates) last determined in relation to such Instruments in respect of the last preceding Interest Period *provided that* if there is specified in the relevant Final Terms a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed such minimum or maximum interest rate.

For the purpose of these Conditions "**Euro-Zone**" means the region comprised of member states of the European Union ("**EU**") which adopt the Euro in accordance with the Treaty establishing the European Community, as amended (the "**Treaty**").

- 4B.05** The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the principal amount of the smallest or minimum denomination of such Instruments specified in the relevant Final Terms for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the Day Count Fraction (as defined in Condition 4B.05) and rounding the resulting figure to the nearest sub-unit of the currency in which such Instruments are denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Instrument divided by the Calculation Amount.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the Final Terms and:

- (i) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
- (ii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if **"30/360"** is so specified, means 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 (i) 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 (ii) 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)); and
- (v) if **"30E/360"** or **"Eurobond Basis"** is so specified means, 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 date of final maturity 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).

4C Interest — ISDA Rate Indices

4C.01 Instruments in relation to which this Condition 4C is specified in the relevant Final Terms as being applicable shall bear interest at the rates per annum (or otherwise) determined in accordance with this Condition 4C.

4C.02 Each such Instrument shall bear interest from its Issue Date (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms. Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event or tax event thereunder) by the Issuer had it entered into a swap transaction (to which an Interest Rate and Currency Exchange Agreement (the **"Agreement"**) and the ISDA Definitions are applicable) with the Holder of such Instrument under which:

- the Reset Date was the first day of the relevant Interest Period;
- the Fixed Rate Payer or, as the case may be, the Floating Rate Payer was the Issuer;
- the Calculation Agent was the Calculation Agent as specified in the relevant Final Terms;
- the Effective Date was such Issue Date or such other date as may be specified in the relevant Final Terms;

- the Calculation Amount was the principal amount of such Instrument; and
- all other terms were as specified in the relevant Final Terms.

Capitalised terms used in this Condition 4C shall, where the context so requires, have the meanings ascribed to them in the ISDA Definitions.

"ISDA Definitions" means the 2006 ISDA Definitions or, if so specified in the relevant Final Terms, the 2000 ISDA Definitions (in each case, as further amended and updated as at the date specified in the relevant Final Terms (as published by the International Swaps and Derivatives Association, Inc.)). Copies of the 2000 and 2006 ISDA Definitions are available upon request from the office of the Issuer.

4D Interest — Zero Coupon Instruments

Instruments in relation to which this Condition 4D is specified in the relevant Final Terms as being applicable shall not bear interest.

4E Interest – Resettable Instruments

4E.01 Resettable Instruments in relation to which this Condition 4E is specified in the relevant Final Terms as being applicable, shall (if the Issuer decides not to redeem the Instruments early pursuant to Condition 5.05.) bear interest at the rate per annum (or otherwise) determined in accordance with this Condition 4E from (and including) the Reset Date as specified in the Final Terms (the **"Reset Date"**) to (but excluding) the Maturity Date (the **"Reset Interest Period"**).

4E.02 Such interest will be payable on each Interest Payment Date (as defined in Condition 4F.02) following the Reset Date and on the Maturity Date.

4E.03 The Final Terms in relation to each Series of Instruments in relation to which this Condition 4E is specified as being applicable shall specify which page (the **"Relevant Screen Page"**) on the Reuters Screen or any other information vending service shall be applicable. For these purposes, **"Reuters Screen"** means the Reuter Money 3000Xtra Service (or such other services or service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

4E.04 The rate of interest (the **"Rate of Interest"**) for the Reset Interest Period in relation to which this Condition 4E is specified as being applicable shall be determined by the Calculation Agent (as defined in Condition 4F.04) on the following basis:

- (i) the Calculation Agent will determine the swap rate (or, as the case may require, the arithmetic mean of swap rates rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards), in the relevant currency for a period of the duration of the Reset Interest Period on the Relevant Screen Page at such time as may be specified in the relevant Final Terms (the **"Mid-Swap Rate Determination Time"**) on the second business day in Frankfurt or such other city(ies) as may be specified in the relevant Final Terms prior to the start of the Reset Interest Period or such other city as may be specified in the Final Terms (or, in the case of Instruments denominated in Pounds Sterling or in another currency if so specified in the relevant Final Terms, on the first day of the Reset Interest Period) (the **"Mid-Swap Rate Determination Date"**). If five or more swap rates appear on the Relevant Screen Page as at the relevant Mid-Swap Rate Determination Time on the Mid-Swap Rate Determination Date, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such swap rates;

- (ii) if, on any Mid-Swap Rate Determination Date, no such swap rate so appears (or, as the case may be, if fewer than three such swap rates so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which swaps in the relevant currency are offered by four major banks in the relevant interbank market, selected by the Calculation Agent after consultation with the Issuer, at the relevant Mid-Swap Rate Determination Time on the Mid-Swap Rate Determination Date to prime banks in the relevant interbank market for a period of the duration of the Reset Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. If two or more of such banks provide the Calculation Agent with such quotations, the rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of such quotations;
- (iii) if fewer than two or no rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 8C.03) (or, in the case of Instruments denominated in Euro, in such financial centre or centres in the Euro Zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the Reset Interest Period for swaps in the relevant currency or currencies to leading European banks for a period of the duration of the Reset Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Instruments during the Reset Interest Period will be the sum of the Relevant Margin specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean of rates) so determined provided that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to the Reset Interest Period, the Rate of Interest applicable to such Instruments during the Reset Interest Period will be the sum of the Relevant Margin and the Reset Reference Rate specified in the relevant Final Terms.

4F Interest — Supplemental Provisions

4F.01 Conditions 4F.02, 4F.03, 4F.04, 4F.05 and 4F.06 shall apply to all Instruments which are interest-bearing, where applicable in the manner specified in the relevant Final Terms.

Interest Payment Date Conventions

4F.02 The Final Terms in relation to each Tranche of Instruments shall specify the applicable Business Day Convention.

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms in relation to each Tranche, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

Each period beginning on (and including) such date of issue or such other date as aforesaid and ending on (but excluding) the first Interest Payment Date specified in the relevant Final Terms and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an **"Interest Period"**.

"Business Day" is defined in Condition 8C.03.

"Interest Payment Date" means the first Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

Notification of Rates of Interest, Interest Amounts and Interest Payment Dates

4F.03 The Calculation Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount, floating amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer, the Trustee and the Principal Paying Agent. The Principal Paying Agent will cause all such determinations or calculations to be notified to the other Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) and, in the case of Instruments admitted to trading on the Regulated Market and/or listed by any other listing authority and/or on any other stock exchange, to the Luxembourg Stock Exchange and/or such other listing authority and/or stock exchange on which the Instruments of the relevant Series may, for the time being, be listed as soon as practicable

after such determinations or calculation but in any event not later than the fourth business day in London or such other city(ies) as may be specified in the relevant Final Terms thereafter or, if earlier in the case of notification to any listing authority and/or stock exchange upon which the Instruments are then listed, the time required by the rules of the relevant listing authority and/or stock exchange. The Calculation Agent will be entitled (with the consent of the Trustee) to amend any Interest Amount, floating amount, Interest Payment Date or last day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the first two sentences of this Condition 4F.03.

- 4F.04** The determination by the Calculation Agent (or, failing such determination by the Calculation Agent, the Successor or Additional Calculation Agent (as defined below), pursuant to Condition 4F.05) of all items falling to be determined by it shall, in the absence of manifest error, be final and binding on all parties. As used herein the "**Calculation Agent**" means, in relation to the Instruments of any Series, the Principal Paying Agent or such other person (if any) as may be specified in the relevant Final Terms as the Calculation Agent and if the person specified is the Issuer, then all references to the Calculation Agent shall be to the Issuer. The Issuer reserves the right at any time to vary or terminate the appointment of any Calculation Agent in accordance with the provisions relating to such Calculation Agent's appointment and to appoint a successor or additional Calculation Agent pursuant to Condition 4F.05 *provided that* if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent.

Determination or Calculation by Successor or Additional Calculation Agent

- 4F.05** If the Calculation Agent does not at any time for any reason determine the Rate of Interest or calculate any Interest Amount for an Interest Period, the Issuer may appoint a successor or additional calculation agent (the "**Successor or Additional Calculation Agent**") to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Successor or Additional Calculation Agent shall determine or calculate the relevant matter in such manner as, in its absolute discretion, it shall deem fair and reasonable in the circumstances (having such regard as it shall think fit to the procedures described above, but subject always to any maximum or minimum interest rate which may be prescribed) or apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances.

Accrual of Interest

- 4F.06** Interest shall accrue on the outstanding principal amount of each Instrument (other than Zero Coupon Instruments), or, in the case of an Instalment Instrument, on each instalment of principal as indicated in the relevant Final Terms (other than Instalment Instruments which are Zero Coupon Instruments). Interest will cease to accrue as from the date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon as provided in the Trust Deed.

5. Redemption and Purchase

Redemption at Maturity

- 5.01** Unless previously redeemed, or purchased and cancelled, or unless such Instrument is stated in the Final Terms as having no fixed maturity date, such Instrument shall be redeemed at its maturity redemption amount (which shall be its principal amount or in case of Zero Coupon Instruments such other maturity redemption amount as may be specified in or determined in accordance with the relevant Final Terms, but which will not be less than the principal amount) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms.

No Fixed Maturity

- 5.02** This Condition 5.02 is applicable to Instruments with no specified maturity date ("**Open End Instruments**"). There is no fixed date for redemption of the Instruments and the Issuer shall (without prejudice to the provisions of Condition 6) only have the right to repay Open End Instruments in accordance with such provisions of this Condition 5 as are specified in the relevant Final Terms as being applicable to Open End Instruments.

Early Redemption for Taxation Reasons

- 5.03** If, (i) as a result of any change in the laws or regulations of any Relevant Tax Jurisdiction (as defined in Condition 7) or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Instruments, the Issuer for reasons outside its control would be required to pay additional amounts as provided in Condition 7 or, in case of Subordinated Instruments, the tax treatment of the Instruments changes in any other way and such change is in the assessment of the Issuer materially disadvantageous to the Issuer and (ii) such circumstances are evidenced by the delivery by the Issuer to the Trustee of a certificate signed by two authorised officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than thirty nor more than sixty days' notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 13 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their tax early redemption amount (which shall be their principal amount or such other redemption amount as may be specified in the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (calculated as provided in these Terms and Condition and the Trust Deed) and in the case of Open End Instruments, arrears of interest (if any) in respect thereof to but excluding the date fixed for redemption and any additional amounts payable under Condition 7.01 *provided that* the date fixed for redemption shall not be earlier than the last practicable day on which the Issuer could make payment without being required to pay such additional amounts or, in case of a change in tax treatment of the Instruments, not be earlier than the day before such change enters into effect.

In the case of Subordinated Instruments, the exercise of this call option of the Issuer is subject to the prior permission (if required) of the competent regulatory authority.

Early Redemption due to the Occurrence of a Regulatory Event

- 5.04** If in the determination of the Issuer the Subordinated Instruments (i) are disqualified from Tier 2 Capital pursuant to the applicable provisions or (ii) are in any other way subject to a less favourable treatment as own funds than on the Issue Date the Subordinated Instruments may be redeemed, in whole but not in part, at the option of the Issuer and subject to the prior permission (if required) of the competent regulatory authority, upon not more than 60 days' nor less than 30 days' prior notice of redemption, at their regulatory early redemption amount (which shall be their principal amount or such other redemption amount as may be specified in the relevant Final Terms), together with accrued interest (if any) thereon (calculated as provided in this Condition and the Trust Deed) and in the case of Open End Instruments, arrears of interest (if any) in respect thereof to but excluding the date fixed for redemption.

Optional Early Redemption (Call)

- 5.05** If this Condition 5.05 is specified in the relevant Final Terms as being applicable, then the Issuer may, upon the expiry of the appropriate notice (as specified in Condition 5.07 below) and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (which shall be their principal amount or such other call early redemption amount as may be specified in the relevant Final Terms (each, a "**Call Early Redemption Amount**")) less, in the case of any Instalment Instrument, the aggregate amount of all instalments under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (calculated as provided in these Conditions and the Trust Deed) and in the case of Open End Instruments, arrears of interest (if any) in respect thereon to but excluding the date fixed for redemption.

In the case of Subordinated Instruments, the exercise of this call option of the Issuer is subject to the prior permission (if required) of the competent regulatory authority.

Optional Early Redemption (Call for Hedging Events)

- 5.06** If this Condition 5.06 is specified in the relevant Final Terms as being applicable, then the Issuer may, upon the occurrence of a Disruption Event and upon the expiry of the appropriate notice (as specified in Condition 5.07 below) and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specify otherwise, some only) of the Instruments of the relevant Series at the Hedging Call Early Redemption Amount less, in the case of any Instalment Instrument, the aggregate amount of all instalments under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (calculated as provided in these Conditions and the Trust Deed) and in the case of Open End Instruments, arrears of interest (if any) in respect thereon to but excluding the date fixed for redemption.

For the purposes of this Condition:

"**Change in Law**" means that, on or after the relevant Issue Date, (A) due to the adoption or announcement of or any change in any applicable law, rule, ruling, order or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, rule, ruling, order or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has or will become illegal for the Issuer and/or any of its affiliates to hold, acquire, deal in, establish, re-establish, substitute, maintain unwind or dispose of any of the Hedge Positions (including, without limitation, where such Hedge Positions would contribute to the breach of the applicable position limits set by any exchange, trading facility or competent authority), or (Y) the Issuer or any of its

affiliates will incur a materially increased cost in performing its obligations with respect to the relevant Instruments or in managing any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or (Z) the Issuer or any of its affiliates will be subjected to materially less favourable regulatory capital treatment with respect to the relevant Instruments and the related Hedge Positions, as compared with the regulatory capital treatment applicable to the relevant Instruments and related Hedge Positions as of the relevant Issue Date, and the Issuer determines that the Issuer could not reasonably have taken any steps to avoid such illegality, increased cost or regulatory capital treatment.

"Disruption Event" means (i) a Hedging Disruption, (ii) an Increased Cost of Hedging, or (iii) a Change in Law.

"Hedge Positions" shall mean, on an individual trade or portfolio basis, any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, swaps, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge all or part of the Issuer's obligations with respect to the Instruments (or any other relevant price risk, including, but not limited to, the equity price risk, currency risk or commodity price risk) to the Issuer's satisfaction.

"Hedging Call Early Redemption Amount" means, unless otherwise specified in the relevant Final Terms, the principal amount outstanding of the Instruments, less any costs to the Issuer of acquiring, establishing, re-establishing, substituting or unwinding any of its Hedge Positions in respect of such early redemption, plus any other amount as specified in the Final Terms.

"Hedging Disruption" shall mean that the Issuer or any affiliate is unable or will become unable for any reason as determined by it in its sole discretion, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Positions it deems necessary to hedge all or part of the Issuer's obligations with respect to the Instruments (including without limitation, where such Hedge Positions would contribute to the breach of applicable position limits set by any exchange, trading facility or competent authority or as a result of any adjustment(s) to the exposure(s) underlying the transaction in the Instruments), or (B) realise, recover or remit the proceeds of any such Hedge Positions.

"Increased Cost of Hedging" shall mean that the Issuer or any affiliate has or would incur as determined by it in its sole discretion a materially increased (as compared with circumstances existing on the relevant Issue Date) amount of tax, duty, expense or fee (including, without limitation, brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Positions it deems necessary to hedge all or part of the Issuer's obligations with respect to the relevant Instruments, or (B) realise, recover or remit the proceeds of any such Hedge Positions, *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its affiliate (as applicable) shall not be deemed an Increased Cost of Hedging.

5.07 The appropriate notice referred to in Conditions 5.05 or 5.06 is a notice given by the Issuer to the Trustee, Principal Paying Agent, the Registrar (in the case of Registered Instruments only) and the Holders of the Instruments of the relevant Series, which notice shall be signed by two duly authorised officers of the Issuer and shall specify:

- the Series of Instruments subject to redemption;
- (if the relevant Final Terms specifies that some only of the Instruments of the relevant Series may be redeemed) whether such Series is to be redeemed in whole or in part

only and, if in part only, the aggregate principal amount of the Instruments of the relevant Series which are to be redeemed;

- the due date for such redemption which shall be a Business Day (as defined in Condition 8C.03), which shall be not less than thirty days (or such lesser period as may be specified in the relevant Final Terms) after the date on which such notice is validly given and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Call Early Redemption Amount at which such Instruments are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

Partial Redemption

5.08 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Conditions 5.05 or 5.06:

- in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot in such European city as the Trustee may specify, or identified in such other manner or in such other place as the Trustee may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any competent authority, listing authority and/or stock exchange on which the relevant Instruments may be admitted for listing, trading and/or quotation and, if applicable, the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion); and
- in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) pro rata to their principal amounts, subject always as aforesaid and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof.

Optional Early Redemption (Put)

5.09 If this Condition 5.09 is specified in the relevant Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date or the next of the dates specified in the relevant Final Terms (the "**Put Redemption Date**") at its put early redemption amount (which shall be its principal amount or such other put early redemption amount as may be specified in or determined in accordance with the relevant Final Terms) (the "**Put Early Redemption Amount**") less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (calculated as provided in these Conditions and the Trust Deed) and in the case of Open End Instruments, arrears of interest (if any) in respect thereon to but excluding the date fixed for redemption. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Final Terms), in the case of a Temporary Global Instrument or a Permanent Global Instrument give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Instruments in respect of which such option is being exercised or in the case of Definitive Instruments, deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the

Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar.

Early Redemption of Zero Coupon Instruments

5.10 Unless otherwise specified in the applicable Final Terms, the early redemption amount payable on redemption of a Zero Coupon Instrument at any time before the specified Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Instrument becomes due and payable.

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 such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 5.10 or, if none is so specified, a Day Count Fraction of 30E/360.

For the purposes of this Condition, “**Reference Price**”, “**Accrual Yield**” and “**Day Count Fraction**” have the meaning given in the relevant Final Terms.

Purchase of Instruments

5.11 The Issuer may at any time purchase Instruments in the open market or otherwise and at any price *provided that*, in the case of interest-bearing Definitive Instruments, any unmatured Coupons appertaining thereto are purchased therewith. In the case of Subordinated Instruments, the aforementioned provisions are subject to the prior permission (if required) of the competent regulatory authority.

Cancellation of Redeemed and Purchased Instruments

5.12 All unmatured Instruments redeemed or purchased in accordance with this Condition 5 (which may comprise the whole or only part of a Series of Instruments, and provided, in the case of interest-bearing Instruments, that all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) will be cancelled and may not be reissued or resold. References in this Condition 5 to the purchase of Instruments by the Issuer shall not include the purchase of Instruments in the ordinary course of business of dealing in securities.

Late Payment on Zero Coupon Instruments

5.13 If the redemption amount payable in respect of any Zero Coupon Instrument is improperly withheld or refused, the redemption amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder.

6. Events of Default

6A. Unsubordinated Instruments

This Condition 6A is applicable only in relation to Unsubordinated Instruments

6A.01 Unless otherwise specified in the relevant Final Terms, the following events or circumstances (each, a "**Default**") shall be acceleration events in relation to the Unsubordinated Instruments of any Series:

- (i) the Issuer defaults in any payment of principal, interest or other amount due in respect of any Unsubordinated Instrument of the relevant Series or any of them when and as the same shall become due and payable and such default shall not have been cured within 30 days after written notice requiring such default to be remedied shall have been given by the Trustee to the Issuer at the specified office of the Principal Paying Agent, or the case may be, Registrar; or
- (ii) the Issuer defaults in the performance of any provision of the Trust Deed, the Paying Agency Agreement or of any Unsubordinated Instruments of the relevant Series (other than the payment of principal or interest or of any other amount due in respect of Unsubordinated Instruments) and such default is not cured within 45 days after written notice requiring such default to be remedied shall have been given by the Trustee to the Issuer at the specified office of the Principal Paying Agent or, as the case may be, Registrar; or
- (iii) an order is made or any law is enacted or an effective resolution is passed for the dissolution or winding-up of the Issuer (other than for the purposes of merger, consolidation or other form of combination with another legal entity as contemplated in Condition 12.)

6A.02 If any Default shall occur in relation to any Series of Unsubordinated Instruments, the Trustee may, and shall (subject to its rights under the Trust Deed to be indemnified to its satisfaction) if so requested in writing by the Holders of not less than 25 per cent. in principal amount of the Unsubordinated Instruments of the relevant Series then outstanding or if so directed by an Extraordinary Resolution of the Holders by written notice to the Issuer declare that such Instruments and (if the Instruments are interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its default early redemption amount (which shall be its principal amount or such other default early redemption amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Unsubordinated Instalment Instrument, the aggregate amount of all instalments that shall become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer has expressly waived, anything contained in such Unsubordinated Instruments to the contrary notwithstanding, unless prior thereto, the Default in respect of the Unsubordinated Instruments of the relevant Series shall have been cured.

6A.03 No Holder of any Unsubordinated Instrument shall be entitled to take any of the actions referred to in Condition 6A.02 except that if the Trustee, having become bound to take such action, fails to do so within a reasonable period and such failure shall be continuing, then any Holder of any Unsubordinated Instrument of the relevant Series may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself take such action to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.

6B. Subordinated Instruments

There shall be no Events of Default in relation to Subordinated Instruments. Holders are not entitled to terminate the Subordinated Instruments.

7. Taxation

For further information regarding "German Taxation", "Luxembourg Taxation", "Singapore Taxation", "US Taxation", "United Kingdom Taxation", "Austrian Taxation", "Dutch Taxation", see pages 315 to 339 of the Base Prospectus.

7.01 All amounts payable by or on behalf of the Issuer (whether in respect of principal, interest, redemption amount, or otherwise, as provided in the relevant Final Terms) in respect of the Instruments will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or government charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of (i) the country of incorporation of the Issuer, or (ii) the jurisdiction in which such Instruments shall be issued by the Issuer, or (iii) or pursuant to any agreement between the Issuer and any applicable jurisdiction where the Issuer is acting through a branch, the jurisdiction where the branch is located (the "**Relevant Taxing Jurisdiction**") or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law or by the administration or official interpretation thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder of any Instrument or Coupon after such withholding or deducting shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) as far as German *Kapitalertragsteuer* including German *Solidarit tszuschlag* thereon or any other tax which may substitute the German *Kapitalertragsteuer* or *Solidarit tszuschlag* is concerned; or
- (ii) to, or to a third party on behalf of, a Holder of any Instrument or Coupon who is liable to such Taxes in respect of such Instrument or Coupon by reason of his having some connection with the Relevant Taxing Jurisdiction or any political subdivision thereof, other than the mere holding of such Instrument or Coupon; or
- (iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of the period assuming that day to have been a Relevant Financial Centre Day (as defined in Condition 8A.05 or, as the case may be, 8B.02); or
- (iv) to, or to a third party on behalf of, a Holder of any Instrument or Coupon who is liable or subject to withholding or deduction by reason of his failure to comply with any statutory or procedural requirement (including, without limitation, any certification, identification, information reporting or similar requirement (based in law, regulation or market practice) concerning the nationality, residence or identity or connection with the Relevant Taxing Jurisdiction); or
- (v) where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of European Council Directive 2003/48/EC (the "**EU Savings Directive**") and is required to be made pursuant to EU Savings Directive or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) presented for payment by or on behalf of a Holder of any Instrument or Coupon who would have been able to avoid such withholding or deduction by presenting the

relevant Instrument or Coupon to another Paying Agent in a member state of the EU;
or

- (vii) where the Relevant Taxing Jurisdiction is Singapore, to, or to a third party on behalf of, a Holder of any Instrument or Coupon (other than an individual) who is a resident of, or a permanent establishment in, Singapore; or
- (viii) where the Relevant Taxing Jurisdiction are the United States of America, to, or to a third party on behalf of, a Holder of any Instrument or Coupon (other than an individual) who is a resident of, or a permanent establishment in, the United States of America; or
- (ix) any tax, assessment or other governmental charge imposed on (i) a Holder of any Instrument that actually or constructively owns 10 per cent. or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership or is a bank that acquired such Instrument or Coupon in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, or (ii) contingent interest as described in section 871(h)(4) of the Code (as defined below) (generally, interest that is determined with reference to the cash flow, profitability, value of property of, or distributions of the Issuer or a related person thereto);
- (x) any withholding or deduction that is required to be made pursuant to Sections 1471 to 1474 of the Code ("FATCA"), any treaty, law, regulation or other official guidance enacted by Germany or any other jurisdiction implementing an intergovernmental approach to FATCA, or any agreement between the Issuer or any person making payments on behalf of the Issuer and the United States or any authority thereof implementing FATCA.

In this Clause 7.01 (ix) and (x), "**Code**" shall mean the United States Internal Revenue Code of 1986, as amended.

7.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Principal Paying Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Instruments and Coupons, notice to that effect shall have been duly given to the Trustee in accordance with the Trust Deed.

7.03 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to its country of incorporation, references herein to "the country of incorporation of the Issuer" shall be read and construed as references to that country and/or to such other jurisdiction.

7.04 Any reference in these Terms and Conditions to principal, redemption amount and/or interest in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

8. Payments

8A Payments — Bearer Instruments

8A.01 This Condition 8A is applicable to Instruments in bearer form.

8A.02 Payment of amounts (whether principal, redemption amount or otherwise and including accrued interest other than interest due against surrender of matured

Coupons) due in respect of Bearer Instruments will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrender of the relevant Bearer Instruments to or to the order of any of the Paying Agents outside (unless Condition 8A.04 applies) the United States.

8A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument, or Permanent Global Instrument against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument to or to the order of any of the Paying Agents outside (unless Condition 8A.04 applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside (unless Condition 8A.04 applies) the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside (unless Condition 8A.04 applies) the United States.

On each occasion on which a payment is made in respect of a Temporary Global Instrument or a Permanent Global Instrument, the Issuer shall procure that in respect of a global Instrument which is not intended to be issued in new global instrument form that the payment is noted in a schedule thereto and in respect of a global Instrument which is intended to be issued in new global instrument form that the payment is entered pro rata in the records of Euroclear and/or Clearstream Luxembourg.

8A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 8A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due or, as the case may be, the exchange of Talons in respect of interest on such Instruments when due at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, (b) such payment or, as the case may be, exchange is permitted by applicable United States law and (c) the Bearer Instruments are denominated in and payable in United States dollars. If paragraphs (a) to (c) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

8A.05 If the due date for payment of any amount due in respect of any Bearer Instrument is not both a Relevant Financial Centre Day and a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter, will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account, on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located. No further payment on account of interest or otherwise shall be due in respect of such postponed payments unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in

Condition 4E.06. For the purpose of this Condition 8A.05, "**Relevant Financial Centre Day**" means, (i) in the case of a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and any other place specified in the relevant Final Terms and (ii) in the case of payment in Euro, a day on which the TARGET System (as defined below) is operating, and/or (iii) such other day as is specified in the Final Terms, and a "**local banking day**" means a day (other than a Saturday and Sunday) on which commercial banks are open for business (including, where applicable, the presentation and payment of bearer debt securities) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

8A.06 Each Definitive Instrument initially delivered with Coupons attached thereto shall be presented and, save in the case of partial payment which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

- (i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing unmatured Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the principal amount so deducted being payable against surrender of the relevant Coupon at the specified office of any Paying Agents at any time within ten years of the Relevant Date applicable to payment of such final redemption amount;
- (ii) in the case of Definitive Instruments which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void forthwith and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons shall become void forthwith and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 8A.06 notwithstanding, if any Definitive Instruments which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) being Coupons representing an amount in excess of the relevant redemption amount shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument 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.

8A.07 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 8A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

8A.08 For the purposes of Condition 1.02 and this Condition 8A, the "**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).

8B Payments — Registered Instruments

8B.01 This Condition 8B is applicable to Instruments in registered form.

8B.02 Payment of amounts due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the final redemption amount of Registered Instruments is not both a Relevant Financial Centre Day and a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter, will be entitled to receive payment by cheque on any local banking day and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located. No further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4D.06. For the purpose of this Condition 8B.02, "**Relevant Financial Centre Day**" means, in the case of any currency other than Euro, a day on which commercial banks and foreign markets settle payments in the Relevant Financial Centre and in any other place specified in the relevant Final Terms and in the case of a payment in Euro, a TARGET Business Day, and a "**local banking day**" means a day (other than a Saturday and Sunday) on which commercial banks are open for business (including the presentation and payment of Registered Instruments) in the place of presentation of the relevant Registered Instrument.

8B.03 Payment of amounts (whether principal, redemption amount, interest or otherwise as specified in the relevant Final Terms) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at the close of business on the Business Day prior to the due date for such payment (the "**Record Date**").

8B.04 Notwithstanding the provisions of Condition 8C.02, payment of amounts (whether principal, redemption amount, interest or otherwise as specified in the relevant Final Terms) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque and posted to the address (as recorded in the Register held by the Registrar) of the Holder thereof (or, in the case of joint-Holders, the first-named) on the Relevant Banking Day not later than the

relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency (in the case aforesaid, a non-resident account with an authorised foreign exchange bank).

For the purposes of these Terms and Conditions, "**Relevant Banking Day**" means a day on which commercial banks are open for business (including, where applicable, the registration or transfer of Registered Instruments and dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located.

8C Payments — General Provisions

8C.01 Save as otherwise specified herein, this Condition 8C is applicable to Instruments whether in bearer or in registered form.

8C.02 Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due, by transfer to an account in the relevant currency specified by the payee in the principal financial centre of the country of the relevant currency (or, in the case of payments in Euro, in such financial centre in the Euro-Zone as the payee may specify) or by cheque drawn on a bank in the principal financial centre of the country of the relevant currency (or, in the case of payments in Euro, in such financial centre in the Euro-Zone as the payee may specify). Payments will, without prejudice to the provisions of Condition 6, be subject in all cases to any applicable fiscal or other laws and regulations.

8C.03 For the purposes of these Terms and Conditions:

- (i) "**Business Day**" means a day:
 - in relation to Instruments denominated or redenominated or payable in Euro, on which the TARGET System is operating;
 - in relation to Instruments payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant Instruments;
 - on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the relevant Final Terms;
- (ii) "**Relevant Financial Centre**" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "**Business Day**" in the ISDA Definitions, and in the case of (i) or (ii) of this Condition 8C.03, as the same may be modified in the relevant Final Terms;
- (iii) "**TARGET Business Day**" means a day on which the TARGET System is operating;
- (iv) "**TARGET System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

- (v) Any reference in the Conditions to principal in respect of Instruments shall be deemed to include, in relation to Zero Coupon Instruments, the Amortised Face Amount.

8D Payments — Redenomination, Renominalisation and Reconventioning

Where any of Redenomination, Renominalisation or Reconventioning is specified in the relevant Final Terms as being applicable in relation to Instruments denominated in the currency of a member state which becomes or announces its intention to become a Participating Member State:

- (i) the Issuer may, without the consent of the Holders of the Instruments or the Coupons, on giving not less than 30 days' prior notice ("**Redenomination Notice**") to the Holders of the Instruments (by publication in accordance with Condition 13), Euroclear, Clearstream or any other relevant clearing system, the Trustee and the Paying Agents, with effect from (and including) the Redenomination Date, elect that the aggregate principal amount of each Holder's holding of Instruments (represented by his interest in the Global Instrument) shall be redenominated into Euro with an aggregate principal amount equal to their aggregate principal amount in the Relevant Currency and the amount of such payment shall be rounded to the nearest Euro 0.01. The rate for the conversion of the Relevant Currency into Euro shall be the rate established by the Council of the EU pursuant to the Treaty (including compliance with rules relating to roundings in accordance with applicable European Community regulations).

"**Participating Member State**" means a member state of the European Community which adopts the Euro as its lawful currency in accordance with the Treaty.

"**Redenomination Date**" means any Interest Payment Date falling on or after the date on which the country of the Relevant Currency becomes a Participating Member State, which is specified in the Redenomination Notice.

"**Relevant Currency**" means the currency of denomination of the Instruments shown on such Instruments and which is specified in the Final Terms.

On or after the Redenomination Date, notwithstanding the other provisions of the Conditions, all payments in respect of the Instruments will be made solely in Euro, including payments of interest in respect of a period before the Redenomination Date. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee. Neither the Issuer nor any Paying Agent shall be liable to any Holder of Instruments or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith;

- (ii) *provided that* the Instruments are in Global form, the Issuer may, without the consent of the Holders of the Instruments or the Coupons, on giving at least 30 days' prior notice to the Holders of the Instruments (by publication in accordance with Condition 14), Euroclear, Clearstream or any other relevant clearing system, the Trustee and the Paying Agents, with effect from the Redenomination Date or such later date as it may specify in that notice, procure that the denomination of the Instruments shall be Euro 0.01 and integral multiples thereof;
- (iii) the Issuer may, without the consent of the Holders of the Instruments or the Coupons, on giving at least 30 days' prior notice to the Holders of the Instruments (by publication in accordance with Condition 14), Euroclear, Clearstream or any other relevant clearing system, the Trustee and the Paying Agents, with effect from the Redenomination Date or such later Interest Payment Date as it may specify in that

notice, elect to amend the conventions which apply in respect of the Instruments. In particular, the Issuer may procure that the definition of "**Business Day**" and "**Relevant Financial Centre**" in Condition 8C.03 shall be amended so as to be a day on which the TARGET System is operating, and that, if interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365) or on any other basis which is customary and which the Issuer deems appropriate.

9. Prescription

- 9.01** Claims against the Issuer in respect of Bearer Instruments and Coupons will become void unless made within ten years (or, in the case of interest, five years) after the Relevant Date (as defined in Condition 7.02) for payment thereof.
- 9.02** In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 7A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 9.
- 9.03** Claims against the Issuer in respect of Registered Instruments (other than in respect of the final redemption amount of Registered Instruments) will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the Relevant Date.

10. The Paying Agents and the Registrars

- 10.01** The initial Paying Agents and Registrars and their respective initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Principal Paying Agent) or the Registrar and to appoint additional or other Paying Agents or another registrar *provided that* the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom), (iv) so long as any Instruments are admitted to trading on the Regulated Market and/or any other listing authority and/or stock exchange, a Paying Agent and a Registrar each with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other listing authority and/or stock exchange, (v) a Paying Agent with a specified office in Germany and (vi) in the circumstances described in Condition 8A.04, a Paying Agent with a specified office in New York City. The Issuer undertakes that it will ensure that it maintains a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive or any law implementing or complying with or introduced in order to conform to, such Directive. The Paying Agent and the Registrar reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agent or the Registrar will be notified promptly by the Issuer to the Holders of the Instruments in accordance with Condition 13.
- 10.02** The Paying Agents and Registrars act solely as agents of the Issuer and, save as provided in the Paying Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Paying Agency Agreement or incidental thereto.

11. Replacement of Instruments

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or, in the case of Instruments listed on the Frankfurt Stock Exchange and, if so specified in the Final Terms, at the specified office of the Paying Agent in Germany (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the rules of any stock exchange on which the relevant Instruments are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Principal Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

12. Meetings of Holders; Modifications; Waivers; Merger and Substitution of Debtor

This Condition 12 is applicable only in relation to Unsubordinated Instruments.

- 12.01** The Trust Deed contains provisions (which shall have effect as if incorporated herein), including quorum requirements, for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Trust Deed) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Couponholders (if any). The Trust Deed contains provisions for the convening of a single meeting of Holders of the Instruments of more than one Series where the Trustee so decides.
- 12.02** The Trustee may (subject to certain exceptions) without the consent of the Holders of the Instruments of any Series or of the Coupons appertaining thereto (i) agree to any modification of these Terms and Conditions or of the Trust Deed which, in any case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Holders of such Instruments or is of a formal, minor or technical nature or which is made to correct a manifest error, or (ii) waive or authorise any breach or proposed breach by the Issuer of any of the provisions of these Terms and Conditions applicable to such Instruments or the Trust Deed or determine that any event which is, or with the giving of notice and/or the lapse of time and/or the issuing of any certificate and/or the fulfilment of any other requirement could be, a Default shall not be treated as such *provided that*, in the Trustee's opinion, the interests of the Holders of such Instruments will not be materially prejudiced thereby. Any such modification, waiver, authorisation or determination shall be binding on the Holders of such Instruments and of the Coupons appertaining thereto and, unless the Trustee agrees otherwise, shall be notified to the Holders of such Instruments as soon as practicable thereafter.
- 12.03** In connection with a merger, consolidation or any other form of combination with another legal entity incorporated in the Federal Republic of Germany ("**Successor in Business**"), the Trustee shall, without the consent of the Holders of the Instruments or Coupons of the relevant Series, agree to the substitution of the Successor in Business in place of LBBW as Issuer in respect of all outstanding Instruments, *provided that*, in the Trustee's opinion, the interests of the Holders of the Instruments or Coupons of the relevant Series will not be materially prejudiced by such merger, consolidation or other form of combination, and subject to, *inter alia*, such amendment to the Trust Deed and the execution of such documents as the Trustee may reasonably require. For the avoidance of doubt, this Condition 12.03 shall not apply to a merger, consolidation or other form of combination where LBBW is the surviving entity or where the assets and liabilities of LBBW are transferred to the Successor in Business by way of universal succession.
- 12.04** Notice of any merger, consolidation, combination or substitution and the identity of any Successor in Business will be given to Holders in accordance with Condition 13.

- 12.05** In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver, authorisation, determination or assumption as aforesaid) in relation to any Series of Instruments, the Trustee shall have regard to the interests of the Holders of such Instruments as a class and, in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Holders resulting from their being, for any purpose, domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Holder of an Instrument or Coupon shall, in connection with any such assumption as aforesaid, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Holders except to the extent already provided for in Condition 6 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

13. Notices

To Holders of Bearer Instruments

- 13.01** Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*), (ii) in the case of Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require), in a daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (iii) in the case of any Instruments that are listed on the Frankfurt or Stuttgart Stock Exchange in the Federal Gazette (*Bundesanzeiger*) and so long as legally required in one mandatory newspaper authorised by the Frankfurt and Stuttgart Stock Exchanges (*Börsenpflichtblatt*) (which is expected to be the *Börsen-Zeitung* or the *Financial Times Deutschland*) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or (iv) in the case of a Temporary Global Instrument or Global Instrument or Permanent Global Instrument if delivered to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communications by them to the persons shown in their respective records as having interests therein and otherwise if permitted by the rules of the relevant authority of each stock exchange on which the Instruments are listed, and if listed on the Luxembourg Stock Exchange by publication in a daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). 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 first such publication) or, as the case may be, on the date of such delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

To Holders of Registered Instruments

- 13.02** Notices to Holders of Registered Instruments will be deemed to be validly given (i) if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and (ii) in the case of Registered Instruments which are listed on the Luxembourg Stock Exchange and the rules of the relevant authority of such stock exchange so require if published in a daily newspaper having general circulation in

Luxembourg (which is expected to be the *Luxemburger Wort*) and, in the case of (ii) above, will be deemed to have been validly given on the date of such publication or, if earlier, the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

14. Further Issues

The Issuer may, from time to time without the consent of the Holders of any Instruments or Coupons of any Series, create and issue further instruments, bonds or debentures having the same terms and conditions as the Instruments of such Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of such Series. In such a case, the Instruments may be considered to have been issued with original issue discount ("**OID**") for U.S. federal income tax purposes even if the original Instruments had no OID, or the additional Instruments may have a greater amount of OID than the original Instruments. These differences may affect the market value of the original Instruments if the additional Instruments are not otherwise distinguishable from the original Instruments.

15. Law and Jurisdiction

Governing Law

- 15.01** The Instruments, Trust Deed, the Paying Agency Agreement and any non-contractual obligations arising out of or connected with them are governed by English law except for Condition 3B which shall be governed by German law.

Jurisdiction

- 15.02** The Issuer has, in the Trust Deed, for the benefit of the Trustee and the Holders of the Instruments agreed that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Instruments or any non-contractual obligations arising out of or in connection with the Instruments (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, the Issuer has irrevocably submitted to the jurisdiction of such courts and has (i) waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and (ii) agreed not to claim that any such court is not a convenient or appropriate forum. LBBW has, in the Trust Deed, agreed that the process by which any proceedings in England are begun may be served on it by being delivered to Landesbank Baden-Württemberg, London branch at 201 Bishopsgate, London EC2M 3UN or at any other address at which process may from time to time be served on LBBW in accordance with Part 34 of the Companies Act 2006 (as modified or re-enacted from time to time). If LBBW ceases to be registered under such Part 34, LBBW shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address of such person to the Trustee and, failing such appointment within fifteen days, the Trustee shall be entitled to appoint such a person by notice to LBBW and to the Holders in accordance with Condition 13. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Trustee or the Holders of the Instruments or any of them to take Proceedings or settle Disputes in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings or the settling of Disputes in any other jurisdiction (whether currently or not) if and to the extent permitted by applicable law.

Third Party Rights

- 15.03** No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Instruments.

TERMS AND CONDITIONS OF THE PFANDBRIEFE IN BEARER FORM

OPTION I: TERMS AND CONDITIONS OF FIXED RATE PFANDBRIEFE IN BEARER FORM

§1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "Pfandbriefe") of Landesbank Baden-Württemberg (the "Issuer") is being issued in [insert Specified Currency] ([insert abbreviation of Specified Currency] or the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words] in denominations of [insert specified Denomination] (the "specified Denomination").]

[In case the Tranche to become part of an existing Series, insert: This Tranche [insert number of tranche] shall be consolidated and form a single Series [insert number of series] with the Series [insert number of series], Tranche 1 issued on [insert Issue Date of Tranche 1] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 2]] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 3]]. The aggregate principal amount of Series [insert number of series] is [insert aggregate principal amount of the consolidated Series [insert number of series]].]

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

[In case of Temporary Global Pfandbriefe, which are exchanged for Permanent Global Pfandbriefe, insert:

The Pfandbriefe are initially represented by a temporary global note in substantially the same form of Schedule 7 of the Amended and Restated Paying Agency Agreement (the "Temporary Global Note") without interest coupon. The Temporary Global Note will be exchanged for a permanent global note in bearer form in substantially the same form of the Schedule 8 of the Amended and Restated Paying Agency Agreement (the "Permanent Global Note", and, together with the Temporary Global Note, the "Global Pfandbrief") on or after the 40th day (the "Exchange Date") after the Issue Date only upon delivery of certifications, to the effect that the beneficial owner or owners of the Pfandbriefe represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Pfandbriefe through such financial institutions) (the "Non-U.S. Ownership Certificates"). The Global Pfandbrief bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as the personal signature of a trustee authorised by the *Bundesanstalt für Finanzsicherung* in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. [The details of such exchange shall be entered in the records of the ICSD.]

Payment of interest on the Pfandbriefe 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.

The holders of the Pfandbriefe (the "Pfandbriefe Holders") are not entitled to receive definitive Pfandbriefe. The Pfandbriefe as co-ownership interests in the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.

"U.S. persons" means such persons as defined in Regulation S of the United States Securities Act of 1933, as amended and particularly includes residents of the United States as well as, American stock corporations and private companies.]

[In case of a Permanent Global Note from the Issue Date, insert:

The Pfandbriefe are represented by a permanent global note in substantially the same form of the Schedule 2 of the Trust Deed (the "**Global Pfandbrief**") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer as well as the personal signature of a trustee authorised by the Bundesanstalt für Finanzaufsicht in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. The holders of the Pfandbriefe (the "**Pfandbriefe Holders**") are not entitled to receive definitive Pfandbriefe. The Pfandbriefe as co-ownership interests of the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.]

- (3) Each Global Pfandbrief will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means [Clearstream Banking AG, Frankfurt] [Clearstream Banking, société anonyme ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**")] ([CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depositary) and, collectively, the "**ICSDs**"] [specify different clearing system].

[In case of Euroclear and CBL and if the Global Pfandbriefe are in NGN form, insert:

- (4) The Pfandbriefe are issued in new global note form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief], [as the case may be,] shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (that each ICSD holds for its customers which reflects the amount of such customer's interest in the Pfandbriefe) shall be conclusive evidence of the principal amount Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be] and, for these purposes, a statement issued by a ICSD stating the principal amount of Pfandbriefe so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of or purchase and cancellation of any of the Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] details of such redemption, interest payment or purchase and cancellation (as the case may be) in respect of the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount of the Pfandbriefe recorded in the records of the ICSDs and represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be reduced by the aggregate principal amount of the Pfandbriefe so redeemed or purchased and cancelled. [For technical procedure of the ICSDs, in case of the exercise of an optional redemption (as defined in § 4) relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

[In case of Euroclear and CBL and if the Global Pfandbriefe are in CGN form, insert:

- (4) The Pfandbriefe are issued in classic global note form and are kept in custody by a common depositary on behalf of both ICSDs.]
- (5) *Holder of Pfandbriefe.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Pfandbriefe.

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations of the Issuer under **[in the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe insert: Public Sector] Pfandbriefe.**

§3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.*

[In the case of Pfandbriefe with one interest payment, insert: The Pfandbriefe shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5 (1)). The payment of interest shall be made on the Maturity Date (the "Interest Payment Date") **[if Interest Payment Date is not anniversary of Interest Commencement Date, insert:** and will amount to **[insert amount for specified Denomination]** for a Pfandbrief in a denomination of **[insert specified Denomination]]**.

[In the case of Pfandbriefe with more than one interest payment, insert: The Pfandbriefe shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on **[insert Fixed Interest Date or 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 for specified Denomination]** for a Pfandbrief in a denomination of **[insert specified Denomination]]**. **[If the Maturity Date is not a Fixed Interest Date insert:** Interest in respect of the period from **[insert Fixed Interest Date preceding the Maturity Date]** (inclusive) to the Maturity Date (exclusive) will amount to **[insert Final Broken Amount for specified Denomination]**, for a Pfandbrief in a denomination of **[insert specified Denomination]]**.]

[In the case of Pfandbriefe with a step-up and/or step-down coupon, insert:

The Pfandbriefe bear interest at the relevant Rate of Interest (as defined below) on their principal amount from (and including) **[insert 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 Pfandbriefe shall be payable in arrear on each Interest Payment Date.

"Interest Payment Date(s)" means each date which is set out under the column "Interest Payment Date_(t)" of the following table:

t	Interest Payment Date _(t)	Rate of Interest
[]	[] (the "first Interest Payment Date")	[]
[]	[]	[]
[]	[]	[]

The rate of interest (the "**Rate of Interest**") shall be in respect of an Interest Payment Date the percentage relating to the relevant Interest Payment Date as set out in the column "Rate of Interest" of the table of the previous sub-paragraph.]

- (2) *Business Day Convention.* If the date for payment of interest in respect of any Pfandbrief is not a Business Day then the Holder shall **[if the Following Business Day Convention is applicable, insert:** not be entitled to payment until the next such day in the relevant place **].** **[if the Modified Following Business Day Convention is applicable, insert:** not be entitled to payment until the next such day in the relevant place unless it would thereby fall into the next calendar month in which event the payment shall be made on the immediately preceding Business Day $[\cdot]$ **].** **[If the Interest Payment Date is not subject to adjustment in accordance with any Business Day Convention, insert:** and shall not be entitled to further interest or other payment in respect of such delay nor, as the case may be, shall the amount of interest to be paid be reduced due to such deferment.] **[If the Interest Payment Date is subject to adjustment in accordance with the Following Business Day Convention or the Modified Following Business Day Convention, insert:** Notwithstanding subparagraph (1) of this paragraph 3 of the Terms and Conditions the Holder is entitled to further interest for each additional day the Interest Payment Date is postponed due to the rules set out in this subparagraph (2) of paragraph 3 of the Terms and Conditions. **[If the Interest Payment Date is subject to adjustment in accordance with the Modified Following Business Day Convention, insert:** However, in the event that the Interest Payment Date is brought forward to the immediately preceding Business Day due to the rules set out in this subparagraph (2) of paragraph 3 of the Terms and Conditions, the Holder will only be entitled to interest until the actual Interest Payment Date and not until the scheduled Interest Payment Date.]
- (3) *Accrual of Interest.* The Pfandbriefe shall cease to bear interest as from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall continue to accrue on the outstanding principal amount of the Pfandbriefe beyond the due date until the actual redemption of the Pfandbriefe at the default rate of interest established by law, unless the rate of interest under the Pfandbriefe are higher than the default rate of interest established by law, in which event the rate of interest under the Pfandbriefe continues to apply during the before-mentioned period of time.
- (4) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).
- (5) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Pfandbrief for any period of time (the "**Calculation Period**"):

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is equal to or shorter than the Reference Period during which it falls (including in the case of short coupons) insert: the number of days in the Calculation Period divided by **[in the case of Reference Periods of less than one year insert:** the product of (1)] the number of days in the Reference Period in which the Calculation Period falls **[in the case of Reference Periods of less than one year insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.]

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is longer than one Reference Period (long coupon) insert: the sum of:

- (A) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[in the case of Reference Periods of less than one year insert:** the product of (1)] the number of days in such Reference Period **[in the case of Reference Periods of less than one year insert:** and (2) the

number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year; and

- (B) the number of days in such Calculation Period falling in the next Reference Period divided by **[in the case of Reference Periods of less than one year insert: the product of (1)]** the number of days in such Reference Period **[in the case of Reference Periods of less than one year insert: and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.]**

[If Actual/Actual (ICMA Rule 251) is applicable: "Reference Period" means the period from (and including) the Interest Commencement Date to, but excluding, the first Interest Payment Date or from (and including) each Interest Payment Date to, but excluding, the next Interest Payment Date. **[In the case of a short first or last Calculation Period insert: For the purposes of determining the relevant Reference Period only,**

[insert deemed Interest Commencement Date or deemed Interest Payment Date] shall be deemed to be an **[Interest Commencement Date]** **[Interest Payment Date].** **[In the case of a long first or last Calculation Period insert: For the purposes of determining the relevant Reference Period only, [insert deemed Interest Commencement Date [and] [or] deemed Interest Payment Date[s]] shall each be deemed to be [Interest Commencement Date] [and] [Interest Payment Date[s]].]**

[If Actual/Actual (ISDA) insert: (ISDA) 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).]

[If Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.] [If Actual/360 insert: the actual number of days in the Calculation Period divided by 360.]

[If 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 twelve 30 day months (unless (i) 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 (ii) 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).]

[If 30E/360 or Eurobond Basis: 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 twelve 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 Pfandbriefe shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the representing Global Pfandbrief at the time of payment at the specified office of the Fiscal Agent outside the United States.
 - (b) *Payment of Interest.* Payment of interest on Pfandbriefe shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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 subparagraph (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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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, "**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or if the TARGET System is needed for other reasons insert:** as well as the TARGET System] is operative **[if the Specified Currency is not Euro or if needed for other reasons insert:** [and] commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]]**.
- (6) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; **[if redeemable at the option of the Issuer insert:** the Call Redemption Amount of the Pfandbriefe;] and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.
- (7) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Stuttgart principal or interest not claimed by Pfandbriefe Holders within twelve months after the Maturity Date, even though such Pfandbriefe 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 Pfandbriefe Holders against the Issuer shall cease.

§5 REDEMPTION

- [(1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the

"**Maturity Date**"). The Final Redemption Amount in respect of each Pfandbrief shall be its specified Denomination.

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) (as set forth below) at the Call Redemption Amount(s) (as set forth below) together with accrued interest, if any, to (but excluding) the Call Redemption Date.

Call Redemption Date(s)
[insert Call Redemption Date(s)]

[]
[]

- (b) Notice of redemption shall be given by the Issuer to the Pfandbriefe Holders in accordance with § 10. Such notice shall specify:
- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed; and
 - (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6

FISCAL AGENT [AND] [PAYING AGENT[S]]

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent [and] [Paying Agent[s]] and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[insert other Paying Agents and specified offices]

The Fiscal Agent [and] [the Paying Agent[s]] reserve[s] the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 **[in the case of Pfandbriefe listed on a stock exchange insert: [,] [and]** (ii) so long as the Pfandbriefe are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange **[in the case of payments in U.S. Dollars insert: [,] [and]** [(iii)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) 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 United States dollars, a Paying Agent with a specified office in New York City]. 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.

- (3) *Agents of the Issuer.* The Fiscal Agent [[and] the Paying Agent[s]] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7 TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8 PRESENTATION PERIOD

The presentation period provided in §801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Pfandbriefe.

§9 FURTHER ISSUES, PURCHASES AND CANCELLATION

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Pfandbriefe Holders, issue further Pfandbriefe having the same terms and conditions as the Pfandbriefe 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 Pfandbriefe.
- (2) *Purchases.* The Issuer may at any time purchase Pfandbriefe in any regulated market or otherwise and at any price. Pfandbriefe 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 Pfandbriefe must be made available to all Pfandbriefe Holders of such Pfandbriefe alike.
- (3) *Cancellation.* All Pfandbriefe redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§10 NOTICES

[For so long as any Pfandbriefe are listed on any stock exchange or listing authority and the rules of such stock exchange or listing authority so require, notices shall be published in accordance with the requirements of such stock exchange or listing authority.]

[All Notices regarding the Pfandbriefe shall be published **[[in the case of Pfandbriefe listed on the Luxembourg Stock Exchange: on the website of the Luxembourg Stock Exchange (www.bourse.lu)] [in the case of Pfandbriefe listed on the Frankfurt Stock Exchange or Stuttgart Stock Exchange: in the Federal Gazette (*Bundesanzeiger*) and so long as legally required in one mandatory newspaper authorised by [the Frankfurt Stock Exchange] [and] [the Stuttgart Stock Exchange] (*Börsenpflichtblatt*) (which is expected to be the [*Börsen-Zeitung*] [**insert other newspaper**]) or, if such publication is not practicable, shall be published in a leading English language daily newspaper**

having general circulation in Europe] **[if the Pfandbriefe are unlisted and/or any stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading permits such publication in lieu of publication in a newspaper:** by delivery to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the persons shown in their respective records as having interests therein] [as permitted by the rules of the relevant stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading] **[insert details of any other applicable or required method of publication]**]. [Any such notice shall be effective as of the publishing date (or, in case of several publications as of the date of the first such publication).] [Any such notice delivered to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the Pfandbriefe Holders shall be deemed to have been given to the Pfandbriefe Holders on the date on which said notice was delivered to such Clearing System(s).]]

§11

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.
- (3) *Enforcement.* Any Holder of Pfandbriefe may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Pfandbriefe on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Pfandbriefe (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Pfandbriefe 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 Security in global form 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 Pfandbriefe. 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 Pfandbriefe and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Pfandbriefe also in any other way which is admitted in the country of the Proceedings.

§12

LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

OPTION II: TERMS AND CONDITIONS OF FLOATING RATE PFANDBRIEFE IN BEARER FORM

§1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "Pfandbriefe") of Landesbank Baden-Württemberg (the "Issuer") is being issued in [insert Specified Currency] ("insert abbreviation of Specified Currency") or the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words]) in denominations of [insert specified Denomination] (the "specified Denomination").]

[In case the Tranche to become part of an existing Series, insert: This Tranche [insert number of tranche] shall be consolidated and form a single Series [insert number of series] with the Series [insert number of series], Tranche 1 issued on [insert Issue Date of Tranche 1] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 2]] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 3]]. The aggregate principal amount of Series [insert number of series] is [insert aggregate principal amount of the consolidated Series [insert number of series]].]

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

[In case of Temporary Global Pfandbriefe, which are exchanged for Permanent Global Pfandbriefe, insert:

The Pfandbriefe are initially represented by a temporary global note in substantially the same form of Schedule 7 of the Amended and Restated Paying Agency Agreement (the "Temporary Global Note") without interest coupon. The Temporary Global Note will be exchanged for a permanent global note in bearer form in substantially the same form of the Schedule 8 of the Amended and Restated Paying Agency Agreement (the "Permanent Global Note", and, together with the Temporary Global Note, the "Global Pfandbrief") on or after the 40th day (the "Exchange Date") after the Issue Date only upon delivery of certifications, to the effect that the beneficial owner or owners of the Pfandbriefe represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Pfandbriefe through such financial institutions) (the "Non-U.S. Ownership Certificates"). The Global Pfandbrief bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as the personal signature of a trustee authorised by the *Bundesanstalt für Finanzaufsicht* in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. [The details of such exchange shall be entered in the records of the ICSD.]

Payment of interest on the Pfandbriefe 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.

The holders of the Pfandbriefe (the "Pfandbriefe Holders") are not entitled to receive definitive Pfandbriefe. The Pfandbriefe as co-ownership interests in the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.

"U.S. persons" means such persons as defined in Regulation S of the United States Securities Act of 1933, as amended and particularly includes residents of the United States as well as, American stock corporations and private companies.]

[In case of a Permanent Global Note from the Issue Date, insert:

The Pfandbriefe are represented by a permanent global note in substantially the same form of the Schedule 2 of the Trust Deed (the "**Global Pfandbrief**") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer as well as the personal signature of a trustee authorised by the Bundesanstalt für Finanzaufsicht in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. The holders of the Pfandbriefe (the "**Pfandbriefe Holders**") are not entitled to receive definitive Pfandbriefe. The Pfandbriefe as co-ownership interests of the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.]

- (3) Each Global Pfandbrief will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means [Clearstream Banking AG, Frankfurt] [Clearstream Banking, société anonyme ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**")] ([CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**"] [specify different clearing system].]

[In case of Euroclear and CBL and if the Global Pfandbriefe are in NGN form, insert:

- (4) The Pfandbriefe are issued in new global note form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief], [as the case may be,] shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (that each ICSD holds for its customers which reflects the amount of such customer's interest in the Pfandbriefe) shall be conclusive evidence of the principal amount Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be] and, for these purposes, a statement issued by a ICSD stating the principal amount of Pfandbriefe so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of or purchase and cancellation of any of the Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] details of such redemption, interest payment or purchase and cancellation (as the case may be) in respect of the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount of the Pfandbriefe recorded in the records of the ICSDs and represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be reduced by the aggregate principal amount of the Pfandbriefe so redeemed or purchased and cancelled. [For technical procedure of the ICSDs, in case of the exercise of an optional redemption (as defined in § 4) relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

[In case of Euroclear and CBL and if the Global Pfandbriefe are in CGN form, insert:

- (4) The Pfandbriefe are issued in classic global note form and are kept in custody by a common depositary on behalf of both ICSDs.]
- (5) *Holder of Pfandbriefe.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Pfandbriefe.

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations

of the Issuer under **[In the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe, insert: Public Sector] Pfandbriefe.**

§3 INTEREST

(1) Interest Payment Dates.

- (a) The Pfandbriefe shall bear interest on their principal amount from **[insert Interest Commencement Date]** (inclusive) (the "**Interest Commencement Date**") to the first Interest Payment Date (exclusive) and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive). Interest on the Pfandbriefe shall be payable on each Interest Payment Date. **[If the Interest Payment Date is not subject to adjustment in accordance with any Business Day Convention, insert:** However, if any Specified Interest Payment Date (as defined below) is deferred due to (c) below, the Holder shall not be entitled to further interest or payment in respect of such delay nor, as the case may be, shall the amount of interest to be paid be reduced due to such deferment.]

[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:

- (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 in these Terms and Conditions) falls [insert number] [weeks] [months] [insert other specified periods]

after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]]

[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:

- (b) "**Interest Payment Date**" means

for the period, during which the Pfandbriefe bear interest on a fixed rate basis (the "**Fixed Interest Term**"):

the **[First Interest Payment Date]** (the "**First Interest Payment Date**") [,][and]

[For each further Interest Payment Date, insert: the [specified Interest Payment Date] (the "[second][relevant number] Interest Payment Date")][,][and]],

and for the period, during which the Pfandbriefe bear interest on a variable basis (the "**Floating Interest Term**"):

[In the case of specified Interest Payment Dates, insert:

the **[specified Interest Payment Date]** (the "**[second][relevant number] Interest Payment Date**") [,][and]

[For each further Interest Payment Date, insert: the [specified Interest Payment Date] (the "[relevant number] Interest Payment Date")][,][and]].]

[In the case of specified Interest Periods, insert:

the date which (except as otherwise provided in these Terms and Conditions) falls [3][6][12] **[insert other period]** months after

- (i) the **[number of the preceding Interest Payment Date]** Interest Payment Date (the "[second][relevant number of the Interest Payment Date] Interest Payment Date")[.] [and]

[For each further Interest Payment Date, insert:

[(ii)][(•)] the **[number of the preceding Interest Payment Date]** Interest Payment Date (the "[relevant number] Interest Payment Date")[.] [and].]

- (c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[If Modified Following Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

[If FRN Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls **[insert number]** months **[insert other specified periods]** after the preceding **applicable payment date.**]²

[If Following Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day.]

[If Preceding Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] the immediately preceding Business Day.]

- (2) *Rate of Interest.*

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert:

The rate of interest (the "**Rate of Interest**") during the Fixed Interest Term, for each Interest Period (as defined below) falling into the Fixed Interest Term, will be **[insert fixed interest rate of interest]** per cent. *per annum*.

The Rate of Interest during the Floating Interest Term, for each Interest Period (as defined below) falling into the Floating Interest Term, will, except as provided below, be **[In the event of Inverse Floating Rate Pfandbriefe, insert: [initial rate of interest]³ per cent. *per annum* less]** the Reference Interest Rate (as defined below) **[In the case of Factor, insert:, multiplied by [insert factor]] [In the case of Margin, insert:, [plus] [minus] the Margin (as defined below)].**

² According to paragraphs 288(1) and 247 of the German Civil Code ("BGB"), 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.

³ In the case of the possibility of a negative interest rate a Minimum Interest Amount of zero may be inserted.

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert:

The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, be **[In the event of Inverse Floating Rate Pfandbriefe, insert: [initial rate of interest]⁵ per cent. *per annum* less]** the Reference Interest Rate (as defined below) **[In the case of Factor, insert: , multiplied by [insert factor]]** **[In the case of Margin, insert: , [plus] [minus] the Margin (as defined below)].**

[If Margin, insert: "Margin" means [●] per cent. *per annum*.]

"Reference Interest Rate" means:

[In the case of Pfandbriefe other than Constant Maturity Swap ("CMS") Floating Rate Pfandbriefe, insert:

- (a) **[for EURIBOR[®] / LIBOR[®] insert: the [3][6][12][insert other period] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation] [insert EONIA[®] quotation]**

[If Interpolation shall apply for a first short/long coupon, insert:

(excluding for the Interest Period which ends with the first Interest Payment Date, for which the Reference Interest Rate will be **[for EURIBOR[®] / LIBOR[®] insert: the linear interpolation between the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation and the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation)]** **[insert interpolation for EONIA[®] quotation]**

[If Interpolation shall apply for a last short coupon, insert:

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the [number of the relevant Interest Period] Interest Period (as defined below)]

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the Interest Period which ends with the Maturity Date],

for which the Reference Interest Rate will be **[for EURIBOR[®] / LIBOR[®] insert: the linear interpolation between the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation and the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation)]** **[insert interpolation for EONIA[®] quotation]**

(if there is only one quotation on the Screen Page (as defined below)); or

- (b) 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]** **[insert relevant EONIA[®] rounding provision]** being rounded upwards) of the offered quotations,

[for EURIBOR[®] / LIBOR[®] insert: (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. ([Brussels] [London] time) on the Interest Determination Date (as defined below), all as determined by the Calculation Agent.

If, in the case of (b) above, five or more such offered quotations are available on the 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 subparagraph (2).] **[insert provision for EONIA[®] quotation and determination]**

[In the case of CMS Floating Rate Pfandbriefe, insert:

the [10] **[include other number of years]** year swap rate (the middle swap rate against the 6 month EURIBOR[®], calculated on the basis of Act/360, expressed as a percentage rate *per annum*) (the "[10] **[include other number of years]** Year Swap Rate") which appears on the Screen Page as of 11:00 a.m. [Brussels]**[insert other relevant location]** time) on the Interest Determination Date (as defined below), all as determined by the Calculation Agent.]

"Interest Period" means

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert: the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date (the **"First Interest Period"**) **[For each further Interest Period, insert:** and, thereafter, from (and including) the **[insert preceding Interest Payment Date]** to (but excluding) the **[insert following Interest Payment Date]** (the "[insert number of the relevant Interest Period] Interest Period")].]

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert: each [three] [six] [twelve] **[insert other period]** month 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.]

"Interest Determination Date" means the [second] **[insert other applicable number of days]** [TARGET] [London] **[insert other relevant location]** Business Day prior to the commencement of the relevant Interest Period. **[In the case of a TARGET Business Day, insert: "TARGET Business Day"** means a day which is a day on which the TARGET System is operative.] **[In the case of a non-TARGET Business Day, insert: "[London] [insert other relevant location]** Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] **[insert other relevant location]**].]

"Screen Page" means **[insert relevant Screen Page]**.

[In the case of Floating Rate Pfandbriefe other than CMS Floating Rate Pfandbriefe, insert:

[for EURIBOR[®] / LIBOR[®] insert: If the Screen Page is not available or if no such quotation appears at such time, the Calculation Agent shall request 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 Interest Period to leading banks in the [London] interbank market [in the Euro-Zone] at approximately 11.00 a.m. ([Brussels] [London] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Interest Rate 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, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant 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, as at 11.00 a. m. ([Brussels] [London] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the [London] interbank market [in the Euro-Zone] 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 Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one 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] interbank market [in the Euro-Zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

As used herein, "Reference Banks" means those offices of not less than four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page] **[If other Reference Banks are specified in the Final Terms, insert: [insert names of relevant Reference Banks]]. [insert provision for EONIA® quotation and determination]]**

[In the case of CMS Floating Rate Pfandbriefe, insert:

if at such time the Screen Page is not available or if no [10] **[include other number of years]** year swap rate appears, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its [10] **[include other number of years]** Year Swap Rates to leading banks in the interbank swapmarket in the Euro-Zone at approximately 11.00 a.m. [(Frankfurt time)] **[insert other relevant location]** on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such [10] **[include other number of years]** Year Swap Rate, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the [10] **[include other number of years]** Year Swap 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, as at 11.00 a.m. [(Frankfurt time)] **[insert other relevant location]** on the relevant Interest Determination Date by leading banks in the interbank swap market in the Euro-Zone or, if fewer than two of the Reference Banks provide the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates, the [10] year swap rate, or the arithmetic mean (rounded as provided above) of the [10] **[include other number of years]** Year Swap Rate, at which, on the relevant Interest Determination Date, any one 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 interbank swap market in the Euro-Zone (or, as the case may be, the quotations of such bank

or banks to the Calculation Agent), If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate shall be the [10] **[include other number of years]** year swap rate or the arithmetic mean of the [10] **[include other number of years]** Year Swap Rate on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such [10] **[include other number of years]** Year Swap Rates were offered.

As used herein, "**Reference Banks**" means, those Offices of at least four of such banks in the swap market whose [10] **[include other number of years]** Year Swap Rates were used to determine such [10] **[include other number of years]** Year Swap Rates when such [10] **[include other number of years]** Year Swap Rate last appeared on the Screen Page.]

[In the case of the interbank market in the Euro-Zone insert: "Euro-Zone" means the region comprised of member states of the European Union that adopted the single currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.]

[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]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest]**.]

[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]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest]**.]

[(3)][(4)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Pfandbriefe for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the aggregate principal amount of the Pfandbriefe and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)][(5)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Pfandbriefe Holders in accordance with § 10 as soon as possible after their determination, but in no event later than the fourth [TARGET] [London] **[insert other relevant location]** Business Day (as defined in § 3 (2)) thereafter and, if required by the rules of any stock exchange on which the Pfandbriefe are from time to time listed, to such stock exchange, as soon as possible their determination, but in no event later than the first day of the relevant Interest Period. 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 Pfandbriefe are then listed and to the Pfandbriefe Holders in accordance with § 10.

[(5)][(6)] *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 manifest error) be binding on the Issuer, the Fiscal Agent [the Paying Agents] and the Pfandbriefe Holders.

[(6)][(7)] *Accrual of Interest.* The Pfandbriefe shall cease to bear interest from the beginning of the day they are due for redemption. If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall continue to accrue on the outstanding principal amount of the Pfandbriefe beyond the due date until actual redemption of the Pfandbriefe. The applicable Rate of Interest will be the default rate of interest established by law⁴, unless the rate of interest under the Pfandbriefe are higher than the default rate of interest established by law, in which event the rate of interest under the Pfandbriefe continues to apply during the before mentioned period of time.]

[(7)][(8)] *Day Count Fraction.* "Day Count Fraction" means,

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is equal to or shorter than the Reference Period during which it falls (including in the case of short coupons), insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): the number of days in the Calculation Period divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in the Reference Period in which the Calculation Period falls **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is longer than one Reference Period (long coupon), insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): the sum of:

- (A) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year; and
- (B) the number of days in such Calculation Period falling in the next Reference Period divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[If Actual/Actual (ICMA Rule 251) is applicable, insert: "Reference Period" means the period from (and including) the Interest Commencement Date to, but excluding, the first Interest Payment Date or from (and including) each Interest Payment Date to, but excluding,

⁴ According to paragraphs 288(1) and 247 of the German Civil Code ("BGB"), 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.

the next Interest Payment Date. **[In the case of a short first or last Calculation Period, insert:** For the purposes of determining the relevant Reference Period only, **[insert deemed Interest Commencement Date or deemed Interest Payment Date]** shall be deemed to be an **[Interest Commencement Date]** **[Interest Payment Date].]** **[In the case of a long first or last Calculation Period, insert:** For the purposes of determining the relevant Reference Period only, **[insert deemed Interest Commencement Date and] [or] deemed Interest Payment Date[s]]** shall each be deemed to be **[Interest Commencement Date]** **[and]** **[Interest Payment Date[s]].]**

[If Actual/Actual (ISDA) is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the **[Fixed Interest Term]** **[and the]** **[Floating Interest Term]]** (the "Calculation Period"): 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).]

[If Actual/365 (Fixed) is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the **[Fixed Interest Term]** **[and the]** **[Floating Interest Term]]** (the "Calculation Period"): the actual number of days in the Calculation Period divided by 365.]

[If Actual/360 is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the **[Fixed Interest Term]** **[and the]** **[Floating Interest Term]]** (the "Calculation Period"): the actual number of days in the Calculation Period divided by 360.]

[If 30/360, 360/360 or Bond Basis is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the **[Fixed Interest Term]** **[and the]** **[Floating Interest Term]]** (the "Calculation Period"): 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 twelve 30 day months (unless (i) 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 (ii) 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).]

[If 30E/360 or Eurobond Basis is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the **[Fixed Interest Term]** **[and the]** **[Floating Interest Term]]** (the "Calculation Period"): 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 twelve 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 Pfandbriefe shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the representing Global Pfandbrief at the time of payment at the specified office of the Fiscal Agent outside the United States.
 - (b) *Payment of Interest.* Payment of interest on Pfandbriefe shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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 subparagraph (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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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, "**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or if the TARGET System is needed for other reasons insert:** as well as the TARGET System] is operative **[if the Specified Currency is not Euro or if needed for other reasons insert:** [and] commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]**].
- (6) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.
- (7) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Stuttgart principal or interest not claimed by Pfandbriefe Holders within twelve months after the Maturity Date, even though such Pfandbriefe 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 Pfandbriefe Holders against the Issuer shall cease.

§5
REDEMPTION

[(1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe 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 Pfandbrief shall be its specified Denomination.

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) (as set forth below) at their Final Redemption Amount together with accrued interest, if any, to (but excluding) the Call Redemption Date.

Call Redemption Date(s)
[insert Call Redemption Date(s)]
[]
[]

- (b) Notice of redemption shall be given by the Issuer to the Pfandbriefe Holders in accordance with § 10. Such notice shall specify:
- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed; and
 - (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6
FISCAL AGENT [,] [AND] [PAYING AGENT[S] [AND
CALCULATION AGENT]

- (1) *Appointment; Specified Offices.*** The initial Fiscal Agent [,] [and] [Paying Agent[s]] [,] [and] [the Calculation Agent]] and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[insert other Paying Agents and specified offices]

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]**

The Fiscal Agent [,] [and] [the Paying Agent[s] [,] [and] [the Calculation Agent]] reserve the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 **[in the case of Pfandbriefe listed on a stock exchange insert: [,] [and]** (ii) so long as the Pfandbriefe are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **[in the case of payments in U.S. Dollars insert: [,] [and]** [(iii)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) 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 United States dollars, a Paying Agent with a specified office in New York City] **[if any Calculation Agent is to be appointed insert: [,] [and]** [(iv)] a Calculation Agent **[if 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.
- (3) *Agents of the Issuer.* The Fiscal Agent [,] [and] the Paying Agent[s]] [,] [and] [the Calculation Agent]] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7 TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8 PRESENTATION PERIOD

The presentation period provided in §801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Pfandbriefe.

§9 FURTHER ISSUES, PURCHASES AND CANCELLATION

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Pfandbriefe Holders, issue further Pfandbriefe having the same terms and conditions as the Pfandbriefe 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 Pfandbriefe.

- (2) *Purchases.* The Issuer may at any time purchase Pfandbriefe in any regulated market or otherwise and at any price. Pfandbriefe 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 Pfandbriefe must be made available to all Pfandbriefe Holders of such Pfandbriefe alike.
- (3) *Cancellation.* All Pfandbriefe redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§10 NOTICES

[For so long as any Pfandbriefe are listed on any stock exchange or listing authority and the rules of such stock exchange or listing authority so require, notices shall be published in accordance with the requirements of such stock exchange or listing authority.]

[All Notices regarding the Pfandbriefe shall be published **[in the case of Pfandbriefe listed on the Luxembourg Stock Exchange: on the website of the Luxembourg Stock Exchange (www.bourse.lu)] [in the case of Pfandbriefe listed on the Frankfurt Stock Exchange or Stuttgart Stock Exchange: in the Federal Gazette (*Bundesanzeiger*) and so long as legally required in one mandatory newspaper authorised by [the Frankfurt Stock Exchange] [and] [the Stuttgart Stock Exchange] (*Börsenpflichtblatt*) (which is expected to be the [*Börsen-Zeitung*] [**insert other newspaper**]) or, if such publication is not practicable, shall be published in a leading English language daily newspaper having general circulation in Europe] [if the Pfandbriefe are unlisted and/or any stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading permits such publication in lieu of publication in a newspaper: by delivery to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the persons shown in their respective records as having interests therein] [as permitted by the rules of the relevant stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading] [**insert details of any other applicable or required method of publication**]]. [[Any such notice shall be effective as of the publishing date (or, in case of several publications as of the date of the first such publication).] [Any such notice delivered to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the Pfandbriefe Holders shall be deemed to have been given to the Pfandbriefe Holders on the date on which said notice was delivered to such Clearing System(s).]]**

§11 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.
- (3) *Enforcement.* Any Holder of Pfandbriefe may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Pfandbriefe on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Pfandbriefe (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Pfandbriefe 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 Security in global form 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 Pfandbriefe. 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 Pfandbriefe and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Pfandbriefe also in any other way which is admitted in the country of the Proceedings.

§12 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

OPTION III: TERMS AND CONDITIONS OF ZERO COUPON PFANDBRIEFE IN BEARER FORM

§1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "Pfandbriefe") of Landesbank Baden-Württemberg (the "Issuer") is being issued in [insert Specified Currency] ([insert abbreviation of Specified Currency]) or the "Specified Currency") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words]) in denominations of [insert specified Denomination] (the "specified Denomination").]

[In case the Tranche to become part of an existing Series, insert: This Tranche [insert number of tranche] shall be consolidated and form a single Series [insert number of series] with the Series [insert number of series], Tranche 1 issued on [insert Issue Date of Tranche 1] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 2]] [and Series [insert number of series], Tranche [insert number of tranche] issued on [insert Issue Date of Tranche 3]]. The aggregate principal amount of Series [insert number of series] is [insert aggregate principal amount of the consolidated Series [insert number of series]].]

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

[In case of Temporary Global Pfandbriefe, which are exchanged for Permanent Global Pfandbriefe, insert:

The Pfandbriefe are initially represented by a temporary global note in substantially the same form of Schedule 7 of the Amended and Restated Paying Agency Agreement (the "Temporary Global Note") without interest coupon. The Temporary Global Note will be exchanged for a permanent global note in bearer form in substantially the same form of the Schedule 8 of the Amended and Restated Paying Agency Agreement (the "Permanent Global Note", and, together with the Temporary Global Note, the "Global Pfandbrief") on or after the 40th day (the "Exchange Date") after the Issue Date only upon delivery of certifications, to the effect that the beneficial owner or owners of the Pfandbriefe represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Pfandbriefe through such financial institutions) (the "Non-U.S. Ownership Certificates"). The Global Pfandbrief bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as the personal signature of a trustee authorised by the *Bundesanstalt für Finanzsicherung* in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. [The details of such exchange shall be entered in the records of the ICSD.]

The holders of the Pfandbriefe (the "Pfandbriefe Holders") are not entitled to receive definitive Pfandbriefe. The Pfandbriefe as co-ownership interests in the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.

"U.S. persons" means such persons as defined in Regulation S of the United States Securities Act of 1933, as amended and particularly includes residents of the United States as well as, American stock corporations and private companies.]

[In case of a Permanent Global Note from the Issue Date, insert:

The Pfandbriefe are represented by a permanent global note in substantially the same form of the Schedule 2 of the Trust Deed (the "Global Pfandbrief") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer as well as the personal signature of a trustee authorised by the *Bundesanstalt für Finanzsicherung* in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered. The holders of the Pfandbriefe (the "Pfandbriefe Holders") are not entitled to receive

definitive Pfandbriefe. The Pfandbriefe as co-ownership interests of the Global Pfandbrief may be transferred pursuant to the relevant regulations of the Clearing System.]

- (3) Each Global Pfandbrief will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means [Clearstream Banking AG, Frankfurt] [Clearstream Banking, société anonyme ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**")] ([CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**" [specify different clearing system].]

[In case of Euroclear and CBL and if the Global Pfandbriefe are in NGN form, insert:

- (4) The Pfandbriefe are issued in new global note form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief], [as the case may be,] shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (that each ICSD holds for its customers which reflects the amount of such customer's interest in the Pfandbriefe) shall be conclusive evidence of the principal amount Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be] and, for these purposes, a statement issued by a ICSD stating the principal amount of Pfandbriefe so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption being made in respect of or purchase and cancellation of any of the Pfandbriefe represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] details of such redemption or purchase and cancellation (as the case may be) in respect of the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount of the Pfandbriefe recorded in the records of the ICSDs and represented by the [Temporary Global Note or the] [Permanent Global Note] [Global Pfandbrief] [, as the case may be,] shall be reduced by the aggregate principal amount of the Pfandbriefe so redeemed or purchased and cancelled. [For technical procedure of the ICSDs, in case of the exercise of an optional redemption (as defined in § 4) relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]]

[In case of Euroclear and CBL and if the Global Pfandbriefe are in CGN form, insert:

- (4) The Pfandbriefe are issued in classic global note form and are kept in custody by a common depository on behalf of both ICSDs.]
- (5) *Holder of Pfandbriefe.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Pfandbriefe.

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations of the Issuer under **[in the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe insert: Public Sector] Pfandbriefe.**

§3 INTEREST

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

- (2) *Accrual of Interest.* If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall accrue on the outstanding principal amount of the Pfandbriefe as from the due date to the date of actual redemption at the default rate of interest established by law⁵, unless the Amortisation Yield for the Pfandbriefe is higher than the default rate of interest established by law, in which event the Amortisation Yield for the Pfandbriefe continues to apply during the before mentioned period of time. The Amortisation Yield is **[insert Amortisation Yield]** per cent. *per annum.*

§4 PAYMENTS

- (1) *Payment of Principal.* Payment of principal in respect of Pfandbriefe shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the representing Global Pfandbrief at the time of payment at the specified office of the Fiscal Agent outside the United States.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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 subparagraph (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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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, "**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or if the TARGET System is needed for other reasons insert: as well as the TARGET System]** is operative **[if the Specified Currency is not Euro or if needed for other reasons insert: [and] commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres]]**.
- (6) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; **[if redeemable at the option of the Issuer insert: the Call Redemption Amount of the Pfandbriefe;]** and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.
- (7) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Stuttgart principal or interest not claimed by Pfandbriefe Holders within twelve months after the Maturity Date, even though such Pfandbriefe 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 Pfandbriefe Holders against the Issuer shall cease.

§5 REDEMPTION

⁵ Pursuant to paragraphs 288(1) and 247 of the German Civil Code ("**BGB**"), 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.

[(1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "**Maturity Date**"). The Final Redemption Amount in respect of each Pfandbrief shall be **[if the Pfandbriefe are redeemed at their principal amount insert: its specified Denomination] [otherwise insert Final Redemption Amount per specified Denomination].**

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date.

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 Pfandbriefe Holders in accordance with § 10. Such notice shall specify:
- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders; and
 - (iv) the Call Redemption Amount at which such Pfandbriefe are to be redeemed.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6

FISCAL AGENT [AND] [PAYING AGENT[S]]

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent [and Paying Agent[s]] and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[insert other Paying Agents and specified offices]

The Fiscal Agent [and the Paying Agent[s]] reserve the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 **[in the case of Pfandbriefe listed on a stock exchange insert: [,] [and] (ii)** so long as the Pfandbriefe are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange **[in the case of payments in U.S. Dollars insert: [,] [and] [(iii)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) 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 United States dollars, a Paying Agent with a specified office in New York City]. 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.

- (3) *Agents of the Issuer.* The Fiscal Agent [and the Paying Agent[s]] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7 TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8 PRESENTATION PERIOD

The presentation period provided in §801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Pfandbriefe.

§9 FURTHER ISSUES, PURCHASES AND CANCELLATION

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Pfandbriefe Holders, issue further Pfandbriefe having the same terms and conditions as the Pfandbriefe 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 Pfandbriefe.
- (2) *Purchases.* The Issuer may at any time purchase Pfandbriefe in any regulated market or otherwise and at any price. Pfandbriefe 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 Pfandbriefe must be made available to all Pfandbriefe Holders of such Pfandbriefe alike.
- (3) *Cancellation.* All Pfandbriefe redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§10 NOTICES

[For so long as any Pfandbriefe are listed on any stock exchange or listing authority and the rules of such stock exchange or listing authority so require, notices shall be published in accordance with the requirements of such stock exchange or listing authority.]

[All Notices regarding the Pfandbriefe shall be published **[in the case of Pfandbriefe listed on the Luxembourg Stock Exchange:** on the website of the Luxembourg Stock Exchange (www.bourse.lu)] **[in the case of Pfandbriefe listed on the Frankfurt Stock Exchange or Stuttgart Stock Exchange:** in the Federal Gazette (*Bundesanzeiger*) and so long as legally required in one mandatory newspaper authorised by the [Frankfurt Stock Exchange] [and] [the Stuttgart Stock Exchange] (*Börsenpflichtblatt*) (which is expected to be the [*Börsen-Zeitung*] **[insert other newspaper]**) or, if such publication is not practicable, shall be published in a leading English language daily newspaper having general circulation in Europe] **[if the Pfandbriefe are unlisted and/or any stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading permits such publication in lieu of publication in a newspaper:** by delivery to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the persons shown in their respective records as having interests therein] [as permitted by the rules of the relevant stock exchange or listing authority on which the Pfandbriefe are admitted to listing or trading] **[insert details of any other applicable or required method of publication]**]. [[Any such notice shall be effective as of the publishing date (or, in case of several publications as of the date of the first such publication).] [Any such notice delivered to the Clearing System(s) in which the Pfandbriefe are held at the relevant time for communication by them to the Pfandbriefe Holders shall be deemed to have been given to the Pfandbriefe Holders on the date on which said notice was delivered to such Clearing System(s).]]

§11

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.
- (3) *Enforcement.* Any Holder of Pfandbriefe may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Pfandbriefe on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Pfandbriefe (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Pfandbriefe 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 Security in global form 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 Pfandbriefe. 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 Pfandbriefe and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Pfandbriefe also in any other way which is admitted in the country of the Proceedings.

§12 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

TERMS AND CONDITIONS OF THE PFANDBRIEFE IN REGISTERED FORM

OPTION IV: TERMS AND CONDITIONS OF FIXED RATE PFANDBRIEFE IN REGISTERED FORM

§1

CURRENCY, DENOMINATION, FORM, TRANSFERS, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "**Pfandbriefe**") in registered form of Landesbank Baden-Württemberg (the "**Issuer**") is being issued in [insert Specified Currency] ([insert abbreviation of Specified Currency] or the "**Specified Currency**") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words]) in denominations of [insert specified Denomination] (the "**specified Denomination**").
- (2) *Form.* The Pfandbriefe are being issued in registered form and the certificate representing the Pfandbriefe (the "**Certificate**") bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as (i) the personal signature of a trustee authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered; and (ii) the personal signature of the Registrar (as defined in § 6).
- (3) *Transfer.*
 - (a) The rights of the Pfandbriefe Holders (as defined below) evidenced by the Certificate and title to the Pfandbriefe itself pass by assignment and registration in the Register. Except as ordered otherwise by a court of competent jurisdiction or as required by law, the Issuer, the Fiscal Agent and the Registrar shall deem and treat the registered holder of this Pfandbrief (the "**Holder**") as the absolute holder thereof and of the rights evidenced thereby.
 - (b) The rights of the Holder evidenced by this Certificate and title to the Pfandbriefe itself may be transferred in whole or in part upon the surrender of the Certificate, together with the form of assignment endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of part only of the Pfandbrief, a new Certificate in respect of the balance not transferred will be issued to the transferor. Any transfer of part only of the Pfandbriefe is permitted only for a minimum principal amount of [insert Specified Currency and such Minimum Principal Amount] or an integral multiple thereof.
 - (c) Each new Certificate to be issued upon transfer of the Pfandbriefe will, within seven business days (being, for the purposes of this subsection, a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of delivery of this Certificate and the duly completed and executed form of assignment, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the Pfandbrief Holder entitled to the new Certificate to such address as may be specified in the form of assignment.
 - (d) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as the Issuer or the Registrar may require in respect) of any tax or other duties which may be imposed in relation to it.

- (e) The Holder may not require the transfer of the Pfandbrief to be registered (i) during a period of 15 days ending on the due date for any payment of principal, (ii) during the period of 15 days prior to any date on which the Pfandbrief may be redeemed at the option of the Issuer, or (iii) after the Pfandbrief has been called for redemption in whole or in part.
- (4) *Certain Definitions.* For purposes of these Terms and Conditions:
"Register" means the register maintained by the Registrar in respect of the Pfandbrief.
- (5) *References to Pfandbriefe.* Any reference herein to **"Pfandbrief(e)"** or **"this Pfandbrief"** includes, unless the context otherwise requires, any new Certificate that has been issued upon transfer of this Pfandbrief or part thereof. Any reference herein to "Pfandbriefe" or "these Pfandbriefe" in plural form shall constitute a reference to "Pfandbrief" or "this Pfandbrief" in singular form. All grammatical and other changes required by the use of the word "Pfandbrief" in singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations of the Issuer under **[in the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe insert: Public Sector] Pfandbriefe.**

§3 INTEREST

- (1) *Rate of Interest and Interest Payment Dates.*

[In the case of Pfandbriefe with one interest payment, insert: The Pfandbriefe shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5 (1)). The payment of interest shall be made on **[insert Interest Payment Date]** (the **"Interest Payment Date"**) **[if Interest Payment Date is not anniversary of Interest Commencement Date, insert:** and will amount to **[insert amount for specified Denomination]** for a Pfandbrief in a denomination of **[insert specified Denomination]**.**]**

[In the case of Pfandbriefe with more than one interest payment, insert: The Pfandbriefe shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on **[insert Fixed Interest Date or 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 for specified Denomination]** for a Pfandbrief in a denomination of **[insert specified Denomination]**. **[If the Maturity Date is not a Fixed Interest Date insert:** Interest in respect of the period from **[insert Fixed Interest Date preceding the Maturity Date]** (inclusive) to the Maturity Date (exclusive) will amount to **[insert Final Broken Amount for specified Denomination]**, for a Pfandbrief in a denomination of **[insert specified Denomination]**.**]**

[In the case of Pfandbriefe with a step-up and/or step-down coupon, insert:

The Pfandbriefe bear interest at the relevant Rate of Interest (as defined below) on their principal amount from (and including) **[insert 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 Pfandbriefe shall be payable in arrear on each Interest Payment Date.

"**Interest Payment Date(s)**" means each date which is set out under the column "Interest Payment Date_(t)" of the following table:

t	Interest Payment Date_(t)	Rate of Interest
[]	[] (the " first Interest Payment Date ")	[]
[]	[]	[]
[]	[]	[]

The rate of interest (the "**Rate of Interest**") shall be in respect of an Interest Payment Date the percentage relating to the relevant Interest Payment Date as set out in the column "Rate of Interest" of the table of the previous sub-paragraph.]

- (2) *Business Day Convention.* If the date for payment of interest in respect of any Pfandbrief is not a Business Day then the Holder shall **[if the Following Business Day Convention is applicable, insert: not be entitled to payment until the next such day in the relevant place [.] [if the Modified Following Business Day Convention is applicable, insert: not be entitled to payment until the next such day in the relevant place unless it would thereby fall into the next calendar month in which event the payment shall be made on the immediately preceding Business Day[.]] [If the Interest Payment Date is not subject to adjustment in accordance with any Business Day Convention, insert: and shall not be entitled to further interest or other payment in respect of such delay nor, as the case may be, shall the amount of interest to be paid be reduced due to such deferment.] [If the Interest Payment Date is subject to adjustment in accordance with the Following Business Day Convention or the Modified Following Business Day Convention, insert: Notwithstanding subparagraph (1) of this paragraph 3 of the Terms and Conditions the Holder is entitled to further interest for each additional day the Interest Payment Date is postponed due to the rules set out in this subparagraph (2) of paragraph 3 of the Terms and Conditions. [If the Interest Payment Date is subject to adjustment in accordance with the Modified Following Business Day Convention, insert: However, in the event that the Interest Payment Date is brought forward to the immediately preceding Business Day due to the rules set out in this subparagraph (2) of paragraph 3 of the Terms and Conditions, the Holder will only be entitled to interest until the actual Interest Payment Date and not until the scheduled Interest Payment Date.]]**
- (3) *Accrual of Interest.* The Pfandbriefe shall cease to bear interest as from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall continue to accrue on the outstanding principal amount of the Pfandbriefe beyond the due date until the actual redemption of the Pfandbriefe at the default rate of interest established by law, unless the rate of interest under the Pfandbriefe are higher than the default rate of interest established by law, in which event the rate of interest under the Pfandbriefe continues to apply during the before-mentioned period of time.
- (4) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

- (5) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Pfandbrief for any period of time (the "**Calculation Period**"):

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is equal to or shorter than the Reference Period during which it falls (including in the case of short coupons) insert: the number of days in the Calculation Period divided by **[in the case of Reference Periods of less than one year insert:** the product of (1)] the number of days in the Reference Period in which the Calculation Period falls **[in the case of Reference Periods of less than one year insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is longer than one Reference Period (long coupon) insert: the sum of:

- (A) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[in the case of Reference Periods of less than one year insert:** the product of (1)] the number of days in such Reference Period **[in the case of Reference Periods of less than one year insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year; and
- (B) the number of days in such Calculation Period falling in the next Reference Period divided by **[in the case of Reference Periods of less than one year insert:** the product of (1)] the number of days in such Reference Period **[in the case of Reference Periods of less than one year insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[If Actual/Actual (ICMA Rule 251) is applicable: "**Reference Period**" means the period from (and including) the Interest Commencement Date to, but excluding, the first Interest Payment Date or from (and including) each Interest Payment Date to, but excluding, the next Interest Payment Date. **[In the case of a short first or last Calculation Period insert:** For the purposes of determining the relevant Reference Period only,

[insert deemed Interest Commencement Date or deemed Interest Payment Date] shall be deemed to be an **[Interest Commencement Date]** **[Interest Payment Date].]** **[In the case of a long first or last Calculation Period insert:** For the purposes of determining the relevant Reference Period only, **[insert deemed Interest Commencement Date [and] [or] deemed Interest Payment Date[s]]** shall each be deemed to be **[Interest Commencement Date]** **[and]** **[Interest Payment Date[s]].]**

[If Actual/Actual (ISDA) insert: (ISDA) 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).]

[If Actual/365 (Fixed) insert: the actual number of days in the Calculation Period divided by 365.] **[If Actual/360 insert:** the actual number of days in the Calculation Period divided by 360.]

[If 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 twelve 30 day months (unless (i) 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 (ii) 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).]

[If 30E/360 or Eurobond Basis: 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 twelve 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 the Pfandbriefe shall be made on the respective due date thereof to the person shown in the Register as the Holder at the close of business on the fifteenth day before such due date (the "**Record Date**").
- (b) *Payment of Interest.* Payment of interest in respect of the Pfandbriefe shall be made, on the respective due date thereof to the person shown in the Register as the Holder on the Record Date.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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, "**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or if the TARGET System is needed for other reasons insert:** as well as the TARGET System] is operative **[if the Specified Currency is not Euro or if needed for other reasons insert:** [and] commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]**].
- (4) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.

[If set-off and rights of retention are excluded insert:

- (5) *Exclusion of set-off und rights of retention.* The Issuer shall not be entitled to set-off any obligations against claims of the Pfandbriefe Holders under the Pfandbriefe or to exercise any right of retention against any such claims.]

§5 REDEMPTION

- (1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "**Maturity Date**"). The Final Redemption Amount in respect of each Pfandbrief shall be its specified Denomination.

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) (as set forth below) at their Final Redemption Amount together with accrued interest, if any, to (but excluding) the Call Redemption Date.

Call Redemption Date(s)
[insert Call Redemption Date(s)]

[]

[]

- (b) Notice of redemption shall be given by the Issuer to the Pfandbriefe Holders in accordance with § 10. Such notice shall specify:
- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed; and
- (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6

FISCAL AGENT [,] [AND] [PAYING AGENT[S]] AND REGISTRAR

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] [Paying Agent[s]] and Registrar and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Paying Agents and specified offices]

Registrar: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Registrar and specified offices]

The Fiscal Agent [,] [and] [the Paying Agent[s]] and the Registrar reserve[s] the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 Registrar and to appoint another Fiscal Agent [or additional or other Paying Agents] or another Registrar. The Issuer shall at all times maintain (i) a Fiscal Agent and (ii) a Registrar. 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.
- (3) *Agents of the Issuer.* The Fiscal Agent [[and] the Paying Agent[s]] and the Registrar act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7 TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8 PRESENTATION PERIOD

The obligations of the Issuer to pay principal and interest in respect of the Pfandbriefe shall be prescribed (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 4 years following the respective due date for the relevant payment of interest.

§ 9 REPLACEMENT OF CERTIFICATE

If the Certificate(s) is/are lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a replacement will be issued.

§ 10 NOTICES

Notices to the Holder(s) may be given, and are valid if given, by post, telex or fax at the address of the Holder appearing in the Register.

§11
APPLICABLE LAW AND PLACE OF JURISDICTION

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.

§12
LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

**OPTION V: TERMS AND CONDITIONS OF FLOATING RATE PFANDBRIEFE IN
REGISTERED FORM**

§1

CURRENCY, DENOMINATION, FORM, TRANSFERS, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "**Pfandbriefe**") in registered form of Landesbank Baden-Württemberg (the "**Issuer**") is being issued in [insert Specified Currency] ([insert abbreviation of Specified Currency] or the "**Specified Currency**") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words] in denominations of [insert specified Denomination] (the "**specified Denomination**").
- (2) *Form.* The Pfandbriefe are being issued in registered form and the certificate representing the Pfandbriefe (the "**Certificate**") bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as (i) the personal signature of a trustee authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered; and (ii) the personal signature of the Registrar (as defined in § 6).
- (3) *Transfer.*
 - (a) The rights of the Pfandbriefe Holders (as defined below) evidenced by the Certificate and title to the Pfandbriefe itself pass by assignment and registration in the Register. Except as ordered otherwise by a court of competent jurisdiction or as required by law, the Issuer, the Fiscal Agent and the Registrar shall deem and treat the registered holder of this Pfandbrief (the "**Holder**") as the absolute holder thereof and of the rights evidenced thereby.
 - (b) The rights of the Holder evidenced by this Certificate and title to the Pfandbriefe itself may be transferred in whole or in part upon the surrender of the Certificate, together with the form of assignment endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of part only of the Pfandbrief, a new Certificate in respect of the balance not transferred will be issued to the transferor. Any transfer of part only of the Pfandbriefe is permitted only for a minimum principal amount of [insert Specified Currency and such Minimum Principal Amount] or an integral multiple thereof.
 - (c) Each new Certificate to be issued upon transfer of the Pfandbriefe will, within seven business days (being, for the purposes of this subsection, a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of delivery of this Certificate and the duly completed and executed form of assignment, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the Pfandbrief Holder entitled to the new Certificate to such address as may be specified in the form of assignment.
 - (d) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as the Issuer or the Registrar may require in respect) of any tax or other duties which may be imposed in relation to it.
 - (e) The Holder may not require the transfer of the Pfandbrief to be registered (i) during a period of 15 days ending on the due date for any payment of principal, (ii) during the period of 15 days prior to any date on which the Pfandbrief may be redeemed at the

option of the Issuer, or (iii) after the Pfandbrief has been called for redemption in whole or in part.

- (4) *Certain Definitions.* For purposes of these Terms and Conditions:

"**Register**" means the register maintained by the Registrar in respect of the Pfandbrief.

- (5) *References to Pfandbriefe.* Any reference herein to "**Pfandbrief(e)**" or "**this Pfandbrief**" includes, unless the context otherwise requires, any new Certificate that has been issued upon transfer of this Pfandbrief or part thereof. Any reference herein to "Pfandbriefe" or "these Pfandbriefe" in plural form shall constitute a reference to "Pfandbrief" or "this Pfandbrief" in singular form. All grammatical and other changes required by the use of the word "Pfandbrief" in singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.]

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations of the Issuer under [in the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe insert: Public Sector] Pfandbriefe.

§3 INTEREST

- (1) *Interest Payment Dates.*

- (a) The Pfandbriefe shall bear interest on their principal amount from [insert Interest Commencement Date] (inclusive) (the "**Interest Commencement Date**") to the first Interest Payment Date (exclusive) and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive). Interest on the Pfandbriefe shall be payable on each Interest Payment Date. [If the Interest Payment Date is not subject to adjustment in accordance with any Business Day Convention, insert: However, if any Specified Interest Payment Date (as defined below) is deferred due to (c) (i) - (iv) below, the Holder shall not be entitled to further interest or payment in respect of such delay nor, as the case may be, shall the amount of interest to be paid be reduced due to such deferment.]

[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:

- (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 in these Terms and Conditions) falls [insert number] [weeks] [months] [insert other specified periods]

after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]]

[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:

- (b) "**Interest Payment Date**" means

for the period, during which the Pfandbriefe bear interest on a fixed rate basis (the "Fixed Interest Term"):

the [First Interest Payment Date] (the "First Interest Payment Date") [,][and]

[For each further Interest Payment Date, insert: the [specified Interest Payment Date] (the "[second][relevant number] Interest Payment Date")][,][and]],

and for the period, during which the Pfandbriefe bear interest on a variable basis (the "Floating Interest Term"):

[In the case of specified Interest Payment Dates, insert:

the [specified Interest Payment Date] (the "[second][relevant number] Interest Payment Date") [,][and]

[For each further Interest Payment Date, insert: the [specified Interest Payment Date] (the "[relevant number] Interest Payment Date")][,][and]].]

[In the case of specified Interest Periods, insert:

the date which (except as otherwise provided in these Terms and Conditions) falls [3][6][12] [insert other period] months after

- (i) the [number of the preceding Interest Payment Date] Interest Payment Date (the "[second][relevant number of the Interest Payment Date] Interest Payment Date")[,][and]

[For each further Interest Payment Date, insert:

[(ii)][(•)] the [number of the preceding Interest Payment Date] Interest Payment Date (the "[relevant number] Interest Payment Date")[,][and]].]

- (c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[If Modified Following Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

[If FRN Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable payment date.]⁶

[If Following Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] postponed to the next day which is a Business Day.]

⁶ According to paragraphs 288(1) and 247 of the German Civil Code ("BGB"), 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.

[If Preceding Business Day Convention applies, insert: [In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert, if applicable: for the [Fixed Interest Term] [and the] [Floating Interest Term]] the immediately preceding Business Day.]

(2) *Rate of Interest.*

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert:

The rate of interest (the "**Rate of Interest**") during the Fixed Interest Term, for each Interest Period (as defined below) falling into the Fixed Interest Term, will be **[insert fixed interest rate of interest]** per cent. *per annum*.

The Rate of Interest during the Floating Interest Term, for each Interest Period (as defined below) falling into the Floating Interest Term, will, except as provided below, be **[In the event of Inverse Floating Rate Pfandbriefe, insert: [initial rate of interest⁷] per cent. *per annum* less]** the Reference Interest Rate (as defined below) **[In the case of Factor, insert:, multiplied by [insert factor]] [In the case of Margin, insert:, [plus] [minus] the Margin (as defined below)].**

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert:

The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, be **[In the event of Inverse Floating Rate Pfandbriefe, insert: [initial rate of interest⁹] per cent. *per annum* less]** the Reference Interest Rate (as defined below) **[In the case of Factor, insert:, multiplied by [insert factor]] [In the case of Margin, insert:, [plus] [minus] the Margin (as defined below)].**

[If Margin, insert: "Margin" means [●] per cent. *per annum*.]

"Reference Interest Rate" means:

[In the case of Pfandbriefe other than Constant Maturity Swap ("CMS") Floating Rate Pfandbriefe, insert:

- (a) **[for EURIBOR[®] / LIBOR[®] insert: the [3][6][12][insert other period] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation] [insert EONIA[®] quotation]**

[If Interpolation shall apply for a first short/long coupon, insert:

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the [insert relevant number] Interest Period (as defined below)]

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the Interest Period which ends with the first Interest Payment Date], for which the Reference Interest Rate will be [for EURIBOR[®] / LIBOR[®] insert: the linear interpolation between the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation and the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation)] [insert interpolation for EONIA[®] quotation]

[If Interpolation shall apply for a last short coupon, insert:

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the [number of the relevant Interest Period] Interest Period (as defined below)]

⁷ In the case of the possibility of a negative interest rate a Minimum Interest Amount of zero may be inserted.

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert: (excluding for the Interest Period which ends with the Maturity Date],

for which the Reference Interest Rate will be **[for EURIBOR[®] / LIBOR[®] insert:** the linear interpolation between the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation and the [●] month [EURIBOR[®]] [[●]-LIBOR[®]] offered quotation)] **[insert interpolation for EONIA[®] quotation]**

(if there is only one quotation on the Screen Page (as defined below)); or

- (b) 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] **[insert relevant EONIA[®] rounding provision]** being rounded upwards) of the offered quotations,

[for EURIBOR[®] / LIBOR[®] insert: (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. ([Brussels] [London] time) on the Interest Determination Date (as defined below), all as determined by the Calculation Agent.

If, in the case of (b) above, five or more such offered quotations are available on the 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 subparagraph (2).] **[insert provision for EONIA[®] quotation and determination]**

[In the case of CMS Floating Rate Pfandbriefe, insert:

the [10] **[include other number of years]** year swap rate (the middle swap rate against the 6 month EURIBOR[®], calculated on the basis of Act/360, expressed as a percentage rate *per annum*) (the [10] **[include other number of years]** Year Swap Rate") which appears on the Screen Page as of 11:00 a.m. [Brussels]**[insert other relevant location]** time) on the Interest Determination Date (as defined below), all as determined by the Calculation Agent.]

"Interest Period" means

[In the case of Fixed- to-Floating Interest Rate Pfandbriefe, insert: the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date (the "First Interest Period") **[For each further Interest Period, insert:** and, thereafter, from (and including) the **[insert preceding Interest Payment Date]** to (but excluding) the **[insert following Interest Payment Date]** (the "[insert number of the relevant Interest Period] Interest Period")].]

[In the case of Pfandbriefe other than Fixed- to-Floating Interest Rate Pfandbriefe, insert: each [three] [six] [twelve] **[insert other period]** month 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.]

"Interest Determination Date" means the [second] **[insert other applicable number of days]** [TARGET] [London] **[insert other relevant location]** Business Day prior to the commencement of the relevant Interest Period. **[In the case of a TARGET Business Day, insert:** "TARGET Business Day" means a day which is a day on which the TARGET System is operative.] **[In the case of a non-TARGET Business Day, insert:** "[London] **[insert other relevant location]** Business Day" means a day which is a day (other than a

Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] **[insert other relevant location].**

"Screen Page" means **[insert relevant Screen Page].**

[In the case of Floating Rate Pfandbriefe other than CMS Floating Rate Pfandbriefe, insert:

[for EURIBOR® / LIBOR® insert: If the Screen Page is not available or if no such quotation appears at such time, the Calculation Agent shall request 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 Interest Period to leading banks in the [London] interbank market [in the Euro-Zone] at approximately 11.00 a.m. ([Brussels] [London] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Interest Rate 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, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant 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, as at 11.00 a. m. ([Brussels] [London] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the [London] interbank market [in the Euro-Zone] 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 Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one 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] interbank market [in the Euro-Zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

As used herein, "Reference Banks" means those offices of not less than four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page] **[If other Reference Banks are specified in the Final Terms, insert: [insert names of relevant Reference Banks]]. [insert provision for EONIA® quotation and determination]]**

[In the case of CMS Floating Rate Pfandbriefe, insert:

if at such time the Screen Page is not available or if no [10] **[include other number of years]** year swap rate appears, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its [10] **[include other number of years]** Year Swap Rates to leading banks in the interbank swapmarket in the Euro-Zone at

approximately 11.00 a.m. [(Frankfurt time)] **[insert other relevant location]** on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such [10] **[include other number of years]** Year Swap Rate, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the [10] **[include other number of years]** Year Swap 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, as at 11.00 a.m. [(Frankfurt time)] **[insert other relevant location]** on the relevant Interest Determination Date by leading banks in the interbank swap market in the Euro-Zone or, if fewer than two of the Reference Banks provide the Calculation Agent with such [10] **[include other number of years]** Year Swap Rates, the [10] year swap rate, or the arithmetic mean (rounded as provided above) of the [10] **[include other number of years]** Year Swap Rate, at which, on the relevant Interest Determination Date, any one 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 interbank swap market in the Euro-Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent), If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate shall be the [10] **[include other number of years]** year swap rate or the arithmetic mean of the [10] **[include other number of years]** Year Swap Rate on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such [10] **[include other number of years]** Year Swap Rates were offered.

As used herein, "Reference Banks" means, those Offices of at least four of such banks in the swap market whose [10] **[include other number of years]** Year Swap Rates were used to determine such [10] **[include other number of years]** Year Swap Rates when such [10] **[include other number of years]** Year Swap Rate last appeared on the Screen Page.]

[In the case of the interbank market in the Euro-Zone insert: "Euro-Zone" means the region comprised of member states of the European Union that adopted the single currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.]

[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]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest]**.]

[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]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest]**.]

[(3)][(4)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Pfandbriefe for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the aggregate principal amount of the Pfandbriefe and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)][(5)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Pfandbriefe Holders in accordance with § 10 as soon as possible after their determination, but in no event later than the fourth [TARGET] [London] **[insert other relevant location]** Business Day (as defined in § 3 (2)) thereafter and, if required by the rules of any stock exchange on which the Pfandbriefe are from time to time listed, to such stock exchange, as soon as possible their determination, but in no event later than the first day of the relevant Interest Period. 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 Pfandbriefe are then listed and to the Pfandbriefe Holders in accordance with § 10.

[(5)][(6)] *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 manifest error) be binding on the Issuer, the Fiscal Agent [the Paying Agents] and the Pfandbriefe Holders.

[(6)][(7)] *Accrual of Interest.* The Pfandbriefe shall cease to bear interest from the beginning of the day they are due for redemption. If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall continue to accrue on the outstanding principal amount of the Pfandbriefe beyond the due date until actual redemption of the Pfandbriefe. The applicable Rate of Interest will be the default rate of interest established by law⁸, unless the rate of interest under the Pfandbriefe are higher than the default rate of interest established by law, in which event the rate of interest under the Pfandbriefe continues to apply during the before mentioned period of time.]

[(7)][(8)] *Day Count Fraction.* "**Day Count Fraction**" means,

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is equal to or shorter than the Reference Period during which it falls (including in the case of short coupons), insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "**Calculation Period**") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "**Calculation Period**"): the number of days in the Calculation Period divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in the Reference Period in which the Calculation Period falls **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

⁸ According to paragraphs 288(1) and 247 of the German Civil Code ("**BGB**"), 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.

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is longer than one Reference Period (long coupon), insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): the sum of:

- (A) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year; and
- (B) the number of days in such Calculation Period falling in the next Reference Period divided by **[In the case of Reference Periods of less than one year, insert:** the product of (1)] the number of days in such Reference Period **[In the case of Reference Periods of less than one year, insert:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.].]

[If Actual/Actual (ICMA Rule 251) is applicable, insert: "Reference Period" means the period from (and including) the Interest Commencement Date to, but excluding, the first Interest Payment Date or from (and including) each Interest Payment Date to, but excluding, the next Interest Payment Date. **[In the case of a short first or last Calculation Period, insert:** For the purposes of determining the relevant Reference Period only, **[insert deemed Interest Commencement Date or deemed Interest Payment Date]** shall be deemed to be an [Interest Commencement Date] [Interest Payment Date].] **[In the case of a long first or last Calculation Period, insert:** For the purposes of determining the relevant Reference Period only, **[insert deemed Interest Commencement Date [and] [or] deemed Interest Payment Date[s]]** shall each be deemed to be [Interest Commencement Date] [and] [Interest Payment Date[s]].]

[If Actual/Actual (ISDA) is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): 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).]

[If Actual/365 (Fixed) is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): the actual number of days in the Calculation Period divided by 365.]

[If Actual/360 is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): the actual number of days in the Calculation Period divided by 360.]

[If 30/360, 360/360 or Bond Basis is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): 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 twelve 30 day months (unless (i) 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 (ii) 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).]

[If 30E/360 or Eurobond Basis is applicable, insert:

in respect of the calculation of an amount of interest on any Security for **[In the case of Pfandbriefe other than Fixed-to-Floating Interest Rate Pfandbriefe, insert:** any period of time (the "Calculation Period") **[In the case of Fixed-to-Floating Interest Rate Pfandbriefe, insert:** the [Fixed Interest Term] [and the] [Floating Interest Term]] (the "Calculation Period"): 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 twelve 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 the Pfandbriefe shall be made on the respective due date thereof to the person shown in the Register as the Holder at the close of business on the fifteenth day before such due date (the "**Record Date**").
 - (b) *Payment of Interest.* Payment of interest in respect of the Pfandbriefe shall be made, on the respective due date thereof to the person shown in the Register as the Holder on the Record Date.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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, "**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or**

if the TARGET System is needed for other reasons insert: as well as the TARGET System] is operative **[if the Specified Currency is not Euro or if needed for other reasons insert:** [and] commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres]]**.

- (4) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.

[If set-off and rights of retention are excluded insert:

- (5) *Exclusion of set-off und rights of retention.* The Issuer shall not be entitled to set-off any obligations against claims of the Pfandbriefe Holders under the Pfandbriefe or to exercise any right of retention against any such claims.]

§5 REDEMPTION

- [(1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe 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 Pfandbrief shall be its specified Denomination.

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) (as set forth below) at their Final Redemption Amount together with accrued interest, if any, to (but excluding) the Call Redemption Date.

Call Redemption Date(s)
[insert Call Redemption Date(s)]
[]
[]

- (b) Notice of redemption shall be given by the Issuer to the Pfandbriefe Holders in accordance with § 10. Such notice shall specify:
- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed; and
 - (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6
**FISCAL AGENT [,] [AND] [PAYING AGENT[S]] [,] REGISTRAR [AND
CALCULATION AGENT]**

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent [,] [and] [Paying Agent[s]] [,] and Registrar [and] [the Calculation Agent]] and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Paying Agents and specified offices]

Registrar: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Registrar and specified offices]

[If the Fiscal Agent is to be appointed as Calculation Agent insert: The Fiscal Agent shall also act as Calculation Agent]

[If a Calculation Agent other than the Fiscal Agent is to be appointed insert: The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name and specified office]**

The Fiscal Agent [,] [and] [the Paying Agent[s]] and the Registrar [and] [the Calculation Agent]] reserve the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 Registrar [or the Calculation Agent] and to appoint another Fiscal Agent [or additional or other Paying Agents] or another Registrar [or another Calculation Agent]]. The Issuer shall at all times maintain (i) a Fiscal Agent and (ii) a Registrar. 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.
- (3) *Agents of the Issuer.* The Fiscal Agent [,] [and] the Paying Agent[s]] and the Registrar [and] [the Calculation Agent]] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7
TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any

political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8 PRESENTATION PERIOD

The obligations of the Issuer to pay principal and interest in respect of the Pfandbriefe shall be prescribed (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 4 years following the respective due date for the relevant payment of interest.

§ 9 REPLACEMENT OF CERTIFICATE

If the Certificate(s) is/are lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a replacement will be issued.

§10 NOTICES

Notices to the Holder(s) may be given, and are valid if given, by post, telex or fax at the address of the Holder appearing in the Register.

§11 APPLICABLE LAW AND PLACE OF JURISDICTION

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.

§12 LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

**OPTION VI: TERMS AND CONDITIONS OF ZERO COUPON PFANDBRIEFE IN
REGISTERED FORM**

§1

CURRENCY, DENOMINATION, FORM, TRANSFERS, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This Series of [in the case of Mortgage Pfandbriefe insert: Mortgage Pfandbriefe (*Hypothekendarlehenpfandbriefe*)] [in the case of Public Sector Pfandbriefe insert: Public Sector Pfandbriefe (*Öffentliche Darlehenpfandbriefe*)] (the "**Pfandbriefe**") in registered form of Landesbank Baden-Württemberg (the "**Issuer**") is being issued in [insert Specified Currency] ([insert abbreviation of Specified Currency] or the "**Specified Currency**") in the aggregate principal amount of [insert aggregate principal amount] (in words: [insert principal aggregate amount in words] in denominations of [insert specified Denomination] (the "**specified Denomination**").
- (2) *Form.* The Pfandbriefe are being issued in registered form and the certificate representing the Pfandbriefe (the "**Certificate**") bears the personal or facsimile signatures of two authorised representatives of the Issuer as well as (i) the personal signature of a trustee authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht in order to confirm the presence of the coverage required by law for the Pfandbriefe and that the Pfandbriefe have been duly registered; and (ii) the personal signature of the Registrar (as defined in § 6).
- (3) *Transfer.*
 - (a) The rights of the Pfandbriefe Holders (as defined below) evidenced by the Certificate and title to the Pfandbriefe itself pass by assignment and registration in the Register. Except as ordered otherwise by a court of competent jurisdiction or as required by law, the Issuer, the Fiscal Agent and the Registrar shall deem and treat the registered holder of this Pfandbrief (the "**Holder**") as the absolute holder thereof and of the rights evidenced thereby.
 - (b) The rights of the Holder evidenced by this Certificate and title to the Pfandbriefe itself may be transferred in whole or in part upon the surrender of the Certificate, together with the form of assignment endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of part only of the Pfandbrief, a new Certificate in respect of the balance not transferred will be issued to the transferor. Any transfer of part only of the Pfandbriefe is permitted only for a minimum principal amount of [insert Specified Currency and such Minimum Principal Amount] or an integral multiple thereof.
 - (c) Each new Certificate to be issued upon transfer of the Pfandbriefe will, within seven business days (being, for the purposes of this subsection, a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of delivery of this Certificate and the duly completed and executed form of assignment, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the Pfandbrief Holder entitled to the new Certificate to such address as may be specified in the form of assignment.
 - (d) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as the Issuer or the Registrar may require in respect) of any tax or other duties which may be imposed in relation to it.
 - (e) The Holder may not require the transfer of the Pfandbrief to be registered (i) during a period of 15 days ending on the due date for any payment of principal, (ii) during the period of 15 days prior to any date on which the Pfandbrief may be redeemed at the

option of the Issuer, or (iii) after the Pfandbrief has been called for redemption in whole or in part.

- (4) *Certain Definitions.* For purposes of these Terms and Conditions:

"**Register**" means the register maintained by the Registrar in respect of the Pfandbrief.

- (5) *References to Pfandbriefe.* Any reference herein to "**Pfandbrief(e)**" or "**this Pfandbrief**" includes, unless the context otherwise requires, any new Certificate that has been issued upon transfer of this Pfandbrief or part thereof. Any reference herein to "Pfandbriefe" or "these Pfandbriefe" in plural form shall constitute a reference to "Pfandbrief" or "this Pfandbrief" in singular form. All grammatical and other changes required by the use of the word "Pfandbrief" in singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.

§2 STATUS

The obligations under the Pfandbriefe constitute direct, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Pfandbriefe are covered in accordance with the German Pfandbrief Act (*Pfandbriefgesetz*) and rank at least *pari passu* with all other obligations of the Issuer under [in the case of Mortgage Pfandbriefe insert: Mortgage] [in the case of Public Sector Pfandbriefe insert: Public Sector] Pfandbriefe.

§3 INTEREST

- (1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Pfandbriefe.
- (2) *Accrual of Interest.* If the Issuer shall fail to redeem the Pfandbriefe when due, interest shall accrue on the outstanding principal amount of the Pfandbriefe as from the due date to the date of actual redemption at the default rate of interest established by law⁹, unless the Amortisation Yield for the Pfandbriefe is higher than the default rate of interest established by law, in which event the Amortisation Yield for the Pfandbriefe continues to apply during the before mentioned period of time. The Amortisation Yield is [insert Amortisation Yield] per cent. *per annum*.
- (3) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Pfandbrief for any period of time (the "**Calculation Period**"):

§4 PAYMENTS

- (1) *Payment of Principal.* Payment of principal in respect of the Pfandbriefe shall be made on the respective due date thereof to the person shown in the Register as the Holder at the close of business on the fifteenth day before such due date (the "**Record Date**").
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Pfandbriefe 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) *Business Day.* If the date for payment of any amount in respect of any Pfandbrief is not a Business Day 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

⁹ Pursuant to paragraphs 288(1) and 247 of the German Civil Code ("**BGB**"), 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.

delay. For these purposes, " **Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is Euro or if the TARGET System is needed for other reasons insert: as well as the TARGET System]** is operative **[if the Specified Currency is not Euro or if needed for other reasons insert: [and] commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres]]**.

- (4) *References to Principal.* Reference in these Terms and Conditions to principal in respect of the Pfandbriefe shall be deemed to include, as applicable: the Final Redemption Amount of the Pfandbriefe; **[if redeemable at the option of the Issuer insert: the Call Redemption Amount of the Pfandbriefe;]** and any premium and any other amounts which may be payable under or in respect of the Pfandbriefe.

[If set-off and rights of retention are excluded insert:

- (5) *Exclusion of set-off und rights of retention.* The Issuer shall not be entitled to set-off any obligations against claims of the Pfandbriefe Holders under the Pfandbriefe or to exercise any right of retention against any such claims.]

§5 REDEMPTION

- [(1) *Redemption at Maturity.*]

Unless previously redeemed in whole or in part or purchased and cancelled, the Pfandbriefe shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "**Maturity Date**"). The Final Redemption Amount in respect of each Pfandbrief shall be **[if the Pfandbriefe are redeemed at their principal amount insert: its specified Denomination] [otherwise insert Final Redemption Amount per specified Denomination]**.

[If Pfandbriefe 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 clause (b), redeem all or some only of the Pfandbriefe on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date.

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

- (b) Notice of redemption shall be given by the Issuer to the Pfandbriefe Holders in accordance with § 10. Such notice shall specify:

- (i) the Series of Pfandbriefe 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 Pfandbriefe which are to be redeemed;
- (iii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Pfandbriefe Holders]** nor more than **[insert Maximum Notice to Pfandbriefe Holders]** days after the date on which notice is given by the Issuer to the Pfandbriefe Holders; and

- (iv) the Call Redemption Amount at which such Pfandbriefe are to be redeemed.
- (c) In the case of a partial redemption of Pfandbriefe, Pfandbriefe to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

§6

FISCAL AGENT [AND] [PAYING AGENT[S]] AND REGISTRAR

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent [and Paying Agent[s]] and Registrar and [its] [their] [respective] initial specified office[s] [is] [are]:

Fiscal Agent: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Paying Agents and specified offices]

Registrar: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[insert other Registrar and specified offices]

The Fiscal Agent [and the Paying Agent[s]] and the Registrar reserve the right at any time to change [its] [their] [respective] specified office[s] to some other specified office[s] 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 Registrar and to appoint another Fiscal Agent [or additional or other Paying Agents] or another Registrar. The Issuer shall at all times maintain (i) a Fiscal Agent and (ii) a Registrar. 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 nor more than 45 days' prior notice thereof shall have been given to the Pfandbriefe Holders in accordance with § 10.
- (3) *Agents of the Issuer.* The Fiscal Agent [and the Paying Agent[s]] and the Registrar act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§7

TAXATION

All amounts payable in respect of the Pfandbriefe shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, the "**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction in which the Issuer is subject to Taxes, or any political subdivision or any authority thereof or therein having power to tax, unless, in each case, such withholding or deduction is required by law. In such event, the Issuer shall not be obliged to pay any additional amounts.

§8
PRESENTATION PERIOD

The obligations of the Issuer to pay principal and interest in respect of the Pfandbriefe shall be prescribed (i) in respect of principal upon the expiry of 10 years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of 4 years following the respective due date for the relevant payment of interest.

§9
REPLACEMENT OF CERTIFICATE

If the Certificate(s) is/are lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a replacement will be issued.

§10
NOTICES

Notices to the Holder(s) may be given, and are valid if given, by post, telex or fax at the address of the Holder appearing in the Register.

§11
APPLICABLE LAW AND PLACE OF JURISDICTION

- (1) The Pfandbriefe, as to form and content, and all rights and obligations of the Issuer and the Pfandbriefe Holders shall be governed by the laws of the Federal Republic of Germany. To the extent permitted pursuant to Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), all non-contractual claims arising out of or in connection with the Pfandbriefe are governed by, and shall be construed in accordance with, German law.
- (2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Stuttgart shall have nonexclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Pfandbriefe.

§12
LANGUAGE

[If the Conditions are to be in the German language with an English language translation insert:

These Terms and Conditions are written in the German language. An English language translation is either provided for or available from the Issuer. The German text shall be controlling and binding. The English language translation is provided for convenience only.]

[If the Conditions are to be in the English language with a German language translation insert:

These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.]

[If the Conditions are to be in the English language only insert:

These Terms and Conditions are written in the English language only.]

[In the case of Pfandbriefe which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle der Emissionsstelle [sowie bei der bezeichneten Geschäftsstelle [der] [einer jeden] Zahlstelle] zur kostenlosen Ausgabe bereitgehalten.]

EMISSIONSBEDINGUNGEN FÜR INHABER-PFANDBRIEFE

OPTION I: EMISSIONSBEDINGUNGEN FÜR FESTVERZINSLICHE INHABER-PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekendarpfandbriefen einfügen: Hypothekendarpfandbriefe]** **[im Falle von Öffentlichen Darpfandbriefen einfügen: Öffentlichen Darpfandbriefe]** (die "**Pfandbriefe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]** (die "**festgelegte Stückelung**") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchennummer einfügen]** wird mit der Serie **[Seriennummer einfügen]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche einfügen]** **[und der Serie [Seriennummer einfügen], Tranche [Tranchennummer einfügen] begeben am [Tag der Begebung der zweiten Tranche einfügen]]** **[und der Serie [Seriennummer einfügen], Tranche [Tranchennummer einfügen] begeben am [Tag der Begebung der dritten Tranche einfügen]** konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer einfügen]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer einfügen] einfügen].**

- (2) *Form.* Die Darpfandbriefe lauten auf den Inhaber.

[Im Fall von Vorläufigen Global-Urkunden, die gegen Dauer-Global-Urkunden ausgetauscht werden, einfügen:

Die Darpfandbriefe sind anfänglich in einer vorläufigen Global-Urkunde, welche im wesentlichen der Form von Schedule 7 des Amended And Restated Paying Agency Agreement entspricht (die "**Vorläufige Global-Urkunde**"), ohne Zinsschein verbrieft. Die Vorläufige Global-Urkunde wird am oder nach dem 40. Tag (der "**Austauschtag**") nach dem Begebungstag nur nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer oder die wirtschaftlichen Eigentümer der durch die Vorläufige Global-Urkunde verbrieften Darpfandbriefe keine U.S.-Person(en) ist bzw. sind (ausgenommen bestimmte Finanzinstitute oder Personen, die Darpfandbriefe über solche Finanzinstitute halten) (die "**Bescheinigungen über Nicht-U.S.-Eigentum**"), gegen eine Dauer-Global-Urkunde, welche im wesentlichen der Form von Schedule 8 des Amended And Restated Paying Agency Agreement entspricht (die "**Dauer-Global-Urkunde**" und, zusammen mit der Vorläufigen Global-Urkunde der "**Global-Darpfandbrief**"), ausgetauscht. Jeder Global-Darpfandbrief trägt die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Darpfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist. **[Die Details eines solchen Austausches werden in den Büchern der ICSD geführt.]**

Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Darpfandbriefe 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 Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde auszutauschen.

Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.

"**U.S.-Personen**" sind solche, wie sie in *Regulation S* des *United States Securities Act of 1933* definiert sind und umfassen insbesondere Gebietsansässige der Vereinigten Staaten sowie amerikanische Kapital- und Personengesellschaften.]

[Im Fall einer Dauer-Global-Urkunde ab dem Begebungstag, einfügen:

Die Pfandbriefe sind in einer Dauer-Global-Urkunde welche im wesentlichen der Form von Anhang 2 des Treuhandvertrages entspricht, ohne Zinsschein verbrieft (der "**Global-Pfandbrief**"), der die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie, die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten unabhängigen Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Pfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist trägt. Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.]

- (3) Jeder Global-Pfandbrief wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" meint [Clearstream Banking AG, Frankfurt][Clearstream Banking, société anonyme ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**")][(CBL und Euroclear sind jeweils ein "**ICSD**" (International Central Securities Depository) und gemeinsam die "**ICSDs**")[**anderes Clearing System festlegen**].]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine NGN ist, einfügen:

- (4) Die Pfandbriefe werden in New Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe entspricht dem jeweils in den Büchern beider ICSDs eingetragenen Gesamtbetrag. Die Bücher der ICSDs (die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Pfandbriefen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Pfandbriefe ist zu jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt der Bücher des jeweiligen ICSD.

Bei jeder Rückzahlung oder Zinszahlung bezüglich bzw. Kauf und Entwertung der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe werden die Einzelheiten über Rückzahlung, Zinszahlung bzw. Kauf und Entwertung bezüglich der [Vorläufigen Global-Urkunde bzw. der] [Dauer-Global-Urkunde] [Global-Pfandbrief] anteilig in die Bücher der ICSDs eingetragen und nach dieser Eintragung vom Nennbetrag der in die Bücher der ICSDs aufgenommenen und durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Pfandbriefe abgezogen. [Für das technische Verfahren der ICSDs im Fall der optionalen Rückzahlung (wie in § 4 definiert) hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als Reduzierung des Nennbetrags oder als Poolfaktor nach Ermessen der ICSDs in die Bücher der ICSDs aufgenommen.]]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine CGN ist, einfügen:

- (4) Die Pfandbriefe werden in Classic Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]
- (5) *Gläubiger von Pfandbriefen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen Rechts an den Pfandbriefen.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus **[im Falle von Hypothekentpfandbriefen einfügen: Hypothekentpfandbriefen]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefen]**.

§3 ZINSEN

- (1) *Zinssatz und Zinszahlungstage.*

[Im Fall von Pfandbriefen mit einer Zinszahlung einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinszahlung erfolgt am **[Zinszahlungstag einfügen]** (der "**Zinszahlungstag**") **[sofern der Zinszahlungstag nicht der Jahrestag des Verzinsungsbeginns ist einfügen:** und beläuft sich auf **[Zinsbetrag pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen]**.]

[Im Fall von Pfandbriefen mit mehr als einer Zinszahlung, einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinsen sind nachträglich am **[Festzinstermine) 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 pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen]**.] **[Sofern der Fälligkeitstag kein Festzinstermine ist, einfügen:** Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen]**.]

[Im Fall von Pfandbriefen mit Stufenzins einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum ersten Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und anschließend von jedem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich) mit dem maßgeblichen Zinssatz (wie nachstehend definiert) verzinst. Die Zinsen sind an jedem Zinszahlungstag nachträglich zahlbar.

"**Zinszahlungstag(e)**" bedeutet jedes Datum, welches unter der Spalte mit der Überschrift "**Zinszahlungstag_(t)**" der nachstehenden Tabelle aufgeführt ist:

t	Zinszahlungstag _(t)	Zinssatz
[]	[] (der " erste Zinszahlungstag ")	[]

[]

[]

[]

[]

[]

[]

Der Zinssatz (der "**Zinssatz**") ist im Hinblick auf einen Zinszahlungstag der Prozentsatz, der in der Spalte mit der Überschrift "Zinssatz" der vorstehenden Tabelle für den jeweiligen Zinszahlungstag angegeben ist.]

- (2) *Geschäftstagskonvention.* Fällt der Fälligkeitstag einer Zinszahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger **[bei Anwendbarkeit der Folgender Geschäftstagskonvention, einfügen:** keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort **.]** **[bei Anwendbarkeit der Modifizierten Folgender Geschäftstagskonvention, einfügen:** keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort, es sei denn, der Geschäftstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Geschäftstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen **.]** **[Wenn der Geschäftstag keiner Anpassung nach einer Geschäftstagskonvention unterliegt, einfügen:** und ist, je nach vorliegender Situation, weder berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund der Verschiebung zu verlangen noch muss er aufgrund der Verschiebung eine Kürzung der Zinsen hinnehmen.] **[Wenn der Geschäftstag einer Anpassung nach der Modifizierten Folgender Geschäftstagskonvention oder der Folgender Geschäftstagskonvention unterliegt, einfügen:** Ungeachtet des Absatzes (2) dieses § 3 der Emissionsbedingungen hat der Gläubiger Anspruch auf weitere Zinszahlung für jeden zusätzlichen Tag, um den der Geschäftstag aufgrund der in diesem Absatz (2) von § 3 der Emissionsbedingungen geschilderten Regelungen nach hinten verschoben wird. **[Wenn der Geschäftstag einer Anpassung nach der Modifizierten Folgender Geschäftstagskonvention unterliegt, einfügen:** Für den Fall jedoch, in dem der Geschäftstag im Einklang mit den in diesem Absatz (2) des § 3 der Emissionsbedingungen auf den unmittelbar vorhergehenden Geschäftstag vorgezogen wird, hat der Gläubiger nur Anspruch auf Zinsen bis zum tatsächlichen Geschäftstag, nicht jedoch bis zum festgelegten Geschäftstag.]]
- (3) *Auflaufende Zinsen.* Der Zinslauf der Pfandbriefe endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Pfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Pfandbriefe vom Tag der Fälligkeit an bis zur tatsächlichen Rückzahlung der Pfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹⁰ zu verzinsen, es sei denn, die Pfandbriefe werden zu einem höheren Zinssatz als dem gesetzlich festgelegten Satz für Verzugszinsen verzinst, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums zu dem ursprünglichen Zinssatz erfolgt.
- (4) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).
- (5) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum kürzer ist als die Bezugsperiode, in die der Zinsberechnungszeitraum fällt, oder ihr entspricht (einschließlich im Falle eines kurzen

¹⁰ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

Kupons) einfügen: die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon) einfügen: die Summe aus:

- (A) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und
- (B) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist einfügen: "Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[Fiktiven Verzinsungsbeginn oder fiktiven Zinszahlungstag einfügen]** als **[Verzinsungsbeginn] [Zinszahlungstag].]** **[Im Falle eines ersten oder letzten langen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der **[Fiktiven Verzinsungsbeginn [und][oder] fiktive[n] Zinszahlungstag[e] einfügen]** als **[Verzinsungsbeginn] [und] [Zinszahlungstag[e]].]**

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes 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 Monates, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als 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 ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.]

§4 ZAHLUNGEN

- (1) (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Pfandbriefe erfolgen nach Maßgabe des nachstehenden Absatzes 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 Pfandbriefe zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Pfandbriefe erfolgt nach Maßgabe von Absatz 2 an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Pfandbriefe 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 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, der 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) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen:** sowie das TARGET System] betriebsbereit ist **[falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich, einfügen:** [und] Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].
- (6) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe; **[falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig**

zurückzuzahlen, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Pfandbriefe;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.

- (7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Stuttgart Zins oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§5 RÜCKZAHLUNG

- [(1) *Rückzahlung bei Endfälligkeit.*]

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** (der "Fälligkeitstag") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht dem Nennbetrag der Pfandbriefe.

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

- (2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) (wie nachstehend angegeben) zum/zu den Wahl- Rückzahlungsbetrag/beträgen (Call) (wie nachstehend angegeben), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

**[Wahl-Rückzahlungstag(e)
einfügen]**

[]

[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Pfandbriefen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe;
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Pfandbriefe zurückgezahlt werden.

- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.

§6 DIE EMISSIONSSTELLE [UND] [DIE ZAHLSTELLE[N]]

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [und] [die anfänglich bestellte[n] Zahlstelle[n]] und [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[andere Zahlstellen und bezeichnete Geschäftsstellen einfügen]

Die Emissionsstelle [und] die Zahlstelle[n]] [behält] [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 zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Pfandbriefen, die an einer Börse notiert sind, einfügen: [,] [und] (ii) solange die Pfandbriefe an der [Name der Börse einfügen] notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in [Sitz der Börse einfügen] und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City 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 und nicht mehr als 45 Tagen informiert wurden.**
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [und] [die Zahlstelle[n]] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7 STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern. Abgaben, Festsetzungen oder behördlicher Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Pfandbriefe auf zehn Jahre verkürzt.

§9

BEGEBUNG WEITERER PFANDBRIEFE, ANKAUF UND ENTWERTUNG

- (1) *Begebung weiterer Pfandbriefe.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Pfandbriefe 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 Pfandbriefen eine einheitliche Serie bilden.
- (2) *Ankauf.* Die Emittentin ist berechtigt, Pfandbriefe im geregelten Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Pfandbriefe 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 zurückgezahlten Pfandbriefe sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§10

MITTEILUNGEN

[So lange Pfandbriefe an einer Börse zugelassen sind und die Regeln einer solchen Börse oder Zulassungsbehörde es vorsehen, werden Mitteilungen in Übereinstimmung mit den Bestimmungen dieser Börsen oder Zulassungsbehörde veröffentlicht.]

[Alle die Pfandbriefe betreffenden Mitteilungen sind **[im Fall von Pfandbriefen, die an der Luxemburger Börse notiert sind:** auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen.] **[im Fall von Pfandbriefen die an der Frankfurter oder Stuttgarter Wertpapierbörse zugelassen sind, einfügen:** im Bundesanzeiger und, soweit gesetzlich erforderlich, in einem von [der Frankfurter Börse] [und] [der Stuttgarter Börse] anerkanntem deutschen Börsenpflichtblatt, voraussichtlich der [Börsen-Zeitung] **[andere Zeitung einfügen]**, oder falls eine solche Veröffentlichung praktisch nicht möglich ist, Veröffentlichung in einer führenden englischsprachigen Tageszeitung mit allgemeiner Verbreitung in Europa] **[Im Fall von Pfandbriefen, die nicht börsennotiert sind und/oder eine Börse oder Zulassungsbehörde an welcher die Pfandbriefe zum Handel zugelassen sind, eine solche Veröffentlichung verbietet, anstelle der Veröffentlichung in einer Zeitung einfügen:** durch Übermittlung an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden, zur Weiterleitung an die Personen, die nach den Aufzeichnungen des Clearing Systems berechtigtes Interesse daran haben] [wie nach den Vorschriften der jeweiligen Börse oder Zulassungsbehörde an denen die Pfandbriefe zum Handel zugelassen sind, erlaubt] **[Einzelheiten anderer anwendbarer oder vorgeschriebener Veröffentlichungsmethoden einfügen]**], [[Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder im Fall von mehreren Veröffentlichungen am Tag der ersten Veröffentlichung) als mitgeteilt.] [Jede derartige Mitteilung die an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden und zur Weiterleitung an die Gläubiger übermittelt wurde, gilt am Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]]

§11

ANWENDBARES RECHT, RICHTSSTAND UND RICHTLICHE GELTENDMACHUNG

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.

- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Pfandbriefen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Pfandbriefen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank beibringt, bei der er für die Pfandbriefe ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Pfandbriefe 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) indem er eine Kopie der die betreffenden Pfandbriefe verbriefenden Globalurkunde vorlegt, 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 Pfandbriefe verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. 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 Pfandbriefe unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Pfandbriefen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§12 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

OPTION II: EMISSIONSBEDINGUNGEN FÜR VARIABELVERZINSLICHE INHABER-PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekendarpfandbriefen einfügen: Hypothekendarpfandbriefe] [im Falle von Öffentlichen Darpfandbriefen einfügen: Öffentlichen Darpfandbriefe]** (die "**Darpfandbriefe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]** (die "**festgelegte Stückelung**") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchennummer einfügen]** wird mit der Serie **[Seriennummer einfügen]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche einfügen]** [und der Serie **[Seriennummer einfügen]**, Tranche **[Tranchennummer einfügen]** begeben am **[Tag der Begebung der zweiten Tranche einfügen]**] [und der Serie **[Seriennummer einfügen]**, Tranche **[Tranchennummer einfügen]** begeben am **[Tag der Begebung der dritten Tranche einfügen]** konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer einfügen]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer einfügen] einfügen].**

- (2) *Form.* Die Darpfandbriefe lauten auf den Inhaber.

[Im Fall von Vorläufigen Global-Urkunden, die gegen Dauer-Global-Urkunden ausgetauscht werden, einfügen:

Die Darpfandbriefe sind anfänglich in einer vorläufigen Global-Urkunde, welche im wesentlichen der Form von Schedule 7 des Amended And Restated Paying Agency Agreement entspricht (die "**Vorläufige Global-Urkunde**"), ohne Zinsschein verbrieft. Die Vorläufige Global-Urkunde wird am oder nach dem 40. Tag (der "**Austauschtag**") nach dem Begebungstag nur nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer oder die wirtschaftlichen Eigentümer der durch die Vorläufige Global-Urkunde verbrieften Darpfandbriefe keine U.S.-Person(en) ist bzw. sind (ausgenommen bestimmte Finanzinstitute oder Personen, die Darpfandbriefe über solche Finanzinstitute halten) (die "**Bescheinigungen über Nicht-U.S.-Eigentum**"), gegen eine Dauer-Global-Urkunde, welche im wesentlichen der Form von Schedule 8 des Amended And Restated Paying Agency Agreement entspricht (die "**Dauer-Global-Urkunde**" und, zusammen mit der Vorläufigen Global-Urkunde der "**Global-Darpfandbrief**"), ausgetauscht. Jeder Global-Darpfandbrief trägt die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Darpfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist. [Die Details eines solchen Austausches werden in den Büchern der ICSD geführt.]

Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Darpfandbriefe 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 Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde auszutauschen.

Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.

"**U.S.-Personen**" sind solche, wie sie in *Regulation S* des *United States Securities Act of 1933* definiert sind und umfassen insbesondere Gebietsansässige der Vereinigten Staaten sowie amerikanische Kapital- und Personengesellschaften.]

[Im Fall einer Dauer-Global-Urkunde ab dem Begebungstag, einfügen:

Die Pfandbriefe sind in einer Dauer-Global-Urkunde welche im wesentlichen der Form von Anhang 2 des Treuhandvertrages entspricht, ohne Zinsschein verbrieft (der "**Global-Pfandbrief**"), der die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie, die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten unabhängigen Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Pfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist trägt. Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.]

- (3) Jeder Global-Pfandbrief wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" meint [Clearstream Banking AG, Frankfurt][Clearstream Banking, société anonyme ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**")][(CBL und Euroclear sind jeweils ein "**ICSD**" (International Central Securities Depository) und gemeinsam die "**ICSDs**")[**anderes Clearing System festlegen**].]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine NGN ist, einfügen:

- (4) Die Pfandbriefe werden in New Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe entspricht dem jeweils in den Büchern beider ICSDs eingetragenen Gesamtbetrag. Die Bücher der ICSDs (die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Pfandbriefen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Pfandbriefe ist zu jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt der Bücher des jeweiligen ICSD.

Bei jeder Rückzahlung oder Zinszahlung bezüglich bzw. Kauf und Entwertung der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe werden die Einzelheiten über Rückzahlung, Zinszahlung bzw. Kauf und Entwertung bezüglich der [Vorläufigen Global-Urkunde bzw. der] [Dauer-Global-Urkunde] [Global-Pfandbrief] anteilig in die Bücher der ICSDs eingetragen und nach dieser Eintragung vom Nennbetrag der in die Bücher der ICSDs aufgenommenen und durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Pfandbriefe abgezogen. [Für das technische Verfahren der ICSDs im Fall der optionalen Rückzahlung (wie in § 4 definiert) hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als Reduzierung des Nennbetrags oder als Poolfaktor nach Ermessen der ICSDs in die Bücher der ICSDs aufgenommen.]]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine CGN ist, einfügen:

- (4) Die Pfandbriefe werden in Classic Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]
- (5) *Gläubiger von Pfandbriefen.* **"Gläubiger"** bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen Rechts an den Pfandbriefen.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus **[im Falle von Hypothekentpfandbriefen einfügen: Hypothekentpfandbriefen]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefen]**.

§3 ZINSEN

- (1) *Zinszahlungstage.*

- (a) Die Pfandbriefe werden bezogen auf ihren Nennbetrag ab dem **[Verzinsungsbeginn einfügen]** (der **"Verzinsungsbeginn"**) (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Pfandbriefe sind an jedem Zinszahlungstag zahlbar. **[Wenn der Geschäftstag keiner Anpassung nach einer Geschäftstagskonvention unterliegt, einfügen:** Falls jedoch ein festgelegter Zinszahlungstag (wie untenstehend definiert) aufgrund von (c) (i)(iv) verschoben wird, ist der Gläubiger, je nach vorliegender Situation, weder berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund der Verschiebung zu verlangen noch muss er aufgrund der Verschiebung eine Kürzung der Zinsen hinnehmen.]

[Im Fall von Pfandbriefen, die nicht fest-zu-variabel verzinsliche Pfandbriefe sind, einfügen:

- (b) **"Zinszahlungstag"** bedeutet

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

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

[Im Fall von fest-zu-variabel verzinslichen Pfandbriefen sind, einfügen:

- (b) **"Zinszahlungstag"** bedeutet

für den Zeitraum, während dem die Pfandbriefe mit einem festen Zinssatz verzinst werden (der **"Festzinssatz-Zeitraum"**):

den **[ersten Zinszahlungstag einfügen]** (der **"erste Zinszahlungstag"**)[,] [und]

[Für jeden weiteren festgelegten Zinszahlungstag während des Festzinssatz-Zeitraums jeweils einfügen: den [festgelegter Zinszahlungstag] (der "[zweite][jeweilige Anzahl einfügen] Zinszahlungstag")[,] [und]],

und für den Zeitraum, während dem die Pfandbriefe mit einem variablen Zinssatz verzinst werden (der "**Variable-Zinszeitraum**"):

[Im Fall von festgelegten Zinszahlungstagen einfügen: der [festgelegter Zinszahlungstag] (der "[zweite][jeweilige Anzahl des Zinszahlungstages einfügen] Zinszahlungstag")[,] [und]

[Für jeden weiteren festgelegten Zinszahlungstag jeweils einfügen: der [festgelegten Zinszahlungstag einfügen] (der "[jeweilige Anzahl einfügen] Zinszahlungstag")[,] [und]].]

[Im Fall von festgelegten Zinsperioden einfügen: (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) der Tag, der jeweils [3][6][12] [andere Periode einfügen] Monate nach

(i) dem **[Anzahl des vorangehenden Zinszahlungstags]** Zinszahlungstag liegt (der "**[zweite][jeweilige Anzahl einfügen] Zinszahlungstag**")[,] [und]

[Für jeden weiteren Zinszahlungstag jeweils einfügen:

[(ii)][(•)] dem [Anzahl des vorangehenden Zinszahlungstags] Zinszahlungstag liegt (der "[jeweilige Anzahl einfügen] Zinszahlungstag")[,] [und]].]

(c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

[bei Anwendung der Modified Following Business Day Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[bei Anwendung der FRN Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, der [[Zahl einfügen] Monate] [andere festgelegte Zeiträume einfügen] nach dem vorausgehenden anwendbaren Zinszahlungstag liegt.]

[bei Anwendung der Following Business Day Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den nächstfolgenden Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

(2) *Zinssatz.*

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:

Der Zinssatz (der "**Zinssatz**") für den Festzinssatz-Zeitraum ist für jede innerhalb des Festzinssatz-Zeitraums liegende Zinsperiode (wie nachstehend definiert) **[Festzinssatz einfügen]** % *per annum*.

Der Zinssatz für den Variablen-Zinszeitraum ist für jede innerhalb des Variablen-Zinszeitraums liegende Zinsperiode, sofern nachstehend nichts Abweichendes bestimmt wird **[Im Fall von Inverse Floating Pfandbriefen einfügen: [Ausgangszinssatz¹¹] % per annum abzüglich [der][des] Referenzzinssatz[es] (wie nachstehend definiert) [Im Fall eines Faktors einfügen:]**, multipliziert mit **[Faktor einfügen]** **[Im Fall einer Marge einfügen:]**, [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)].]

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:

Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird **[Im Fall von Inverse Floating Pfandbriefen einfügen: [Ausgangszinssatz¹²] % per annum abzüglich [der][des] Referenzzinssatz[es] (wie nachstehend definiert) [Im Fall eines Faktors einfügen:]**, multipliziert mit **[Faktor einfügen]** **[Im Fall einer Marge einfügen:]**, [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)].]

[Im Fall einer Marge einfügen: Die "Marge" beträgt [•]% *per annum*]

"Referenzzinssatz" bezeichnet:

[Im Fall von variabel verzinslichen Pfandbriefen, die nicht Constant Maturity Swap ("CMS") variabel verzinsliche Pfandbriefe sind, einfügen:

- (a) **[für EURIBOR[®] / LIBOR[®] einfügen:** den [3-][6-][12-][anderer Zeitraum einfügen] Monats-[EURIBOR[®]-] [[•]-LIBOR[®]-] Angebotssatz] **[EONIA[®] Angebotssatz einfügen]**

[Im Fall eines ersten kurzen/langen Kupons, bei der eine Interpolation angewandt werden soll, einfügen:

(ausgenommen für die Zinsperiode, die mit dem ersten Zinszahlungstag endet, für die der Referenzzinssatz gebildet wird anhand **[für EURIBOR[®] / LIBOR[®] einfügen:** der linearen Interpolation des [•]-Monats-[EURIBOR[®]-] [[•]-LIBOR[®]-] Angebotssatzes und des [•]-Monats-[EURIBOR[®]-] [[•]-LIBOR[®]-] Angebotssatzes)] **[Interpolation bei EONIA[®] Angebotssatz einfügen]**

[Im Fall eines letzten kurzen Kupons, bei der eine Interpolation angewandt werden soll, einfügen:

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen: (ausgenommen für die **[Anzahl der jeweiligen Zinsperiode einfügen]** Zinsperiode (wie nachstehend definiert),]

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen: (ausgenommen für die Zinsperiode, die mit dem Fälligkeitstag endet,]

für die der Referenzzinssatz gebildet wird anhand **[für EURIBOR[®] / LIBOR[®] einfügen:** der linearen Interpolation des [•]-Monats-[EURIBOR[®]-] [[•]-LIBOR[®]-]

¹¹ Bei einem möglichen negativen Zinssatz ist an die Einfügung eines Mindestzinssatzes von Null zu denken.

Angebotssatzes und des [●]-Monats-[EURIBOR®]- [●]-LIBOR®-] Angebotssatzes)]
[Interpolation bei EONIA® Angebotssatz einfügen]]

(wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist), oder

- (b) das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein [Falls der Referenzsatz EURIBOR® ist einfügen: Tausendstel Prozent, wobei 0,0005] [Falls der Referenzsatz nicht EURIBOR® ist einfügen: Hunderttausendstel Prozent, wobei 0,000005] [maßgebliche EONIA® Rundungsvorschriften einfügen] aufgerundet wird) der Angebotssätze,

[für EURIBOR® / LIBOR® einfügen: (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der bzw. die auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) angezeigt werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Wenn im vorstehenden Fall (b) auf der maßgeblichen Bildschirmseite 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).] [Vorschriften für EONIA® in Bezug auf Angebotssatz und Festlegung einfügen]]

[Im Fall von CMS variabel verzinslichen Pfandbriefen einfügen:

den [10][maßgebliche Anzahl von Jahren einfügen]-Jahres-Swapsatz (der mittlere Swapsatz gegen den 6-Monats EURIBOR®, berechnet auf der Grundlage von Act/360, ausgedrückt als Prozentsatz *per annum*) (der "[10][maßgebliche Anzahl von Jahren einfügen]- Jahres-Swapsatz"), der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr [(Frankfurter Ortszeit)] [zutreffenden anderen Ort einfügen] angezeigt wird, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.]

"Zinsperiode" bezeichnet

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen: jeweils: Den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) (die "erste Zinsperiode") [Für jede weitere Zinsperiode jeweils einfügen: und danach jeweils den Zeitraum vom [jeweils vorangehender Zinszahlungstag] (einschließlich) bis zum [jeweils darauffolgender Zinszahlungstag] (ausschließlich) (die "[Anzahl der jeweiligen Zinsperiode] Zinsperiode")].]

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen: den jeweils [drei][sechs][zwölf] [andere Periode einfügen] Monatszeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).]

"Zinsfestlegungstag" bezeichnet den [zweiten] [zutreffende andere Zahl von Tagen einfügen] [TARGET] [Londoner] [zutreffende andere Bezugnahmen einfügen] Geschäftstag vor Beginn der jeweiligen Zinsperiode. [Im Falle eines TARGET-Geschäftstages einfügen: "eines TARGET-Geschäftstag" bezeichnet einen Tag, an dem das TARGET System betriebsbereit ist.] [Im Falle eines nicht-TARGET-Geschäftstages einfügen: "[Londoner] [zutreffenden anderen Ort einfügen] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem

Geschäftsbanken in [London] **[zutreffenden anderen Ort einfügen]** für Geschäfte (einschließlich Devisen und Sortengeschäfte) geöffnet sind.

"Bildschirmseite" bedeutet **[Bildschirmseite einfügen]**.

[Im Fall von variabel verzinslichen Pfandbriefen, die nicht CMS variabel verzinsliche Pfandbriefe sind, einfügen:]

[für EURIBOR® / LIBOR® einfügen: Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzzinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf oder abgerundet auf das nächste ein **[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, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzzinssatz für die betreffende Zinsperiode der Satz *PER ANNUM*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[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 Uhr ([Brüsseler] [Londoner] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Referenzzinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine 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 betreffenden Zinsfestlegungstag gegenüber führenden Banken am [Londoner] Interbanken-Markt [in der Euro-Zone] nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Referenzzinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzzinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden.

"Referenzbanken" bezeichnen **[falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden, einfügen:** diejenigen Niederlassungen von mindestens vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde. **[Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, einfügen:** [jeweilige andere Referenzbanken]. **[Vorschriften für EONIA® in Bezug auf Angebotssatz und Festlegung einfügen]]**

[Im Fall von CMS variabel verzinslichen Pfandbriefen einfügen:

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein [10-] **[andere Zahl von Jahren einfügen]** Jahres-Swapsatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze gegenüber führenden Banken im Interbanken-Swapmarkt in der Euro-Zone (um ca. 11.00 Uhr [(Frankfurter Ortszeit)]**[zutreffenden anderen Ort einfügen]** am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche [10-] Jahres-Swapsätze nennen, ist der Referenzzinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze nennt, ist der Referenzzinssatz für die betreffende Zinsperiode der Satz per annum, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze 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 Uhr [(Frankfurter Ortszeit)]**[zutreffenden anderen Ort einfügen]** an dem betreffenden Zinsfestlegungstag von führenden Banken im Interbanken-Swapmarkt in der Euro-Zone angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze nennen, dann soll der Referenzzinssatz für die betreffende Zinsperiode der [10-] Jahres-Swapsatz oder das arithmetische Mittel (gerundet wie oben beschrieben) der [10-] Jahres-Swapsätze sein, den bzw. die eine 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 betreffenden Zinsfestlegungstag gegenüber führenden Banken am Interbanken-Swapmarkt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Referenzzinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzzinssatz der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsatz oder das arithmetische Mittel der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem die [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze angezeigt wurden.

"Referenzbanken" bezeichnen diejenigen Niederlassungen von mindestens vier derjenigen Banken im Swapmarkt, deren [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze zur Ermittlung des maßgeblichen [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsatz zu dem Zeitpunkt benutzt wurden, als solch ein [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsatz letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde.]

[Im Fall des Interbankenmarktes in der Euro-Zone einfügen: "Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die die einheitliche Währung, die zu Beginn der Dritten Phase der Europäischen Wirtschafts- und Währungsunion eingeführt wurde und die in der Verordnung (EG) Nr. 974/98 des Rates vom 3. Mai 1998 über die Einführung des Euro, in ihrer aktuellsten Fassung, definiert ist, angenommen haben.]

[Falls ein Mindest- und/oder 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]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz einfügen].]**

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

- [(3)][(4)] *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Pfandbriefe zahlbaren Zinsbetrag in Bezug auf jede festgelegte Stückelung (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

- [(4)][(5)] *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin und den Gläubigern gemäß §10, baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden **[TARGET][Londoner][zutreffenden anderen Ort einfügen]** Geschäftstag (wie in §3(2) definiert) und jeder Börse, an der die betreffenden Pfandbriefe zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall 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 Pfandbriefe zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß §10 mitgeteilt.

- [(5)][(6)] *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 nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle[, die Zahlstellen] und die Gläubiger bindend.

- [(6)][(7)] *Auflaufende Zinsen.* Der Zinslauf der Pfandbriefe endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Pfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Pfandbriefe vom Tag der Fälligkeit an bis zur tatsächlichen Rückzahlung der Pfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹² zu verzinsen, es sei denn, die Pfandbriefe werden zu einem höheren Zinssatz als dem gesetzlich festgelegten Satz für Verzugszinsen verzinst, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums zu dem ursprünglichen Zinssatz erfolgt.]

¹² Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

[(7)][(8)] *Zinstagequotient*. "**Zinstagequotient**" bezeichnet

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum kürzer ist als die Bezugsperiode, in die der Zinsberechnungszeitraum fällt, oder ihr entspricht (einschließlich im Falle eines kurzen Kupons), einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum") **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1) **[die] [der]** Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon), einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum") **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die Summe aus:

- (A) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1) **[die] [der]** Anzahl der Tage in dieser Bezugsperiode **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und
- (B) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr, einfügen:** das Produkt aus (1) **[die] [der]** Anzahl der Tage in dieser Bezugsperiode **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr, einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist einfügen: "Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[fiktiven Verzinsungsbeginn oder fiktiven Zinszahlungstag einfügen]** als **[Verzinsungsbeginn] [Zinszahlungstag].]** **[Im Falle eines ersten oder letzten langen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der **[fiktiven Verzinsungsbeginn [und][oder] fiktive[n] Zinszahlungstag[e] einfügen]** als **[Verzinsungsbeginn] [und] [Zinszahlungstag[e]].]**

[Falls Actual/Actual (ISDA) anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der

"Zinsberechnungszeitraum")] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der **"Zinsberechnungszeitraum"**): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365).]

[Falls Actual/365 (Fixed) anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**)] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der **"Zinsberechnungszeitraum"**): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Falls Actual/360 anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**)] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der **"Zinsberechnungszeitraum"**): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Falls 30/360, 360/360 oder Bond Basis anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**)] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der **"Zinsberechnungszeitraum"**): 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 Zinsberechnungszeitraumes fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Falls 30E/360 oder Eurobond Basis anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**)] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der **"Zinsberechnungszeitraum"**): 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 ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.)

§4 ZAHLUNGEN

- (1) (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Pfandbriefe erfolgen nach Maßgabe des nachstehenden Absatzes 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 Pfandbriefe zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Pfandbriefe erfolgt nach Maßgabe von Absatz 2 an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Pfandbriefe 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 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, der 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) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet " **Geschäftstag** " einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen: das TARGET System]** betriebsbereit ist **[falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich, einfügen: [und] Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].
- (6) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.
- (7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Stuttgart Zins oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§5 RÜCKZAHLUNG

[(1) *Rückzahlung bei Endfälligkeit.*]

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen] [im Fall eines Rückzahlungsmonats, einfügen:** in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der "Fälligkeitstag") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht dem Nennbetrag der Pfandbriefe.

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

(2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) (wie nachstehend angegeben) zum - Rückzahlungsbetrag (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

**[Wahl-Rückzahlungstag(e)
einfügen]**

[]

[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Serie von Pfandbriefen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe; und
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.
- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden 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 [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[andere Zahlstellen und bezeichnete Geschäftsstellen einfügen]

[Falls die Emissionsstelle als Berechnungsstelle bestellt werden soll, einfügen: Die Emissionsstelle handelt auch als Berechnungsstelle.]

[Falls eine Berechnungsstelle bestellt werden soll, die nicht die Emissionsstelle ist, einfügen: Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle einfügen]]**

Die Emissionsstelle [[,] [und] die Zahlstelle[n]] [,] [und] [die Berechnungsstelle]] [behält] [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 zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Pfandbriefen, die an einer Börse notiert sind, einfügen: [,] [und]** (ii) solange die Pfandbriefe an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen: [,] [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] **[falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(iv)]** 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 § 10 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [[,] [und] [die Zahlstelle[n]] [[,] [und] [die Berechnungsstelle]] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7 STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Pfandbriefe auf zehn Jahre verkürzt.

§9 BEGEBUNG WEITERER PFANDBRIEFE, ANKAUF UND ENTWERTUNG

- (1) *Begebung weiterer Pfandbriefe.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Pfandbriefe 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 Pfandbriefen eine einheitliche Serie bilden.
- (2) *Ankauf.* Die Emittentin ist berechtigt, Pfandbriefe im geregelten Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Pfandbriefe 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 zurückgezahlten Pfandbriefe sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§10 MITTEILUNGEN

[So lange Pfandbriefe an einer Börse zugelassen sind und die Regeln einer solchen Börse oder Zulassungsbehörde es vorsehen, werden Mitteilungen in Übereinstimmung mit den Bestimmungen dieser Börsen oder Zulassungsbehörde veröffentlicht.]

[Alle die Pfandbriefe betreffenden Mitteilungen sind **[im Fall von Pfandbriefen, die an der Luxemburger Börse notiert sind:** auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen.] **[im Fall von Pfandbriefen die an der Frankfurter oder Stuttgarter Wertpapierbörse zugelassen sind, einfügen:** im Bundesanzeiger und, soweit gesetzlich erforderlich, in einem von [der Frankfurter Börse] [und] [der Stuttgarter Börse] anerkanntem deutschen Börsenpflichtblatt, voraussichtlich der [Börsen-Zeitung] **[andere Zeitung einfügen]**, oder falls eine solche Veröffentlichung praktisch nicht möglich ist, Veröffentlichung in einer führenden englischsprachigen Tageszeitung mit allgemeiner Verbreitung in Europa] **[Im Fall von Pfandbriefen, die nicht börsennotiert sind und/oder eine Börse oder Zulassungsbehörde an welcher die Pfandbriefe zum Handel zugelassen sind, eine solche Veröffentlichung verbietet, anstelle der Veröffentlichung in einer Zeitung einfügen:** durch Übermittlung an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden, zur Weiterleitung an die Personen, die nach den Aufzeichnungen des Clearing Systems berechtigtes Interesse daran haben] [wie nach den Vorschriften der jeweiligen Börse oder Zulassungsbehörde an denen die Pfandbriefe zum Handel zugelassen sind, erlaubt] **[Einzelheiten anderer anwendbarer oder vorgeschriebener Veröffentlichungsmethoden einfügen]**], [[Jede derartige Mitteilung gilt am Tag der Veröffentlichung

(oder im Fall von mehreren Veröffentlichungen am Tag der ersten Veröffentlichung) als mitgeteilt.]
[Jede derartige Mitteilung die an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden und zur Weiterleitung an die Gläubiger übermittelt wurde, gilt am Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]]

§11

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.
- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Pfandbriefen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Pfandbriefen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank beibringt, bei der er für die Pfandbriefe ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Pfandbriefe 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) indem er eine Kopie der die betreffenden Pfandbriefe verbriefenden Globalurkunde vorlegt, 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 Pfandbriefe verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. 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 Pfandbriefe unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Pfandbriefen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§12

SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

OPTION III: EMISSIONSBEDINGUNGEN FÜR NULLKUPON INHABER-PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekenspfandbriefen einfügen: Hypothekenspfandbriefe]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefe]** (die "**Pfandbriefe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]** (die "**festgelegte Stückelung**") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchennummer einfügen]** wird mit der Serie **[Seriennummer einfügen]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche einfügen]** **[und der Serie [Seriennummer einfügen], Tranche [Tranchennummer einfügen] begeben am [Tag der Begebung der zweiten Tranche einfügen]]** **[und der Serie [Seriennummer einfügen], Tranche [Tranchennummer einfügen] begeben am [Tag der Begebung der dritten Tranche einfügen]** konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer einfügen]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer einfügen] einfügen].**

- (2) *Form.* Die Pfandbriefe lauten auf den Inhaber.

[Im Fall von Vorläufigen Global-Urkunden, die gegen Dauer-Global-Urkunden ausgetauscht werden, einfügen:

Die Pfandbriefe sind anfänglich in einer vorläufigen Global-Urkunde, welche im wesentlichen der Form von Schedule 7 des Amended And Restated Paying Agency Agreement entspricht (die "**Vorläufige Global-Urkunde**"), ohne Zinsschein verbrieft. Die Vorläufige Global-Urkunde wird am oder nach dem 40. Tag (der "**Austauschtag**") nach dem Begebungstag nur nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer oder die wirtschaftlichen Eigentümer der durch die Vorläufige Global-Urkunde verbrieften Pfandbriefe keine U.S.-Person(en) ist bzw. sind (ausgenommen bestimmte Finanzinstitute oder Personen, die Pfandbriefe über solche Finanzinstitute halten) (die "**Bescheinigungen über Nicht-U.S.-Eigentum**"), gegen eine Dauer-Global-Urkunde, welche im wesentlichen der Form von Schedule 8 des Amended And Restated Paying Agency Agreement entspricht (die "**Dauer-Global-Urkunde**" und, zusammen mit der Vorläufigen Global-Urkunde der "**Global-Pfandbrief**"), ausgetauscht. Jeder Global-Pfandbrief trägt die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Pfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist. **[Die Details eines solchen Austausches werden in den Büchern der ICSD geführt.]**

Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.

"**U.S.-Personen**" sind solche, wie sie in *Regulation S* des *United States Securities Act of 1933* definiert sind und umfassen insbesondere Gebietsansässige der Vereinigten Staaten sowie amerikanische Kapital- und Personengesellschaften.]

[Im Fall einer Dauer-Global-Urkunde ab dem Begebungstag, einfügen:

Die Pfandbriefe sind in einer Dauer-Global-Urkunde welche im wesentlichen der Form von Anhang 2 des Treuhandvertrages entspricht, ohne Zinsschein verbrieft (der "**Global-Pfandbrief**"), der die eigenhändigen oder faksimilierten Unterschriften von zwei berechtigten Vertretern der Emittentin sowie die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht bestellten unabhängigen Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Pfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist trägt. Die Inhaber der Pfandbriefe (die "**Gläubiger**") haben keinen Anspruch auf Ausgabe von Pfandbriefen in effektiver Form. Die Pfandbriefe sind als Miteigentumsanteile an dem Global-Pfandbrief nach den einschlägigen Bestimmungen des Clearing Systems übertragbar.]

- (3) Jeder Global-Pfandbrief wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" meint [Clearstream Banking AG, Frankfurt][Clearstream Banking, société anonyme ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**")][(CBL und Euroclear sind jeweils ein "**ICSD**" (International Central Securities Depository) und gemeinsam die "**ICSDs**")[anderes Clearing System festlegen].]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine NGN ist, einfügen:

- (4) Die Pfandbriefe werden in New Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe entspricht dem jeweils in den Büchern beider ICSDs eingetragenen Gesamtbetrag. Die Bücher der ICSDs (die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Pfandbriefen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Pfandbriefe ist zu jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt der Bücher des jeweiligen ICSD.

Bei jeder Rückzahlung bezüglich bzw. Kauf und Entwertung der durch die [Vorläufige Global-Urkunde bzw. die] [Dauer-Global-Urkunde] [Global-Pfandbrief] verbrieften Pfandbriefe werden die Einzelheiten über Rückzahlung bzw. Kauf und Entwertung bezüglich der [Vorläufigen Global-Urkunde bzw. der] [Dauer-Global-Urkunde] [Global-Pfandbrief] anteilig in die Bücher der ICSDs eingetragen und nach dieser Eintragung vom Nennbetrag der in die Bücher der ICSDs aufgenommenen und durch die [Vorläufige Global-Urkunde bzw.] [die] [Dauer-Global-Urkunde] [der] [Global-Pfandbrief] verbrieften Pfandbriefe der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Pfandbriefe abgezogen. [Für das technische Verfahren der ICSDs im Fall der optionalen Rückzahlung (wie in § 4 definiert) hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als Reduzierung des Nennbetrags oder als Poolfaktor nach Ermessen der ICSDs in die Bücher der ICSDs aufgenommen.]]

[Im Fall von Euroclear und CBL und wenn der Global-Pfandbrief eine CGN ist, einfügen:

- (4) Die Pfandbriefe werden in Classic Global Note Form ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]
- (5) *Gläubiger von Pfandbriefen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen Rechts an den Pfandbriefen.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus **[im Falle von Hypothekendarfandbriefen einfügen: Hypothekendarfandbriefen]** **[im Falle von Öffentlichen Darfandbriefen einfügen: Öffentlichen Darfandbriefen]**.

§3 ZINSEN

- (1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Darfandbriefe.
- (2) *Auflaufende Zinsen.* Falls die Emittentin die Darfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Darfandbriefe vom Tag der Fälligkeit an bis zur tatsächlichen Rückzahlung der Darfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹³ zu verzinsen, es sei denn, die Emissionsrendite der Darfandbriefe ist höher, als der gesetzlich festgelegte Satz für Verzugszinsen, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums in Höhe der Emissionsrendite erfolgt. Die Emissionsrendite beträgt **[Emissionsrendite angeben]** per annum.]

§4 ZAHLUNGEN

- (1) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Darfandbriefe erfolgen nach Maßgabe des nachstehenden Absatzes 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 Darfandbriefe zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Darfandbriefe 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 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, der 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) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Darfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "Geschäftstag" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen: sowie das TARGET System]** **[falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich,**

¹³ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

einfügen: [und] Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln].

- (6) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe; **[falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Pfandbriefe;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.
- (7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Stuttgart Zins oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§5 RÜCKZAHLUNG

[(1) *Rückzahlung bei Endfälligkeit.*]

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** fallenden Zinszahlungstag] (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht **[falls die Pfandbriefe zu ihrem Nennbetrag zurückgezahlt werden, einfügen:** dem Nennbetrag der Pfandbriefe] **[ansonsten den Rückzahlungsbetrag für die jeweilige Stückelung einfügen].]**

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

(2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) zum/zu den Wahl- Rückzahlungsbetrag/beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

**[Wahl-Rückzahlungstag(e)
einfügen]**

[]
[]

Wahl-Rückzahlungsbetrag/beträge
(Call)

**[Wahl-Rückzahlungsbetrag/beträge
einfügen]**

[]
[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Pfandbriefen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe;
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und

- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Pfandbriefe zurückgezahlt werden.
- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.]

§6

DIE EMISSIONSSTELLE [UND] [DIE ZAHLSTELLE[N]]

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [und] [die anfänglich bestellte[n] Zahlstelle[n]] und [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: Landesbank Baden-Württemberg
Am Hauptbahnhof 2
D-70173 Stuttgart

[andere Zahlstellen und bezeichnete Geschäftsstellen einfügen]

Die Emissionsstelle [und] die Zahlstelle[n]] [behält] [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 zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten **[im Fall von Pfandbriefen, die an einer Börse notiert sind, einfügen:], [und]** (ii) solange die Pfandbriefe an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] **[im Fall von Zahlungen in US-Dollar einfügen:], [und] [(iii)]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City 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 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [und] [die Zahlstelle[n]] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7

STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern. Abgaben, Festsetzungen oder behördlicher Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder

Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Pfandbriefe auf zehn Jahre verkürzt.

§9 BEGEBUNG WEITERER PFANDBRIEFE, ANKAUF UND ENTWERTUNG

- (1) *Begebung weiterer Pfandbriefe.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Pfandbriefe 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 Pfandbriefen eine einheitliche Serie bilden.
- (2) *Ankauf.* Die Emittentin ist berechtigt, Pfandbriefe im geregelten Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Pfandbriefe 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 zurückgezahlten Pfandbriefe sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§10 MITTEILUNGEN

[So lange Pfandbriefe an einer Börse zugelassen sind und die Regeln einer solchen Börse oder Zulassungsbehörde es vorsehen, werden Mitteilungen in Übereinstimmung mit den Bestimmungen dieser Börsen oder Zulassungsbehörde veröffentlicht.]

[Alle die Pfandbriefe betreffenden Mitteilungen sind **[im Fall von Pfandbriefen, die an der Luxemburger Börse notiert sind:** auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen.] **[im Fall von Pfandbriefen die an der Frankfurter oder Stuttgarter Wertpapierbörse zugelassen sind, einfügen:** im Bundesanzeiger und, soweit gesetzlich erforderlich, in einem von [der Frankfurter Börse] [und] [der Stuttgarter Börse] anerkanntem deutschen Börsenpflichtblatt, voraussichtlich der [Börsen-Zeitung] **[andere Zeitung einfügen]**, oder falls eine solche Veröffentlichung praktisch nicht möglich ist, Veröffentlichung in einer führenden englischsprachigen Tageszeitung mit allgemeiner Verbreitung in Europa] **[Im Fall von Pfandbriefen, die nicht börsennotiert sind und/oder eine Börse oder Zulassungsbehörde an welcher die Pfandbriefe zum Handel zugelassen sind, eine solche Veröffentlichung verbietet, anstelle der Veröffentlichung in einer Zeitung einfügen:** durch Übermittlung an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden, zur Weiterleitung an die Personen, die nach den Aufzeichnungen des Clearing Systems berechtigtes Interesse daran haben] [wie nach den Vorschriften der jeweiligen Börse oder Zulassungsbehörde an denen die Pfandbriefe zum Handel zugelassen sind, erlaubt] **[Einzelheiten anderer anwendbarer oder vorgeschriebener Veröffentlichungsmethoden einfügen]**], [[Jede derartige Mitteilung gilt am Tag der Veröffentlichung (oder im Fall von mehreren Veröffentlichungen am Tag der ersten Veröffentlichung) als mitgeteilt.] [Jede derartige Mitteilung die an das Clearing System in welchem die Pfandbriefe zur relevanten Zeit gehalten werden und zur Weiterleitung an die Gläubiger übermittelt wurde, gilt am Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]]

§11 ANWENDBARES RECHT, RICHTSSTAND UND RICHTLICHE GELTENDMACHUNG

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.
- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Pfandbriefen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Pfandbriefen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank beibringt, bei der er für die Pfandbriefe ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Pfandbriefe 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) indem er eine Kopie der die betreffenden Pfandbriefe verbrieften Globalurkunde vorlegt, 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 Pfandbriefe verbrieften Globalurkunde in einem solchen Verfahren erforderlich wäre. 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 Pfandbriefe unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Pfandbriefen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§12 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:]

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

EMISSIONSBEDINGUNGEN FÜR NAMENS-PFANDBRIEFE

OPTION IV: EMISSIONSBEDINGUNGEN FÜR FESTVERZINSLICHE NAMENS-PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, ÜBERTRAGUNG, DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekendarpfandbrieffen einfügen: Hypothekendarpfandbrieffe]** **[im Falle von Öffentlichen Darpfandbrieffen einfügen: Öffentlichen Darpfandbrieffe]** (die "**Darpfandbrieffe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]** (die "**festgelegte Stückelung**") begeben.
- (2) *Form.* Die Darpfandbrieffe werden in Form von Namensdarpfandbrieffen begeben. Die Urkunde, die die Darpfandbrieffe verbrieft (die "**Urkunde**") trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigten Vertreter der Emittentin und (i) die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht beauftragten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Darpfandbrieffe vorhanden und in das vorgeschriebene Register eingetragen ist und (ii) die eigenhändige Unterschrift der Registerstelle (wie in § 6 definiert).
- (3) *Übertragung.*
 - (a) Die sich aus der Urkunde ergebenden Rechte der Gläubiger und das Eigentum an den Darpfandbrieffen gehen durch Abtretung und Eintragung in das Register über. Soweit nicht ein zuständiges Gericht etwas anderes entschieden hat oder zwingendes Recht etwas anderes verlangt, haben die Emittentin, die Emissionsstelle und die Registerstelle den eingetragenen Gläubiger dieser Darpfandbrieffe (der "**Gläubiger**") als den ausschließlichen Inhaber der Urkunde und der sich aus dieser ergebenden Rechte zu behandeln.
 - (b) Die sich aus der Urkunde ergebenden Rechte des Gläubigers und das Eigentum an den Darpfandbrieffen können vollständig oder teilweise übertragen werden, indem die Urkunde (zusammen mit dem ordnungsgemäß vervollständigten und unterzeichneten, auf der Rückseite der Urkunde abgedruckten Muster einer Abtretungserklärung) bei der bezeichneten Geschäftsstelle der Registerstelle eingereicht wird. Im Falle der teilweisen Übertragung der Darpfandbrieffe ist dem Zedenten eine neue Urkunde über den nicht übertragenen Betrag auszustellen. Eine teilweise Übertragung der Darpfandbrieffe ist nur ab einem Mindestnennbetrag von **[festgelegte Währung und Mindestnennbetrag einfügen]** oder für ein ganzzahliges Vielfaches dieses Betrages zulässig.
 - (c) Jede nach einer Übertragung der Darpfandbrieffe ausgestellte neue Schuldverschreibung wird innerhalb von sieben Geschäftstagen (Geschäftstag bedeutet für die Zwecke dieses Absatzes ein Tag (außer einem Samstag oder Sonntag), an dem Banken an dem Ort der bezeichneten Geschäftsstelle der Registerstelle für den Geschäftsverkehr geöffnet sind) nach Einreichung der Urkunde und des ordnungsgemäß vervollständigten und unterzeichneten Musters einer Abtretungserklärung zur Abholung bei der bezeichneten Geschäftsstelle der Registerstelle bereitgehalten oder, auf Wunsch des einreichenden Gläubigers und wie in dem entsprechenden Muster der Abtretungserklärung angegeben, auf Gefahr des hinsichtlich der neuen Urkunde berechtigten Gläubigers an die in dem Muster der Abtretungserklärung angegebene Adresse versandt.

- (d) Übertragungen werden vorgenommen, ohne dass von der oder für die Emittentin oder die Registerstelle hierfür eine Gebühr berechnet werden würde, aber erst nach Zahlung von Steuern oder anderen Abgaben, die im Zusammenhang mit der Übertragung erhoben werden (oder nach Abgabe von diesbezüglichen Freistellungserklärungen, wie sie von der Emittentin oder der Registerstelle verlangt werden können).
 - (e) Der Gläubiger kann die Eintragung der Übertragung der Pfandbriefe nicht verlangen
 - (i) während eines Zeitraums von 15 Tagen, der an dem Fälligkeitstag für eine Zahlung von Kapital und/oder Zinsen endet, (ii) während eines Zeitraumes von 15 Tagen vor einem Tag, an dem der Pfandbrief aufgrund der Ausübung eines der Emittentin zustehenden Wahlrechts vorzeitig zurückgezahlt werden kann, oder (iii) nachdem hinsichtlich der Pfandbriefe ein Wahlrecht ausgeübt wurde, nach dessen Ausübung diese Pfandbriefe ganz oder teilweise rückzahlbar ist.
- (4) *Definitionen.* Für die Zwecke dieser Emissionsbedingungen bedeutet:
- "Register"** bezeichnet das von der Registerstelle geführte Register hinsichtlich der Pfandbriefe.
- (5) *Bezugnahmen auf Pfandbriefe.* Jede Bezugnahme in diesen Emissionsbedingungen auf **"Pfandbrief"** oder **"dieser Pfandbrief"** schließt jede neue Urkunde ein, die im Zusammenhang mit der Übertragung dieser Pfandbriefe oder eines Teils derselben ausgestellt worden ist, es sei denn, aus dem Zusammenhang ergibt sich etwas anderes. Jede Bezugnahme in diesen Emissionsbedingungen auf **"Pfandbriefe"** oder **"diese Pfandbriefe"** im Plural gilt als Bezugnahme auf „Pfandbrief“ oder **"diesen Pfandbrief"** im Singular. Alle grammatischen und anderen Änderungen, die durch den Gebrauch des Wortes **"Pfandbrief"** im Singular notwendig werden, gelten als in diesen Emissionsbedingungen vorgenommen und die Bestimmungen dieser Emissionsbedingungen sind so anzuwenden, dass dieser Änderung Wirksamkeit verschafft wird.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus **[im Falle von Hypothekenspfandbriefen einfügen: Hypothekenspfandbriefen]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefen]**.

§3 ZINSEN

- (1) *Zinssatz und Zinszahlungstage.*

[Im Fall von Pfandbriefen mit einer Zinszahlung einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinszahlung erfolgt am **[Zinszahlungstag einfügen]** (der **"Zinszahlungstag"**) **[sofern der Zinszahlungstag nicht der Jahrestag des Verzinsungsbeginns ist einfügen:** und beläuft sich auf **[Zinsbetrag pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen]**.]

[Im Fall von Pfandbriefen mit mehr als einer Zinszahlung, einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinsen sind nachträglich am **[Festzinstermine]**

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 pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen].**] **[Sofern der Fälligkeitstag kein Festzinstermine ist, einfügen:** Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro festgelegte Stückelung einfügen]** je Pfandbrief im Nennbetrag von **[festgelegte Stückelung einfügen]].**

[Im Fall von Pfandbriefen mit Stufenzins einfügen: Die Pfandbriefe werden bezogen auf ihren Nennbetrag vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum ersten Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und anschließend von jedem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich) mit dem maßgeblichen Zinssatz (wie nachstehend definiert) verzinst. Die Zinsen sind an jedem Zinszahlungstag nachträglich zahlbar.

"**Zinszahlungstag(e)**" bedeutet jedes Datum, welches unter der Spalte mit der Überschrift "**Zinszahlungstag_(t)**" der nachstehenden Tabelle aufgeführt ist:

t	Zinszahlungstag_(t)	Zinssatz
[]	[] (der " erste Zinszahlungstag ")	[]
[]	[]	[]
[]	[]	[]

Der Zinssatz (der "**Zinssatz**") ist im Hinblick auf einen Zinszahlungstag der Prozentsatz, der in der Spalte mit der Überschrift "**Zinssatz**" der vorstehenden Tabelle für den jeweiligen Zinszahlungstag angegeben ist.]

- (2) *Geschäftstagskonvention.* Fällt der Fälligkeitstag einer Zinszahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger **[bei Anwendbarkeit der Folgender Geschäftstagskonvention, einfügen:** keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort **[.]** **[bei Anwendbarkeit der Modifizierten Folgender Geschäftstagskonvention, einfügen:** keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort, es sei denn, der Geschäftstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Geschäftstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen **[.]** **[Wenn der Geschäftstag keiner Anpassung nach einer Geschäftstagskonvention unterliegt, einfügen:** und ist, je nach vorliegender Situation, weder berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund der Verschiebung zu verlangen noch muss er aufgrund der Verschiebung eine Kürzung der Zinsen hinnehmen.] **[Wenn der Geschäftstag einer Anpassung nach der Modifizierten Folgender Geschäftstagskonvention oder der Folgender Geschäftstagskonvention unterliegt, einfügen:** Ungeachtet des Absatzes (2) dieses § 3 der Emissionsbedingungen hat der Gläubiger Anspruch auf weitere Zinszahlung für jeden zusätzlichen Tag, um den der Geschäftstag aufgrund der in diesem Absatz (2) von § 3 der Emissionsbedingungen geschilderten Regelungen nach hinten verschoben wird. **[Wenn der Geschäftstag einer Anpassung nach der Modifizierten Folgender Geschäftstagskonvention unterliegt, einfügen:** Für den Fall jedoch, in dem der Geschäftstag im Einklang mit den in diesem Absatz (2) des § 3 der Emissionsbedingungen auf den unmittelbar vorhergehenden Geschäftstag vorgezogen wird, hat der Gläubiger nur Anspruch auf Zinsen bis zum tatsächlichen Geschäftstag, nicht jedoch bis zum festgelegten Geschäftstag.]]

- (3) *Auflaufende Zinsen.* Der Zinslauf der Pfandbriefe endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Pfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Pfandbriefe vom Tag der Fälligkeit an bis zur tatsächlichen Rückzahlung der Pfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹⁴ zu verzinsen, es sei denn, die Pfandbriefe werden zu einem höheren Zinssatz als dem gesetzlich festgelegten Satz für Verzugszinsen verzinst, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums zu dem ursprünglichen Zinssatz erfolgt.
- (4) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).
- (5) *Zinstagequotient.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum kürzer ist als die Bezugsperiode, in die der Zinsberechnungszeitraum fällt, oder ihr entspricht (einschließlich im Falle eines kurzen Kupons) einfügen: die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon) einfügen: die Summe aus:

- (A) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und
- (B) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist einfügen: "Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[Fiktiven Verzinsungsbeginn oder fiktiven Zinszahlungstag einfügen]** als **[Verzinsungsbeginn] [Zinszahlungstag].]** **[Im Falle eines ersten oder letzten**

¹⁴ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

langen Zinsberechnungszeitraumes einfügen: Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der [Fiktiven Verzinsungsbeginn [und][oder] fiktive[n] Zinszahlungstag[e] einfügen] als [Verzinsungsbeginn] [und] [Zinszahlungstag[e]].]

[Im Fall von Actual/Actual (ISDA) einfügen: (ISDA) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes 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 Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als 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 ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.)

§4 ZAHLUNGEN

- (1)
 - (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf den Pfandbrief werden an dem entsprechenden Fälligkeitstag an die Person geleistet, die bei Geschäftsschluss am fünfzehnten Tag vor einem solchen Fälligkeitstag (der "Stichtag") in dem Register als Gläubiger aufgeführt ist.
 - (b) *Zahlung von Zinsen.* Zahlungen von Zinsen auf den Pfandbrief werden an dem entsprechenden Fälligkeitstag an die Person geleistet, die bei Geschäftsschluss am Stichtag in dem Register als Gläubiger aufgeführt ist.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Pfandbriefe in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.
- (3) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem

nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen: sowie das TARGET System]** betriebsbereit ist **[falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich, einfügen: [und] Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].

- (4) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.

[Falls Aufrechnung und Zurückbehaltungsrechte ausgeschlossen sind, einfügen:

- (5) *Ausschluss von Aufrechnung und Zurückbehaltungsrechten.* Die Emittentin ist nicht berechtigt, gegen Ansprüche der Gläubiger aus den Pfandbriefen aufzurechnen oder Zurückbehaltungsrechte gegenüber solchen Ansprüchen geltend zu machen.]

§5 RÜCKZAHLUNG

- [(1) *Rückzahlung bei Endfälligkeit.*]

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht dem Nennbetrag der Pfandbriefe.

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

- (2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) (wie nachstehend angegeben) zum Rückzahlungsbetrag, wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

[Wahl-Rückzahlungstag(e)

einfügen]

[]

[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Pfandbriefen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe; und
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.

§6

DIE EMISSIONSSTELLE [UND] [DIE ZAHLSTELLE[N] UND DIE REGISTERSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [und] [die anfänglich bestellte[n] Zahlstelle[n]] und die Registerstelle und [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Zahlstellen und bezeichnete Geschäftsstelle einfügen]

Registerstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Registerstelle und bezeichnete Geschäftsstelle einfügen]

[Berechnungsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Berechnungsstelle und bezeichnete Geschäftsstelle einfügen]

Die Emissionsstelle [und] die Zahlstelle[n]] und die Registerstelle [behält] [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 Registerstelle zu ändern oder zu beenden und eine andere Emissionsstelle [oder zusätzliche oder andere Zahlstellen] oder Registerstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle und (ii) eine Registerstelle zu. 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 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [und] [die Zahlstelle[n]] und die Registerstelle [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7

STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern. Abgaben, Festsetzungen oder behördlicher

Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf die Pfandbriefe zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 4 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.

§9 ERSETZUNG DER URKUNDE

Sollte(n) die Urkunde(n) verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie bei der bezeichneten Geschäftsstelle der Registerstelle ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises und einer Freistellung zu erfüllen. Eine beschädigte oder unleserlich gemachte Urkunde muss eingereicht werden, bevor eine Ersatzurkunde ausgegeben wird

§10 MITTEILUNGEN

Mitteilungen an den/die Gläubiger können wirksam per Post, Telex oder Telefax an die im Register aufgeführte Adresse, Telex- oder Telefaxnummer des Gläubigers erfolgen.

§11 ANWENDBARES RECHT UND GERICHTSSTAND

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.
- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.

§12 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

OPTION V: EMISSIONSBEDINGUNGEN FÜR VARIABLE VERZINSLICHE NAMENS- PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, ÜBERTRAGUNGEN, DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekendarpfandbriefen einfügen: Hypothekendarpfandbriefe]** **[im Falle von Öffentlichen Darpfandbriefen einfügen: Öffentlichen Darpfandbriefe]** (die "**Darpfandbriefe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]** (die "**festgelegte Stückelung**") begeben.
- (2) *Form.* Die Darpfandbriefe werden in Form von Namensdarpfandbriefen begeben. Die Urkunde, die die Darpfandbriefe verbrieft (die "**Urkunde**") trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigten Vertreter der Emittentin und (i) die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht beauftragten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Darpfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist und (ii) die eigenhändige Unterschrift der Registerstelle (wie in § 6 definiert).
- (3) *Übertragung.*
 - (a) Die sich aus der Urkunde ergebenden Rechte der Gläubiger und das Eigentum an den Darpfandbriefen gehen durch Abtretung und Eintragung in das Register über. Soweit nicht ein zuständiges Gericht etwas anderes entschieden hat oder zwingendes Recht etwas anderes verlangt, haben die Emittentin, die Emissionsstelle und die Registerstelle den eingetragenen Gläubiger dieser Darpfandbriefe (der "**Gläubiger**") als den ausschließlichen Inhaber der Urkunde und der sich aus dieser ergebenden Rechte zu behandeln.
 - (b) Die sich aus der Urkunde ergebenden Rechte des Gläubigers und das Eigentum an den Darpfandbriefen können vollständig oder teilweise übertragen werden, indem die Urkunde (zusammen mit dem ordnungsgemäß vervollständigten und unterzeichneten, auf der Rückseite der Urkunde abgedruckten Muster einer Abtretungserklärung) bei der bezeichneten Geschäftsstelle der Registerstelle eingereicht wird. Im Falle der teilweisen Übertragung der Darpfandbriefe ist dem Zedenten eine neue Urkunde über den nicht übertragenen Betrag auszustellen. Eine teilweise Übertragung der Darpfandbriefe ist nur ab einem Mindestnennbetrag von **[festgelegte Währung und Mindestnennbetrag einfügen]** oder für ein ganzzahliges Vielfaches dieses Betrages zulässig.
 - (c) Jede nach einer Übertragung der Darpfandbriefe ausgestellte neue Schuldverschreibung wird innerhalb von sieben Geschäftstagen (Geschäftstag bedeutet für die Zwecke dieses Absatzes ein Tag (außer einem Samstag oder Sonntag), an dem Banken an dem Ort der bezeichneten Geschäftsstelle der Registerstelle für den Geschäftsverkehr geöffnet sind) nach Einreichung der Urkunde und des ordnungsgemäß vervollständigten und unterzeichneten Musters einer Abtretungserklärung zur Abholung bei der bezeichneten Geschäftsstelle der Registerstelle bereitgehalten oder, auf Wunsch des einreichenden Gläubigers und wie in dem entsprechenden Muster der Abtretungserklärung angegeben, auf Gefahr des hinsichtlich der neuen Urkunde berechtigten Gläubigers an die in dem Muster der Abtretungserklärung angegebene Adresse versandt.

- (d) Übertragungen werden vorgenommen, ohne dass von der oder für die Emittentin oder die Registerstelle hierfür eine Gebühr berechnet werden würde, aber erst nach Zahlung von Steuern oder anderen Abgaben, die im Zusammenhang mit der Übertragung erhoben werden (oder nach Abgabe von diesbezüglichen Freistellungserklärungen, wie sie von der Emittentin oder der Registerstelle verlangt werden können).
 - (e) Der Gläubiger kann die Eintragung der Übertragung der Pfandbriefe nicht verlangen
 - (i) während eines Zeitraums von 15 Tagen, der an dem Fälligkeitstag für eine Zahlung von Kapital und/oder Zinsen endet, (ii) während eines Zeitraumes von 15 Tagen vor einem Tag, an dem der Pfandbrief aufgrund der Ausübung eines der Emittentin zustehenden Wahlrechts vorzeitig zurückgezahlt werden kann, oder (iii) nachdem hinsichtlich der Pfandbriefe ein Wahlrecht ausgeübt wurde, nach dessen Ausübung diese Pfandbriefe ganz oder teilweise rückzahlbar ist.
- (4) *Definitionen.* Für die Zwecke dieser Emissionsbedingungen bedeutet:
- "Register"** bezeichnet das von der Registerstelle geführte Register hinsichtlich der Pfandbriefe.
- (5) *Bezugnahmen auf Pfandbriefe.* Jede Bezugnahme in diesen Emissionsbedingungen auf **"Pfandbrief"** oder **"dieser Pfandbrief"** schließt jede neue Urkunde ein, die im Zusammenhang mit der Übertragung dieser Pfandbriefe oder eines Teils derselben ausgestellt worden ist, es sei denn, aus dem Zusammenhang ergibt sich etwas anderes. Jede Bezugnahme in diesen Emissionsbedingungen auf "Pfandbriefe" oder "diese Pfandbriefe" im Plural gilt als Bezugnahme auf „Pfandbrief" oder "diesen Pfandbrief" im Singular. Alle grammatischen und anderen Änderungen, die durch den Gebrauch des Wortes "Pfandbrief" im Singular notwendig werden, gelten als in diesen Emissionsbedingungen vorgenommen und die Bestimmungen dieser Emissionsbedingungen sind so anzuwenden, dass dieser Änderung Wirksamkeit verschafft wird.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus **[im Falle von Hypothekenspfandbriefen einfügen: Hypothekenspfandbriefen]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefen]**.

§3 ZINSEN

- (1) *Zinszahlungstage.*
- (a) Die Pfandbriefe werden bezogen auf ihren Nennbetrag ab dem **[Verzinsungsbeginn einfügen]** (der **"Verzinsungsbeginn"**) (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Pfandbriefe sind an jedem Zinszahlungstag zahlbar. **[Wenn der Geschäftstag keiner Anpassung nach einer Geschäftstagskonvention unterliegt, einfügen:** Falls jedoch ein festgelegter Zinszahlungstag (wie untenstehend definiert) aufgrund von (c) (i)(iv) verschoben wird, ist der Gläubiger, je nach vorliegender Situation, weder berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund der Verschiebung zu verlangen noch muss er aufgrund der Verschiebung eine Kürzung der Zinsen hinnehmen.]

[Im Fall von Pfandbriefen, die nicht fest-zu-variabel verzinsliche Pfandbriefe sind, einfügen:

- (b) **"Zinszahlungstag"** bedeutet

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

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

[Im Fall von fest-zu-variabel verzinslichen Pfandbriefen sind, einfügen:

- (b) **"Zinszahlungstag"** bedeutet

für den Zeitraum, während dem die Pfandbriefe mit einem festen Zinssatz verzinst werden (der **"Festzinssatz-Zeitraum"**):

den **[ersten Zinszahlungstag einfügen]** (der **"erste Zinszahlungstag"**)[,] [und]

[Für jeden weiteren festgelegten Zinszahlungstag während des Festzinssatz-Zeitraums jeweils einfügen: den **[festgelegter Zinszahlungstag]** (der **"[zweite][jeweilige Anzahl einfügen] Zinszahlungstag"**)[,] [und]],

und für den Zeitraum, während dem die Pfandbriefe mit einem variablen Zinssatz verzinst werden (der **"Variable-Zinszeitraum"**):

[Im Fall von festgelegten Zinszahlungstagen einfügen: der **[festgelegter Zinszahlungstag]** (der **"[zweite][jeweilige Anzahl des Zinszahlungstages einfügen] Zinszahlungstag"**)[,] [und]

[Für jeden weiteren festgelegten Zinszahlungstag jeweils einfügen: der **[festgelegten Zinszahlungstag einfügen]** (der **"[jeweilige Anzahl einfügen] Zinszahlungstag"**)[,] [und]].]

[Im Fall von festgelegten Zinsperioden einfügen: (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) der Tag, der jeweils **[3][6][12]** **[andere Periode einfügen]** Monate nach

- (i) dem **[Anzahl des vorangehenden Zinszahlungstags]** Zinszahlungstag liegt (der **"[zweite][jeweilige Anzahl einfügen] Zinszahlungstag"**)[,] [und]

[Für jeden weiteren Zinszahlungstag jeweils einfügen:

[(ii)][(•)] dem **[Anzahl des vorangehenden Zinszahlungstags]** Zinszahlungstag liegt (der **"[jeweilige Anzahl einfügen] Zinszahlungstag"**)[,] [und]].]

- (c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag

[bei Anwendung der Modified Following Business Day Convention einfügen: **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen:** für den **[Festzinssatz-Zeitraum]** **[bzw.]** **[Variablen Zinszeitraum]]** auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[bei Anwendung der FRN Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, der **[[Zahl einfügen] Monate] [andere festgelegte Zeiträume einfügen]** nach dem vorausgehenden anwendbaren Zinszahlungstag liegt.]

[bei Anwendung der Following Business Day Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den nächstfolgenden Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention einfügen: [Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen gegebenenfalls einfügen: für den [Festzinssatz-Zeitraum] [bzw.] [Variablen Zinszeitraum]] auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

(2) *Zinssatz.*

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:

Der Zinssatz (der "**Zinssatz**") für den Festzinssatz-Zeitraum ist für jede innerhalb des Festzinssatz-Zeitraums liegende Zinsperiode (wie nachstehend definiert) **[Festzinssatz einfügen]** % *per annum*.

Der Zinssatz für den Variablen-Zinszeitraum ist für jede innerhalb des Variablen-Zinszeitraums liegende Zinsperiode, sofern nachstehend nichts Abweichendes bestimmt wird **[Im Fall von Inverse Floating Pfandbriefen einfügen: [Ausgangszinssatz¹⁵] % per annum abzüglich [der][des] Referenzzinssatz[es] (wie nachstehend definiert) [Im Fall eines Faktors einfügen];** multipliziert mit **[Faktor einfügen]] [Im Fall einer Marge einfügen];** [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)].

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:

Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird **[Im Fall von Inverse Floating Pfandbriefen einfügen: [Ausgangszinssatz¹⁷] % per annum abzüglich [der][des] Referenzzinssatz[es] (wie nachstehend definiert) [Im Fall eines Faktors einfügen];** multipliziert mit **[Faktor einfügen]] [Im Fall einer Marge einfügen];** [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)].

[Im Fall einer Marge einfügen: Die "Marge" beträgt [•]% *per annum*]

"Referenzzinssatz" bezeichnet:

[Im Fall von variabel verzinslichen Pfandbriefen, die nicht Constant Maturity Swap ("CMS") variabel verzinsliche Pfandbriefe sind, einfügen:

(a) **[für EURIBOR[®] / LIBOR[®] einfügen:** den [3-][6-][12-][anderer Zeitraum einfügen] Monats-[EURIBOR[®]-] [[•]-LIBOR[®]-] Angebotssatz] **[EONIA[®] Angebotssatz einfügen]**

¹⁵ Bei einem möglichen negativen Zinssatz ist an die Einfügung eines Mindestzinssatzes von Null zu denken.

[Im Fall eines ersten kurzen/langen Kupons, bei der eine Interpolation angewandt werden soll, einfügen:

(ausgenommen für die Zinsperiode, die mit dem ersten Zinszahlungstag endet, für die der Referenzzinssatz gebildet wird anhand **[für EURIBOR® / LIBOR® einfügen:** der linearen Interpolation des **[●]-Monats-[EURIBOR®-] [[●]-LIBOR®-]** Angebotssatzes und des **[●]-Monats-[EURIBOR®-] [[●]-LIBOR®-]** Angebotssatzes)) **[Interpolation bei EONIA® Angebotssatz einfügen]]**

[Im Fall eines letzten kurzen Kupons, bei der eine Interpolation angewandt werden soll, einfügen:

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen: (ausgenommen für die **[Anzahl der jeweiligen Zinsperiode einfügen]** Zinsperiode (wie nachstehend definiert),]

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen: (ausgenommen für die Zinsperiode, die mit dem ersten Zinszahlungstag endet,]

für die der Referenzzinssatz gebildet wird anhand **[für EURIBOR® / LIBOR® einfügen:** der linearen Interpolation des **[●]-Monats-[EURIBOR®-] [[●]-LIBOR®-]** Angebotssatzes und des **[●]-Monats-[EURIBOR®-] [[●]-LIBOR®-]** Angebotssatzes)) **[Interpolation bei EONIA® Angebotssatz einfügen]]**

(wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist), oder

- (b) das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[Falls der Referenzsatz EURIBOR® ist einfügen:** Tausendstel Prozent, wobei 0,0005] **[Falls der Referenzsatz nicht EURIBOR® ist einfügen:** Hunderttausendstel Prozent, wobei 0,000005] **[maßgebliche EONIA® Rundungsvorschriften einfügen]** aufgerundet wird) der Angebotssätze,

[für EURIBOR® / LIBOR® einfügen: (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der bzw. die auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) angezeigt werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Wenn im vorstehenden Fall (b) auf der maßgeblichen Bildschirmseite 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).] **[Vorschriften für EONIA® in bezug auf Angebotssatz und Festlegung einfügen]]**

[Im Fall von CMS variabel verzinslichen Pfandbriefen einfügen:

der **[10][maßgebliche Anzahl von Jahren einfügen]-Jahres-Swapsatz** (der mittlere Swapsatz gegen den 6-Monats EURIBOR®, berechnet auf der Grundlage von Act/360, ausgedrückt als Prozentsatz *per annum*) (der **"[10][maßgebliche Anzahl von Jahren einfügen]- Jahres-Swapsatz"**), der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr [(Frankfurter Ortszeit)] **[zutreffenden anderen Ort einfügen]** angezeigt wird, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.]

"Zinsperiode" bezeichnet

[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen: jeweils: Den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) (die "erste Zinsperiode") **[Für jede weitere Zinsperiode jeweils einfügen:** und danach jeweils den Zeitraum vom **[jeweils vorangehender Zinszahlungstag]** (einschließlich) bis zum **[jeweils darauffolgender Zinszahlungstag]** (ausschließlich) (die "[Anzahl der jeweiligen Zinsperiode] Zinsperiode").]

[Im Fall von nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen: den jeweils **[drei][sechs][zwölf]** **[andere Periode einfügen]** Monatszeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).]

"Zinsfestlegungstag" bezeichnet den **[zweiten]** **[zutreffende andere Zahl von Tagen einfügen]** **[TARGET]** **[Londoner]** **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor Beginn der jeweiligen Zinsperiode. **[Im Falle eines TARGET-Geschäftstages einfügen:** "eines TARGET-Geschäftstag" bezeichnet einen Tag, an dem das TARGET System betriebsbereit ist.] **[Im Falle eines nicht-TARGET-Geschäftstages einfügen:** "[Londoner] **[zutreffenden anderen Ort einfügen]** Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in **[London]** **[zutreffenden anderen Ort einfügen]** für Geschäfte (einschließlich Devisen und Sortengeschäfte) geöffnet sind.

"Bildschirmseite" bedeutet **[Bildschirmseite einfügen]**.

[Im Fall von variabel verzinslichen Pfandbriefen, die nicht CMS variabel verzinsliche Pfandbriefe sind, einfügen:]

[für EURIBOR® / LIBOR® einfügen: Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im **[Londoner]** Interbanken-Markt **[in der Euro-Zone]** um ca. 11.00 Uhr (**[Brüsseler]** **[Londoner]** Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzzinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf oder abgerundet auf das nächste ein **[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, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzzinssatz für die betreffende Zinsperiode der Satz *PER ANNUM*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[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 Uhr (**[Brüsseler]** **[Londoner]** Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im **[Londoner]** Interbanken-Markt **[in der Euro-Zone]** angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Referenzzinssatz für die

betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine 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 betreffenden Zinsfestlegungstag gegenüber führenden Banken am [Londoner] Interbanken-Markt [in der Euro-Zone] nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Referenzzinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzzinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden.

"Referenzbanken" bezeichnen **[falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden, einfügen:** diejenigen Niederlassungen von mindestens vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde. **[Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, einfügen:** **[jeweilige andere Referenzbanken] [Vorschriften für EONIA® in Bezug auf Angebotssatz und Festlegung einfügen].]**

[Im Fall von CMS variabel verzinslichen Pfandbriefen einfügen:

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein [10-] **[andere Zahl von Jahren einfügen]** Jahres-Swapsatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze gegenüber führenden Banken im Interbanken-Swapmarkt in der Euro-Zone (um ca. 11.00 Uhr [(Frankfurter Ortszeit)]**[zutreffenden anderen Ort einfügen]** am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche [10-] Jahres-Swapsätze nennen, ist der Referenzzinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze nennt, ist der Referenzzinssatz für die betreffende Zinsperiode der Satz per annum, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze 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 Uhr [(Frankfurter Ortszeit)]**[zutreffenden anderen Ort einfügen]** an dem betreffenden Zinsfestlegungstag von führenden Banken im Interbanken-Swapmarkt in der Euro-Zone angeboten werden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze nennen, dann soll der Referenzzinssatz für die betreffende Zinsperiode der [10-] Jahres-Swapsatz oder das arithmetische Mittel (gerundet wie oben beschrieben) der [10-] Jahres-Swapsätze sein, den bzw. die eine 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 betreffenden Zinsfestlegungstag gegenüber führenden Banken am Interbanken-Swapmarkt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen). Für den Fall, dass der Referenzzinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzzinssatz der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsatz oder das arithmetische Mittel der [10-]**[andere Zahl von Jahren einfügen]** Jahres-Swapsätze.

einfügen]Jahres-Swapsätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem die [10-][**andere Zahl von Jahren einfügen]**Jahres-Swapsätze angezeigt wurden.

"Referenzbanken" bezeichnen diejenigen Niederlassungen von mindestens vier derjenigen Banken im Swapmarkt, deren [10-][**andere Zahl von Jahren einfügen]**Jahres-Swapsätze zur Ermittlung des maßgeblichen [10-][**andere Zahl von Jahren einfügen]**Jahres-Swapsatz zu dem Zeitpunkt benutzt wurden, als solch ein [10-][**andere Zahl von Jahren einfügen]**Jahres-Swapsatz letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde.]

[Im Fall des Interbankenmarktes in der Euro-Zone einfügen: "Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die die einheitliche Währung, die zu Beginn der Dritten Phase der Europäischen Wirtschafts- und Währungsunion eingeführt wurde und die in der Verordnung (EG) Nr. 974/98 des Rates vom 3. Mai 1998 über die Einführung des Euro, in ihrer aktuellsten Fassung, definiert ist, angenommen haben.]

[Falls ein Mindest- und/oder 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]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz einfügen].]**

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

[(3)][(4)] *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Pfandbriefe zahlbaren Zinsbetrag in Bezug auf jede festgelegte Stückelung (der **"Zinsbetrag"**) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(4)][(5)] *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin und den Gläubigern gemäß §10, baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden **[TARGET][Londoner][zutreffenden anderen Ort einfügen]** Geschäftstag (wie in §3(2) definiert) und jeder Börse, an der die betreffenden Pfandbriefe zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall 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 Pfandbriefe zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß §10 mitgeteilt.

[(5)][(6)] *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 nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle[, die Zahlstellen] und die Gläubiger bindend.

[(6)][(7)] *Auflaufende Zinsen.* Der Zinslauf der Pfandbriefe endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Pfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Pfandbriefe vom Tag der Fälligkeit an bis

zur tatsächlichen Rückzahlung der Pfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹⁶ zu verzinsen, es sei denn, die Pfandbriefe werden zu einem höheren Zinssatz als dem gesetzlich festgelegten Satz für Verzugszinsen verzinst, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums zu dem ursprünglichen Zinssatz erfolgt.]

[(7)][(8)] *Zinstagequotient*. "Zinstagequotient" bezeichnet

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum kürzer ist als die Bezugsperiode, in die der Zinsberechnungszeitraum fällt, oder ihr entspricht (einschließlich im Falle eines kurzen Kupons), einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum") **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon), einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum") **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die Summe aus:

- (A) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und
- (B) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr, einfügen:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[Im Falle von Bezugsperioden, die kürzer sind als ein Jahr, einfügen:** und (2) der Anzahl von Bezugsperioden, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist einfügen: "Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes einfügen:** Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[fiktiven Verzinsungsbeginn oder fiktiven Zinszahlungstag**

¹⁶ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

einfügen] als [Verzinsungsbeginn] [Zinszahlungstag].] [Im Falle eines ersten oder letzten langen Zinsberechnungszeitraumes einfügen: Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der [fiktiven Verzinsungsbeginn [und][oder] fiktive[n] Zinszahlungstag[e] einfügen] als [Verzinsungsbeginn] [und] [Zinszahlungstag[e]].]

[Falls Actual/Actual (ISDA) anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"))] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365).]

[Falls Actual/365 (Fixed) anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"))] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Falls Actual/360 anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"))] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Falls 30/360, 360/360 oder Bond Basis anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"))] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der "Zinsberechnungszeitraum"): 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 Monates, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Falls 30E/360 oder Eurobond Basis anwendbar ist einfügen:

im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für **[Im Fall nicht "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"))] **[Im Fall von "fest- zu variabel verzinslichen" Pfandbriefen einfügen:** den [Festzinssatz-Zeitraum] [bzw.] [Variablen-Zinszeitraum] (der

"**Zinsberechnungszeitraum**"): 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 ersten oder letzten Tages des Zinsberechnungszeitraumes), es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt.]

§4 ZAHLUNGEN

- (1) (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf den Pfandbrief werden an dem entsprechenden Fälligkeitstag an die Person geleistet, die bei Geschäftsschluss am fünfzehnten Tag vor einem solchen Fälligkeitstag (der "**Stichtag**") in dem Register als Gläubiger aufgeführt ist.
- (b) *Zahlung von Zinsen.* Zahlungen von Zinsen auf den Pfandbrief werden an dem entsprechenden Fälligkeitstag an die Person geleistet, die am Stichtag in dem Register als Gläubiger aufgeführt ist.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Pfandbriefe in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.
- (3) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen: das TARGET System]** betriebsbereit ist **[falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich, einfügen: [und] Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]** Zahlungen abwickeln].
- (4) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.

[Falls Aufrechnung und Zurückbehaltungsrechte ausgeschlossen sind, einfügen:

- (5) *Ausschluss von Aufrechnung und Zurückbehaltungsrechten.* Die Emittentin ist nicht berechtigt, gegen Ansprüche der Gläubiger aus den Pfandbriefen aufzurechnen oder Zurückbehaltungsrechte gegenüber solchen Ansprüchen geltend zu machen.]

§5 RÜCKZAHLUNG

- (1) *Rückzahlung bei Endfälligkeit.]*

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen]** **[im Fall eines Rückzahlungsmonats, einfügen:** in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht dem Nennbetrag der Pfandbriefe.

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

(2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) (wie nachstehend angegeben) zum - Rückzahlungsbetrag (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

**[Wahl-Rückzahlungstag(e)
einfügen]**

[]
[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Serie von Pfandbriefen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe; und
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.]

§6

**DIE EMISSIONSSTELLE[, [UND] [DIE ZAHLSTELLE[N]] UND DIE REGISTERSTELLE
[UND DIE BERECHNUNGSSTELLE]**

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle[, [und] [die anfänglich bestellte[n] Zahlstelle[n]] und die Registerstelle [und] [die anfänglich bestellte Berechnungsstelle]] und [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Zahlstellen und bezeichnete Geschäftsstellen einfügen]

Registerstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Registerstelle und bezeichnete Geschäftsstelle einfügen]

[Berechnungsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Berechnungsstelle und bezeichnete Geschäftsstelle einfügen]

Die Emissionsstelle [[,] [und] die Zahlstelle[n]] und die Registerstelle [und] [die Berechnungsstelle]] [behält] [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 Registerstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle [oder zusätzliche oder andere Zahlstellen] oder der Registerstelle [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle und einer Registerstelle 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 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [[,] [und] [die Zahlstelle[n]] und die Registerstelle [und] [die Berechnungsstelle]] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7

STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern. Abgaben, Festsetzungen oder behördlicher Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8

VORLEGUNGSFRIST

Die Verpflichtungen der Emittentin, Kapital und Zinsen auf die Pfandbriefe zu zahlen, verjähren (i) mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital und (ii) mit Bezug auf Zinsen nach Ablauf von 4 Jahren nach dem Fälligkeitstag für die entsprechende Zinszahlung.

§9

ERSETZUNG DER URKUNDE

Sollte(n) die Urkunde(n) verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie bei der bezeichneten Geschäftsstelle der Registerstelle ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises und einer Freistellung zu

erfüllen. Eine beschädigte oder unleserlich gemachte Urkunde muss eingereicht werden, bevor eine Ersatzurkunde ausgegeben wird.

§10 MITTEILUNGEN

Mitteilungen an den/die Gläubiger können wirksam per Post, Telex oder Telefax an die im Register aufgeführte Adresse, Telex- oder Telefaxnummer des Gläubigers erfolgen.

§11 ANWENDBARES RECHT UND GERICHTSSTAND

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.
- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.

§12 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

OPTION VI: EMISSIONSBEDINGUNGEN FÜR NULLKUPON NAMENS-PFANDBRIEFE

§1

WÄHRUNG, STÜCKELUNG, FORM, ÜBERTRAGUNGEN; DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Serie von **[im Falle von Hypothekenspfandbriefen einfügen: Hypothekenspfandbriefe]** **[im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefe]** (die "**Pfandbriefe**") der Landesbank Baden Württemberg (die "**Emittentin**") wird in **[festgelegte Währung einfügen]** ("**Abkürzung der Währung einfügen**") oder die "**festgelegte Währung**") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) in Stückelungen von **[festgelegte Stückelung einfügen]**⁵ (die "**festgelegte Stückelung**") begeben.
- (2) *Form.* Die Pfandbriefe werden in Form von Namenspfandbriefen begeben. Die Urkunde, die die Pfandbriefe verbrieft (die "**Urkunde**") trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigten Vertreter der Emittentin und (i) die eigenhändige Unterschrift eines von der Bundesanstalt für Finanzdienstleistungsaufsicht beauftragten Treuhänders zur Bestätigung, dass die vorgeschriebene Deckung für die Pfandbriefe vorhanden und in das vorgeschriebene Register eingetragen ist und (ii) die eigenhändige Unterschrift der Registerstelle (wie in § 6 definiert).
- (3) *Übertragung.*
 - (a) Die sich aus der Urkunde ergebenden Rechte der Gläubiger und das Eigentum an den Pfandbriefen gehen durch Abtretung und Eintragung in das Register über. Soweit nicht ein zuständiges Gericht etwas anderes entschieden hat oder zwingendes Recht etwas anderes verlangt, haben die Emittentin, die Emissionsstelle und die Registerstelle den eingetragenen Gläubiger dieser Pfandbriefe (der "**Gläubiger**") als den ausschließlichen Inhaber der Urkunde und der sich aus dieser ergebenden Rechte zu behandeln.
 - (b) Die sich aus der Urkunde ergebenden Rechte des Gläubigers und das Eigentum an den Pfandbriefen können vollständig oder teilweise übertragen werden, indem die Urkunde (zusammen mit dem ordnungsgemäß vervollständigten und unterzeichneten, auf der Rückseite der Urkunde abgedruckten Muster einer Abtretungserklärung) bei der bezeichneten Geschäftsstelle der Registerstelle eingereicht wird. Im Falle der teilweisen Übertragung der Pfandbriefe ist dem Zedenten eine neue Urkunde über den nicht übertragenen Betrag auszustellen. Eine teilweise Übertragung der Pfandbriefe ist nur ab einem Mindestnennbetrag von **[festgelegte Währung und Mindestnennbetrag einfügen]** oder für ein ganzzahliges Vielfaches dieses Betrages zulässig.
 - (c) Jede nach einer Übertragung der Pfandbriefe ausgestellte neue Schuldverschreibung wird innerhalb von sieben Geschäftstagen (Geschäftstag bedeutet für die Zwecke dieses Absatzes ein Tag (außer einem Samstag oder Sonntag), an dem Banken an dem Ort der bezeichneten Geschäftsstelle der Registerstelle für den Geschäftsverkehr geöffnet sind) nach Einreichung der Urkunde und des ordnungsgemäß vervollständigten und unterzeichneten Musters einer Abtretungserklärung zur Abholung bei der bezeichneten Geschäftsstelle der Registerstelle bereitgehalten oder, auf Wunsch des einreichenden Gläubigers und wie in dem entsprechenden Muster der Abtretungserklärung angegeben, auf Gefahr des hinsichtlich der neuen Urkunde berechtigten Gläubigers an die in dem Muster der Abtretungserklärung angegebene Adresse versandt.
 - (d) Übertragungen werden vorgenommen, ohne dass von der oder für die Emittentin oder die Registerstelle hierfür eine Gebühr berechnet werden würde, aber erst nach Zahlung von Steuern oder anderen Abgaben, die im Zusammenhang mit der Übertragung erhoben werden (oder nach Abgabe von diesbezüglichen Freistellungserklärungen, wie sie von der Emittentin oder der Registerstelle verlangt werden können).

- (e) Der Gläubiger kann die Eintragung der Übertragung der Pfandbriefe nicht verlangen (i) während eines Zeitraums von 15 Tagen, der an dem Fälligkeitstag für eine Zahlung von Kapital und/oder Zinsen endet, (ii) während eines Zeitraumes von 15 Tagen vor einem Tag, an dem der Pfandbrief aufgrund der Ausübung eines der Emittentin zustehenden Wahlrechts vorzeitig zurückgezahlt werden kann, oder (iii) nachdem hinsichtlich der Pfandbriefe ein Wahlrecht ausgeübt wurde, nach dessen Ausübung diese Pfandbriefe ganz oder teilweise rückzahlbar ist.

(4) *Definitionen.* Für die Zwecke dieser Emissionsbedingungen bedeutet:

"Register" bezeichnet das von der Registerstelle geführte Register hinsichtlich der Pfandbriefe.

(5) *Bezugnahmen auf Pfandbriefe.* Jede Bezugnahme in diesen Emissionsbedingungen auf **"Pfandbrief"** oder **"dieser Pfandbrief"** schließt jede neue Urkunde ein, die im Zusammenhang mit der Übertragung dieser Pfandbriefe oder eines Teils derselben ausgestellt worden ist, es sei denn, aus dem Zusammenhang ergibt sich etwas anderes. Jede Bezugnahme in diesen Emissionsbedingungen auf "Pfandbriefe" oder "diese Pfandbriefe" im Plural gilt als Bezugnahme auf „Pfandbrief" oder "diesen Pfandbrief" im Singular. Alle grammatischen und anderen Änderungen, die durch den Gebrauch des Wortes "Pfandbrief" im Singular notwendig werden, gelten als in diesen Emissionsbedingungen vorgenommen und die Bestimmungen dieser Emissionsbedingungen sind so anzuwenden, dass dieser Änderung Wirksamkeit verschafft wird.

§2 STATUS

Die Pfandbriefe begründen unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Die Pfandbriefe sind nach Maßgabe des Pfandbriefgesetzes gedeckt und stehen mindestens im gleichen Rang mit allen anderen Verpflichtungen der Emittentin aus [im Falle von Hypothekentpfandbriefen einfügen: Hypothekentpfandbriefen] [im Falle von Öffentlichen Pfandbriefen einfügen: Öffentlichen Pfandbriefen].

§3 ZINSEN

- (1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Pfandbriefe.
- (2) *Auflaufende Zinsen.* Falls die Emittentin die Pfandbriefe bei Fälligkeit nicht einlöst, ist der ausstehende Nennbetrag der Pfandbriefe vom Tag der Fälligkeit an bis zur tatsächlichen Rückzahlung der Pfandbriefe in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹⁷ zu verzinsen, es sei denn, die Emissionsrendite der Pfandbriefe ist höher, als der gesetzlich festgelegte Satz für Verzugszinsen, in welchem Fall die Verzinsung auch während des vorgenannten Zeitraums in Höhe der Emissionsrendite erfolgt. Die Emissionsrendite beträgt [Emissionsrendite angeben] per annum.]
- (3) *Zinstagequotient.* **"Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf einen Pfandbrief für einen beliebigen Zeitraum (der **"Zinsberechnungszeitraum"**):

§4 ZAHLUNGEN

- (1) *Zahlungen auf Kapital.* Zahlungen von Kapital auf den Pfandbrief werden an dem entsprechenden Fälligkeitstag an die Person geleistet, die bei Geschäftsschluss am

¹⁷ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz.

fünfzehnten Tag vor einem solchen Fälligkeitstag (der "**Stichtag**") in dem Register als Gläubiger aufgeführt ist.

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Pfandbriefe in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.
- (3) *Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf einen Pfandbrief auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System **[falls die festgelegte Währung Euro ist oder falls das TARGET System aus anderen Gründen benötigt wird, einfügen: sowie das TARGET System] [falls die festgelegte Währung nicht Euro ist, oder falls aus anderen Gründen erforderlich, einfügen: [und] Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen] Zahlungen abwickeln].**
- (4) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Pfandbriefe schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Pfandbriefe; **[falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen: den Wahl-Rückzahlungsbetrag (Call) der Pfandbriefe;]** sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Pfandbriefe zahlbaren Beträge.

[Falls Aufrechnung und Zurückbehaltungsrechte ausgeschlossen sind, einfügen:

- (5) *Ausschluss von Aufrechnung und Zurückbehaltungsrechten.* Die Emittentin ist nicht berechtigt, gegen Ansprüche der Gläubiger aus den Pfandbriefen aufzurechnen oder Zurückbehaltungsrechte gegenüber solchen Ansprüchen geltend zu machen.]

§5 RÜCKZAHLUNG

- [(1) Rückzahlung bei Endfälligkeit.]**

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Pfandbriefe zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** fallenden Zinszahlungstag] (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jeden Pfandbrief entspricht **[falls die Pfandbriefe zu ihrem Nennbetrag zurückgezahlt werden, einfügen: dem Nennbetrag der Pfandbriefe] [ansonsten den Rückzahlungsbetrag für die jeweilige Stückelung einfügen].]**

[Falls die Emittentin das Wahlrecht hat, die Pfandbriefe vorzeitig zurückzuzahlen, einfügen:

- (2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*
 - (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Pfandbriefe insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) zum/zu den Wahl- Rückzahlungsbetrag/beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

**[Wahl-Rückzahlungstag(e)
einfügen]**

Wahl-Rückzahlungsbetrag/beträge
(Call)

**[Wahl-Rückzahlungsbetrag/beträge
einfügen]**

[]
[]

[]
[]

- (b) Die Kündigung ist den Gläubigern der Pfandbriefe durch die Emittentin gemäß § 10 bekannt zu geben. Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Serie von Pfandbriefen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Pfandbriefe;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Pfandbriefe zurückgezahlt werden.
- (c) Wenn die Pfandbriefe nur teilweise zurückgezahlt werden, werden die zurückgezahlten Pfandbriefe in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.]

§6

DIE EMISSIONSSTELLE [UND] [DIE ZAHLSTELLE[N]] UND DIE REGISTERSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [und] [die anfänglich bestellte[n] Zahlstelle[n]] und die Registerstelle und [ihre] [deren] [jeweilige] anfängliche bezeichnete Geschäftsstelle [lautet] [lauten] wie folgt:

Emissionsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Zahlstellen und bezeichnete Geschäftsstelle einfügen]

Registerstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Registerstelle und bezeichnete Geschäftsstelle einfügen]

[Berechnungsstelle: [Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
GB-London E14 5LB]

[andere Berechnungsstelle und bezeichnete Geschäftsstelle einfügen]

Die Emissionsstelle [und] die Zahlstelle[n]] und die Registerstelle [behält] [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 Registerstelle zu ändern oder zu beenden und eine andere Emissionsstelle [oder zusätzliche oder andere Zahlstellen] oder Registerstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle und (ii) eine Registerstelle 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 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Emissionsstelle [und] [die Zahlstelle[n]] und die Registerstelle [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§7 STEUERN

Sämtliche auf die Pfandbriefe zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern. Abgaben, Festsetzungen oder behördlicher Gebühren jeglicher Art (gemeinsam die "**Steuern**"), die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, in welcher die Emittentin Steuern unterliegt, oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde davon oder darin auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall ist die Emittentin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§8 VERJÄHRUNG

Die Verpflichtungen der Emittentin, Kapital auf die Pfandbriefe zu zahlen, verjährt mit Bezug auf Kapital nach Ablauf von 10 Jahren nach dem Fälligkeitstag für die Zahlung von Kapital.

§9 ERSETZUNG DER URKUNDE

Sollte(n) die Urkunde(n) verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie bei der bezeichneten Geschäftsstelle der Registerstelle ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises und einer Freistellung zu erfüllen. Eine beschädigte oder unleserlich gemachte Urkunde muss eingereicht werden, bevor eine Ersatzurkunde ausgegeben wird.

§10 MITTEILUNGEN

Mitteilungen an den/die Gläubiger können wirksam per Post, Telex oder Telefax an die im Register aufgeführte Adresse, Telex- oder Telefaxnummer des Gläubigers erfolgen.]

§11 ANWENDBARES RECHT UND GERICHTSSTAND

- (1) Form und Inhalt der Pfandbriefe sowie die Rechte und Pflichten der Emittentin und der Gläubiger unterliegen dem Recht der Bundesrepublik Deutschland. Soweit gemäß Verordnung (EG) Nr. 864/2007 vom 11. Juli 2007 über das auf außervertragliche Schuldverhältnisse anzuwendende Recht (Rom II) zulässig, unterliegen sämtliche nicht vertraglichen Ansprüche aus oder im Zusammenhang mit den Pfandbriefen deutschem Recht und werden nach diesem ausgelegt.

- (2) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Pfandbriefen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Stuttgart.

§12 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt oder bei der Emittentin erhältlich. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Trustee or any agent party to the Trust Deed will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Instruments held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Custodial and depositary links have been established with Euroclear, Clearstream, Luxembourg and DTC to facilitate the initial issuance of Instruments and Pfandbriefe in registered form ("**Registered Pfandbriefe**") and cross-market transfers of Instruments and Registered Pfandbriefe between investors associated with secondary market trading. Transfers within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant system.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Instruments held through Euroclear and Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

DTC

DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerized book-entry changes in accounts of DTC participants, thereby eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, which is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. The rules applicable to DTC and DTC participants are on file with the SEC.

The deposit of securities with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in the beneficial ownership of the securities. DTC has no

knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the DTC participant to whose account such securities are credited, which may or may not be the beneficial owners of the securities. The DTC participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Holders of book-entry interests in the Instruments or Registered Pfandbriefe holding through DTC will receive, to the extent received by the Principal Paying Agent, all distributions of principal and interest with respect to book-entry interests in the Instruments or Registered Pfandbriefe from the Principal Paying Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

Conveyances of notices and other communications by DTC to DTC participants, by DTC participants to indirect participants, and by DTC participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Registered Instrument or Note to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of direct participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Registered Instrument or Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Instruments or Registered Pfandbriefe in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of Instruments or Registered Pfandbriefe on the Register for the accounts of (i) Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Instruments or Registered Pfandbriefe held through Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in the Instruments or Registered Pfandbriefe will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Instruments or Registered Pfandbriefe will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Instruments or Registered Pfandbriefe. The Registrar will be responsible for maintaining a record of the aggregate holdings of Instruments or Registered Pfandbriefe registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, a nominee for DTC and/or Holders of Instruments represented by Definitive Registered Instruments. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Instruments holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear and Clearstream, Luxembourg, as the case may be, and the Principal Paying Agent will also be responsible for ensuring that payments received by the Principal Paying Agent from the Issuer for Holders of interests in the Instruments or Registered Pfandbriefe holding through DTC are credited to DTC. Euroclear, Clearstream, Luxembourg and DTC, as the case may be, have the responsibility of disbursing such payments to DTC participants, and DTC and indirect participants have the responsibility of disbursing such payments to the beneficial owners of the securities. So long as Euroclear, Clearstream, Luxembourg or the nominee of their common depositary, or DTC or its nominee is the registered holder of the Global Registered Instrument or Note, Euroclear, Clearstream, Luxembourg, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Instruments represented by such Global Registered Instrument or Note for the sole purpose of making payments in respect of the Instruments (provided that the applicable tax treatment and procedures will be determined as if the person who is shown in the records of Euroclear, Clearstream, Luxembourg or DTC, as the case may be, as the holder of a particular nominal amount of such Instruments were the registered Holder itself). Save as aforesaid, holders shall have no claim directly

against the Issuer in respect of payments due on the Instruments or Registered Pfandbriefe for so long as the Instruments or Registered Pfandbriefe are evidenced by such a Global Registered Instrument or Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Registered Instrument or Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Registered Instrument or Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

The Issuer will not impose any fees in respect of the Instruments or Registered Pfandbriefe; however, Holders of book-entry interests in the Instruments or Registered Pfandbriefe may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg and/or DTC.

Interests in an Unrestricted Global Registered Instrument and a Restricted Global Registered Instrument or Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Instruments through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of interests in the Instruments or Registered Pfandbriefe must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Registered Instrument or Note and in relation to all other rights arising under the Global Registered Instrument or Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects book-entry interests in the Global Registered Instruments will be credited to Euroclear participants' securities clearance accounts on the business day following the relevant closing date against payment (value such closing date), and to Clearstream, Luxembourg participants' securities custody accounts on such relevant closing date against payment in same day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Instruments or Registered Pfandbriefe through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("**SDFS**") system. DTC participant securities accounts will be credited with book-entry interests in the Instruments or Registered Pfandbriefe following confirmation of receipt of payment to the Issuer on the relevant closing date.

Secondary Market Trading in relation to Global Registered Instruments

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market sales of book-entry interests in the Instruments held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Instruments through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC participants

Secondary market sales of book-entry interests in the Instruments or Registered Pfandbriefe between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Instruments are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Registered Instrument to the account of a Euroclear

or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Registered Instrument (subject to the certification procedures provided in the Paying Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Instruments registered in the name of Cede & Co. and evidenced by the Restricted Global Registered Instrument and (ii) increase the amount of Instruments registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Registered Instrument. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Instruments are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Global Registered Instrument (subject to the certification procedures provided in the Paying Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 10:00 a.m. Brussels or Luxembourg time (as the case may be), one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Instruments free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Instruments registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Registered Instrument and (ii) increase the amount of Instruments registered in the name of Cede & Co. and evidenced by the Restricted Global Registered Instrument.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate transfers of beneficial interest in Global Instruments among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be changed or discontinued at any time. None of the Issuer, the Trustee or any Agent or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, and the Issuer takes no responsibility for the accuracy thereof.

Clearstream, Frankfurt

The Bearer Pfandbriefe and Global Jumbo Pfandbriefe will be cleared via Clearstream Banking AG, Frankfurt or by SIX SIS AG.

USE OF PROCEEDS

The net proceeds of the issue of each Series of Securities will be used by the Issuer for its general funding unless specified otherwise in the applicable Final Terms.

FORM OF FINAL TERMS FOR INSTRUMENTS¹

Final Terms dated [●]

Series No.: [●]

Tranche No.: [●]

LANDESBANK BADEN-WÜRTTEMBERG

[acting through its [London][Singapore][New York] branch]

Issue of a Series of

[Aggregate principal amount of Tranche] [Title of Instruments]
(the "Instruments")

under the Euro 50,000,000,000

Programme for the Issuance of Debt Securities

This document constitutes the Final Terms (as referred to in the Base Prospectus dated 24 April 2015 for the above Programme) in relation to the Tranche of Instruments referred to above for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). [Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus.] The base prospectus dated 24 April 2015 [and the Supplement to the Base Prospectus dated [●]] [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. These Final Terms contain the final terms of the Instruments described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the Instruments to be offered is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.bourse.lu [and at] [address] [where copies may be obtained from]. [A summary of the individual issue of Instruments is annexed to these Final Terms.]²

PART A — CONTRACTUAL TERMS

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and either (1) the Instruments which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state or (2) the Conditions (as defined in the next paragraph) do not contain, by comparison with the Base Prospectus, any "significant new factor" within the meaning of Article 16.1 of the Prospectus Directive. If neither (1) nor (2) applies the Issuer will need to consider effecting the issue by means of a supplement to the Base Prospectus or a stand alone prospectus rather than by Final Terms.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [original date]. These Final Terms contain the final terms of the Instruments for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and must be read in

¹ Directive 2010/73/EU (the "**2010 PD Amending Directive**") amending Directive 2003/71/EC (the "**Prospectus Directive**") and Directive 2004/109/EC increases the minimum denomination threshold per debt security from €50,000 to €100,000, or its equivalent in another currency, for the qualification of a debt security as wholesale debt with regard to the wholesale disclosure requirements and the exemptions under the Prospectus Directive. For the increased minimum denomination threshold to become applicable, the 2010 PD Amending Directive must be implemented into the relevant national law of the jurisdictions into which the Prospectus has been passported and in which Instruments will be listed on a stock exchange and/or publicly offered and distributed.

² Applicable with regard to an issue of Instruments with a specified denomination of below EUR 100,000 or the equivalent amount in another currency and with regard to an issue of Instruments with a specified denomination of EUR 100,000 and above if the Issuer chooses to prepare a summary on a voluntary basis.

conjunction with the Base Prospectus save in respect of the Conditions which are extracted from the base prospectus dated [original date].]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions as part of that base prospectus with an earlier date were incorporated by reference in this Base Prospectus:

[Terms used herein shall be deemed to be defined as such in the [terms and conditions set out on page 29 up to and including page 87 of the base prospectus dated 9 September 2005 in respect of the Programme (the "**2005 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 38 up to and including page 96 of the base prospectus dated 12 May 2006 in respect of the Programme (the "**2006 Terms and Conditions**") as part of that base prospectus and as supplemented by Supplement No. 1 dated 5 September 2006] [the terms and conditions set out on page 42 up to and including page 105 of the base prospectus dated 11 May 2007 in respect of the Programme (the "**2007 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 46 up to and including page 105 of the base prospectus dated 9 May 2008 in respect of the Programme (the "**2008 Terms and Conditions**") as part of that base prospectus and as supplemented by Supplement No. 1 dated 17 July 2008] [the terms and conditions set out on page 47 up to and including page 111 of the base prospectus dated 15 May 2009 in respect of the Programme (the "**2009 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 41 up to and including page 120 of the base prospectus dated 11 May 2010 in respect of the Programme (the "**2010 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 45 up to and including page 125 of the base prospectus dated 9 May 2011 in respect of the Programme (the "**2011 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 48 up to and including page 128 of the base prospectus dated 11 May 2012 in respect of the Programme (the "**2012 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 71 up to and including page 226 of the base prospectus dated 14 May 2013 in respect of the Programme (the "**2013 Terms and Conditions**") as part of that base prospectus] [the terms and conditions set out on page 91 up to and including page 249 of the base prospectus dated 7 May 2014 in respect of the Programme (the "**2014 Terms and Conditions**") as part of that base prospectus] which have been incorporated by reference in, and form part of the Base Prospectus dated 24 April 2015. These Final Terms contain the final terms of the Instruments for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 24 April 2015 [and the Supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive], save in respect of the [2005 Terms and Conditions] [2006 Terms and Conditions] [2007 Terms and Conditions] [2008 Terms and Conditions] [2009 Terms and Conditions] [2010 Terms and Conditions] [2011 Terms and Conditions] [2012 Terms and Conditions] [2013 Terms and Conditions] [2014 Terms and Conditions] incorporated by reference therein which are attached hereto. Together, the Base Prospectus and these Final Terms constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote directions for completing the Final Terms.]

[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Status of the Instruments: [Unsubordinated Instruments/ Subordinated Instruments]
2. [If fungible with an existing Series, Series No.: •]
3. Currency: []
4. Aggregate Principal Amount:
 - (i) [Series: []
 - (ii) Tranche: []
5.
 - (i) Issue Date: []
 - (ii) Interest Commencement Date: [Issue Date/other (*specify*)/Not Applicable]
6. Issue Price: [] per cent. of the Aggregate Principal Amount of this [Tranche] [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
7.
 - (i) Specified Denominations: [*Specify required denominations. See Condition 1.12 and Condition 1.13*]

[Euro 1,000] [Euro 50,000] [Euro 100,000] and integral multiples of [Euro 1,000] [Euro []] in excess thereof up to and including [Euro 99,000] [Euro []]. No Instruments in definitive form will be issued with a denomination above [Euro 99,000] [Euro []].

[So long as the Instruments are represented by a Temporary Global Instrument or Permanent Global Instrument and the relevant clearing systems(s) so permit, the Instruments will be tradeable only in the minimum authorised denomination of [Euro 1,000] [Euro 50,000] [Euro 100,000] and higher integral multiples of [Euro 1,000] [Euro []], notwithstanding that no Definitive Instruments will be issued with a denomination above [Euro 99,000] [Euro []].

[Instruments which are to be admitted to trading on a EEA exchange or offered to the public in a member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive must have a minimum denomination of EUR 1,000 (or its equivalent in another currency).]

[Euro 1,000] [Euro 50,000] [Euro 100,000] and integral multiples of [Euro 1,000] [Euro []] in excess thereof up to and including [Euro 99,000] [Euro []]. No Instruments in definitive form will be issued with a denomination above [Euro 99,000]

- [Euro []].
- (ii) Calculation Amount: []
- (iii) Broken Amount(s): [] per Calculation Amount, payable on [the Interest Payment Date falling [in/on] []/[specify]]
8. [Maturity Date] [Maturity]: *[Specify which of Conditions 5.01 (Redemption at Maturity) (in which case specify the Maturity Date) or 5.02 (No Fixed Maturity) applies. In relation to Instalment Instruments, specify the number and respective amounts of Instalments and the dates on which they are payable. If redemption is not at par, insert calculation provisions.]*
- [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Instruments is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Instruments must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
9. Interest Basis: Interest bearing:
- [] per cent. Fixed Rate] [Step-up [and/or step-down] Fixed Rate] *[insert in case of Fixed to Floating Rate Instruments: for the period from (and including) the Interest Commencement Date, up to (but excluding) [insert date] and]*
- [Specify reference rate] [+/-] [] per cent. Floating Rate] [] per cent. - [Specify reference rate] Floating Rate *[in case of Inverse Floating Rate Securities]*]] *[insert in case of Fixed to Floating Rate Instruments: for the period from (and including) [insert date] to (but excluding) the Maturity Date.]**
- [Specify swap rate] [+/-] [] per cent. Swap Rate]*
- [Specify ISDA Rate Index] [+/-] [] per cent. ISDA Rate]*
- [] per cent. Fixed Rate for the period from [and including) the Interest Commencement Date up to (but excluding) [insert date] and, unless the Instruments are redeemed by the Issuer on or prior to the Call Early Redemption Date, *[Specify reference rate] [+/-] [] per cent. for the period from (and including) [insert date] to (but excluding) the Maturity Date.]*
- [Zero Coupon]

(further particulars set out below)

10. Optional Early Redemption (Call): [Condition 5.05 applies/Not Applicable] [If applicable: specify if Optional Early Redemption is permitted in respect of some only of the Instruments and, if so, any minimum aggregate principal amount. Specify minimum notice period for the exercise of the call option, if not 30 days and the date(s) for exercise of call option which shall, in the case of Subordinated Instruments, not be earlier than 5 years after the issue date of the Instruments and any other relevant conditions.]
11. Optional Early Redemption (Call for Hedging Events) [Condition 5.06 applies/Not Applicable] [If applicable: specify if Optional Early Redemption is permitted in respect of some only of the Instruments and, if so, any minimum aggregate principal amount as well as any condition to the Optional Early Redemption. Specify minimum notice period for the exercise of the call option, if not 30 days and any other relevant conditions.]
12. Optional Early Redemption (Put): [Condition 5.09 applies/Not Applicable] [If applicable: specify dates for exercise of put option. Specify minimum notice period for the exercise of the put option, if not 45 days and other relevant conditions.]
13. Events of Default: [Not Applicable/Condition 6 applies.] [Specify whether applicable (for Unsubordinated Instruments) or not applicable (for Subordinated Instruments). If applicable, specify if different from the relevant provisions of Condition 5.]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Instrument Provisions** [Condition 4A applies/Not Applicable/in the case of Fixed to Floating Rate Instruments: For the period from (and including) the Interest Commencement Date, up to (but excluding) [insert date] this paragraph [14] applies and for the period from (and including) [insert date] to (but excluding) the Maturity Date, paragraph [15] applies./in the case of Resettable Instruments: For the period from (and including) the Interest Commencement Date, up to (but excluding) [insert date] this paragraph [14] applies and for the period from (and including) [insert date] to (but excluding) the Maturity Date, paragraph [19] applies]

[If not applicable, delete the remaining sub-paragraphs of this paragraph.]
 - (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly /monthly/other

(specify)] in arrear]

[In the case of Step-up and/or Step-down Fixed Rate Instruments specify Rates of Interest for the relevant [period] [Interest Payment Date] as follows:]

- | | [t | Interest Payment Date, | Rate of Interest |
|--|-----|------------------------|------------------|
| | [] | [] | [] |
| | [] | [] | [] |
| | [] | [] | [] |
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with *[specify applicable Business Day Convention listed in Condition 4F.02]*/, No Adjustment]
- (iii) Fixed Coupon Amount[(s)]: []
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in][on][●]
- (v) Day Count Fraction (in respect of interest for a period of less than one year): [Not Applicable/Condition 4A applies: Actual/Actual (ICMA) / 30/360 / other (specify)]
- (vi) Business Day Convention: *[Specify applicable Business Day Convention listed in Condition 4F.02 / No Adjustment]*
- (vii) Business Day: *[Specify applicable Business Day for Condition 8C.03 or 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments) if required.]*
- (viii) Relevant Financial Centre(s): *[Specify applicable Relevant Financial Centre(s) for Condition 8C.03 or for purposes of 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments) if required.]*

15. **Floating Rate Instrument Provisions:**

[Condition 4B applies/Not Applicable/insert in the case of Fixed to Floating Rate Instruments: For the period from (and including) the Interest Commencement Date, up to (but excluding) [insert date] paragraph [14] applies and for the period from (and including) [insert date] to (but excluding) the Maturity Date, this paragraph [15] applies.]

[If not applicable, delete the remaining sub-paragraphs of this paragraph.]

- (i) Rate[(s)] of Interest: [][EURIBOR®] [][LIBOR®] [][EONIA®/ specify period of duration and further provisions]
- (ii) Interest Period(s): []
- (iii) Specified Period(s): [Not Applicable/specify]
- [Specified Period and Specified Interest Payment*

Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the applicable Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise insert "Not Applicable".]

- (iv) Specified Interest Payment Dates: [Not Applicable/specify]
- [Specified Period and Specified Interest Payment Dates are alternatives. If the applicable Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable".]*
- (v) [First Interest Payment Date: []]
- (vi) Business Day Convention: *[Specify applicable Business Day Convention listed in Condition 4F.02/, No Adjustment]*
- (vii) Business Day: *[Specify applicable Business Day for Condition 8C.03 or 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments) if required.]*
- (viii) Relevant Financial Centre(s): *[Specify applicable Relevant Financial Centre(s) for Condition 8C.03 or for purposes of 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments) if required.]*
- (ix) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (x) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): *[[Name] shall be the Calculation Agent] [No need to specify if the Principal Paying Agent is to perform this function]*
- (xi) Screen Rate Determination:
- Reference Rate: *[For example, LIBOR[®] or EURIBOR[®] or EONIA[®]]*
 - Relevant Screen Page: *[For example, Reuters Screen LIBOR01 / EURIBOR01]*
 - Interest Determination Date(s): *[Second business day in London prior to the start of each Interest Period if LIBOR[®], or the second TARGET Business Day prior to the start of each Interest Period if EURIBOR[®] or other relevant interest determination date if EONIA[®]]*
 - Interest Determination Time: *[For example, 11.00 a.m. London time in the case of LIBOR[®] or 11.00 a.m. Brussels time in the case of EURIBOR[®] or other relevant time if EONIA[®]]*

- Relevant Financial Centre: *[Specify Relevant Financial Centres for the purpose of the definition of "Business Day", for example, London/Euro-Zone (where Euro-Zone means the region comprised of member states of the EU which adopt the Euro in accordance with the Treaty)]*
- (xii) Swap Rate Determination: [Condition 4B applies/Not Applicable]
 - Swap Rate: []
 - Relevant Screen Page: []
 - Swap Rate Determination Date: *[specify relevant interest determination date]*
[Second business day in Frankfurt prior to the start of each Interest Period]
 - Swap Rate Determination Time: *[For example, 11.00 a.m. Relevant Financial Centre time]*
 - Relevant Financial Centre: *[Specify Relevant Financial Centres for the purpose of the definition of "Business Day", for example, London/Euro-Zone (where Euro-Zone means the region comprised of member states of the EU which adopt the Euro in accordance with the Treaty)]*
- (xiii) Relevant Margin: [+/-] [] per cent. per annum
- (xiv) Relevant Factor: [] per cent. per annum
- (xv) Minimum Rate of Interest: [] per cent. per annum
- (xvi) Maximum Rate of Interest: [] per cent. per annum
- (xvii) Day Count Fraction: [Actual/365 or Actual /Actual (ISDA) / Actual/365 (Fixed)/ Actual/360 / 30/360 / 30E/360 or Eurobond Basis]
- 16. **ISDA Rate Index Determination:** [Condition 4C applies/Not Applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph.]

 - (i) Applicable ISDA Definitions: [2000/2006/[]] ISDA Definitions
 - (ii) Effective Date: [Issue Date/other (specify)]
 - (iii) Reset Date: []
 - (iv) Interest Determination Date(s): []
 - (v) Interest or calculation period(s): []
 - (vi) Specified Period: []

- (vii) Specified Period: [Not Applicable/specify]
[Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the applicable Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise insert "Not Applicable".]
- (viii) Specified Interest Payment Dates: [Not Applicable/specify]
[Specified Period and Specified Interest Payment Dates are alternatives. If the applicable Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable".]
- (ix) Business Day Convention: [Specify applicable Business Day Convention listed in Condition 4F.02/, No Adjustment]
- (x) Business Day: [Specify, if different from that provided for in Condition 8C.03 or if any additional place is required for the purposes of Condition 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments).]
- (xi) Relevant Financial Centre(s): [Specify, if different from that provided for in Condition 8C.03 or any additional financial centres necessary for the purposes of 8A.05 (Bearer Instruments) or 8B.02 (Registered Instruments).]
- (xii) Minimum Rate of Interest: [] per cent. per annum
- (xiii) Maximum Rate of Interest: [] per cent. per annum
- (xiv) Day Count Fraction: [Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis]
17. **Zero Coupon Instrument Provisions:** [Condition 4D applies/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction: 30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)
18. **Reset Interest Rate Determination:** [Condition 4E applies/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph.]

- (i) Swap Rate: []
- (ii) Relevant Screen Page: []
- (iii) Reset Interest Period: []
- (iv) Reset Date: []
- (iv) Mid-Swap Determination Date: Rate [specify relevant interest determination date]
[Second business day in Frankfurt prior to the start of each Interest Period]
- (v) Mid-Swap Determination Time: Rate [For example, 11.00 a.m. Relevant Financial Centre time]
- (vi) Relevant Financial Centre: [Specify Relevant Financial Centres for the purpose of the definition of "**Business Day**", for example, London/Euro-Zone (where Euro-Zone means the region comprised of member states of the EU which adopt the Euro in accordance with the Treaty)]
- (vii) Relevant Margin: [] per cent. per annum
- (viii) Reset Reference Rate: [] per cent. per annum

PROVISIONS RELATING TO REDEMPTION

19. **Call Option:** [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (i) Call Early Redemption Date(s): []
 - (ii) Call Early Redemption Amount(s): [] per Calculation Amount
 - (iii) If redeemable in part: [Condition 5.08 applies/Not Applicable]
Minimum Redemption Amount: [] per Calculation Amount/Not Applicable
Maximum Redemption Amount: [] per Calculation Amount/Not Applicable
 - (iv) Notice period: []
20. **Put Option:** [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (i) Put Redemption Date(s): []
 - (ii) Put Early Redemption Amount(s): [] per Calculation Amount
 - (iii) Notice period: []

21. Maturity Redemption Amount of [] per Calculation Amount each Instrument:

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

22. **Form of Instruments:** [Bearer Instruments³/Registered Instruments]
[If in bearer form, specify:
(i) whether the global Instrument is exchangeable for Instruments in definitive form (Conditions 1.02 and 1.04); and
(ii) whether any Instruments in definitive form will have Coupons attached (Condition 1.05), or whether there will be a grid for interest payments.]
[If in registered form, specify:
(i) Unrestricted Global Registered Instruments;
(ii) Restricted Global Registered Instruments;
(iii) Restricted Definitive Registered Instruments; and
(iv) name of Registrar.
23. New Global Instrument: [Yes/No]
24. NSS Registered Global Instrument [Yes/No]
25. Additional Financial Centre(s) or other special payment provisions relating to payment dates: [Not Applicable/specify] *[Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 14(iv), 15(viii), 15(xi), 15(xii) and 16(xi) relate.]*
26. [Redenomination, Renominalisation and Reconventioning:] *[Disapply Condition 8D if Instruments are denominated in Sterling]*
27. [Notices: *[Specify any other effective means of communication.]]*

DISTRIBUTION

28. Method of distribution: [Syndicated/Non-syndicated]
29. If non-syndicated, name and address of Dealer: []
30. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give details]
- (ii) Date of [Subscription] []

³ LBBW, acting through its New York Branch, shall not issue any Instruments in bearer form. This restriction does not relate to any Instruments in registered form issued by LBBW, acting through its New Branch or any Instruments issued by LBBW, acting through its head office or Singapore or London Branch.

Agreement:

- (iii) Stabilising Manager: ☐
31. Stabilisation: ☐ [Applicable] ☐ [Not Applicable]
32. Total commission and concession: ☐ per cent. of the Aggregate Principal Amount of this [Tranche]
33. Non-exempt Offer: ☐ [Not Applicable] ☐ [An offer of the Instruments may be made by the Managers [and *[specify, if applicable]*] (together with the Managers, the "Authorised Officers") other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant member state(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* ("**Public Offer Jurisdictions**") during the period from *[specify date]* until *[specify date]* (the "**Offer Period**"). See further Paragraph 11 of Part B below.]
34. General Consent: ☐ [Applicable] ☐ [Not Applicable]
35. The Issuer consents to the use of the Prospectus by the following Dealer(s) and/or financial intermediar[y][ies] (individual consent): ☐ [insert name[s] and address[es]] ☐ [Not Applicable]
36. Individual consent for the subsequent resale or final placement of Securities by the Dealer(s) and/or financial intermediary[y][ies] is given in relation to: ☐ [Luxembourg] ☐ [Germany] ☐ [Austria] ☐ [the Netherlands] ☐ [United Kingdom] ☐ [Reg. S Compliance Category; Rule 144A; TEFRA C/TEFRA D/ TEFRA not applicable] ☐ [Not Applicable]
37. Indication of the offer period upon which subsequent resale or final placement of the Instruments by financial intermediaries can be made: ☐ [insert] ☐ [Not Applicable]
38. Such consent is also subject to and given under the condition: ☐ [insert] ☐ [Not Applicable]
39. The subsequent resale or final placement of Securities by Dealers and/or financial intermediaries can be made: ☐ [As long as this Base Prospectus is valid in accordance with Article 11 of the Luxembourg act relating to prospectuses for securities which implements the Prospectus Directive] ☐ [insert period] ☐ [Not Applicable]

Confirmed on behalf of the Issuer:

By: _____
(Authorised signatory)

By: _____
(Authorised signatory)

Date: _____

Date: _____

PART B — OTHER INFORMATION

1. ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[unregulated market / regulated market]* with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on *[unregulated market / regulated market]*] with effect from [].] [Not Applicable.] *[Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.]*
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS⁴

Ratings: [The Instruments will not be rated.] [As of the date of these Final Terms no rating has been allocated.] [The Instruments to be issued have been rated:

[S&P: []]

[Moody's: []]

[Fitch: []]

[Other]: []]

[This credit rating has / These credit ratings have] been issued by *[insert full name of legal entity/ies which has/have given the rating]* which [is/are not established in the European Union but an European Union affiliate has applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No. 513/2011, indicating an intention to endorse its ratings, although notification of the corresponding registration decision (including its ability to endorse [•] ratings) has not yet been provided by the relevant competent authority.] [is/are established in the European Union and has/have applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[is/are][is/are not] established in the European Union and [is/are][is/are not] registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation

⁴ Insert clear and comprehensive information on whether the respective rating was issued by a rating agency with its seat within the European Union and registered in accordance with Regulation (EC) No. 1060/2009 on rating agencies, as amended by Regulation (EU) No. 513/2011 (the “**Rating Regulation**”) in accordance with Article 4 para. 1 of the Rating Regulation.
Nach Artikel 4 Abs. 1 der Verordnung (EG) Nr. 1060/2009 über Ratingagenturen, wie durch Verordnung (EU) 513/2011 geändert, klare und unmissverständliche Informationen darüber einfügen, ob das jeweilige Rating von einer Ratingagentur mit Sitz in der Gemeinschaft abgegeben wurde, die im Einklang mit dieser Verordnung registriert wurde.

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.] *[insert any conflicting interest not known at the date of approval of the Base Prospectus]*

4. THIRD PARTY INFORMATION

[With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.][Not applicable/give details]

[5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer:

[]]

[See ["Use of Proceeds"] wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.]]

(ii) [Estimated net proceeds:

[]]

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

(iii) [Estimated total expenses:

[]]

[Include breakdown of expenses.] [Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

6. [[Fixed Rate Instruments only] — YIELD

Indication of yield:

[]

⁵ The current version of the list of credit rating agencies registered in accordance with the Rating Regulation may be retrieved from the website of the European Commission at http://ec.europa.eu/internal_market/securities/agencies/index_en.htm. In accordance with Article 18 (3) of the Rating Regulation, such list is updated within 30 days, as soon as the registerin competent authority of a home member state has informed the Commission of any amendment as regards the registered credit rating agencies.

Die aktuelle Liste der gemäß der Ratingverordnung registrierten Ratingagenturen kann auf der Webseite der Europäischen Kommission unter http://ec.europa.eu/internal_markets/securities/agencies/index_en.htm abgerufen werden. Diese Liste wird im Einklang mit Artikel 18(3) der Ratingverordnung innerhalb von 30 Tagen aktualisiert, sobald die für die Registrierung zuständige Behörde eine Heimatstaates die Kommission über etwaige Änderungen betreffend der registrierten Ratingagentur informiert hat.

7. *[[Floating Rate Instruments Only]* — **HISTORIC INTEREST RATES**

Details of historic [LIBOR[®]/EURIBOR[®]/EONIA[®]/other] rates can be obtained from [Reuters][].]

8. **OPERATIONAL INFORMATION**

ISIN Code: []

Common Code: []

[WKN: []]

[CUSIP: []]

Settlement Procedures: *[Specify whether customary medium term note/Eurobond/other settlement and payment procedures apply.]*

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme and Depository Trust Company and the relevant identification number(s): [Not Applicable/give name(s), number(s) and address]

New Global Instrument/NSS Registered Global Instrument intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper or CBF[, and registered in the name of a nominee for one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text only for NSSRGIs]* and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Instruments must be issued in NGN/NSSRGI form or deposited with CBF]*

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text only for NSSRGIs]*. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied

that Eurosystem eligibility criteria have been met.]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): []

[Account details for the Issuer: *[Specify details and account number of the accounts, to which purchase/subscription moneys should be credited.]]*

[Account details at the relevant Clearing System: *[Specify details and account numbers of the accounts at the Relevant Clearing System to which the Instruments should be credited.]]*

9. TERMS AND CONDITIONS OF THE OFFER

Offer Period: [] to []

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: [Not Applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Instruments: [Not Applicable/give details]

Manner in and date in which results of the offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries: [] Qualified Investors
[] Institutional Investors
[] Retail Investors

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes [None/give details]

place:

[Each Dealer [and/or financial intermediary appointed by such Dealer] placing or subsequently reselling the Instruments is entitled to use and to rely upon the Base Prospectus. The Base Prospectus may only be delivered to potential investors together with all supplements published before the respective date of such delivery. Any supplement to the Base Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). When using the Base Prospectus, each Dealer [and/or relevant financial intermediary] must ensure that it complies with all applicable laws and regulations in force in the respective jurisdiction at the time.] [Yes, during the period from, and including, [] until, and including, []] [No] [●]

FORM OF FINAL TERMS FOR PFANDBRIEFE

MUSTER — ENDGÜLTIGE BEDINGUNGEN FÜR PFANDBRIEFE

These Final Terms dated [] (the "**Final Terms**") have been prepared for the purpose of Article 5 (4) of Directive 2003/71/EC. Full information on the Issuer and the offer of the Pfandbriefe is only available on the basis of the combination of the Final Terms when read together with the base prospectus dated 24 April 2015, including any supplements thereto (the "**Base Prospectus**"). The Base Prospectus [and the supplement dated [insert date] [], [and] the supplement dated [insert date] []¹] has been or will be, as the case may be, published on the website of the Luxembourg Stock Exchange (www.bourse.lu). **[Insert if Pfandbriefe are listed on the regulated market or publicly offered:** [The Final Terms relating to the Pfandbriefe will be published on [the website of the Luxembourg Stock Exchange (www.bourse.lu)] []. [A summary of the individual issue of the Pfandbriefe is annexed to these Final Terms.]²

*Diese Endgültigen Bedingungen vom [] (die "**Endgültigen Bedingungen**") wurden für die Zwecke des Artikels 5 Absatz 4 der Richtlinie 2003/71/EG abgefasst. Vollständige Informationen über die Emittentin und das Angebot der Pfandbriefe sind ausschließlich auf der Grundlage dieser Endgültigen Bedingungen im Zusammenlesen mit dem Basisprospekt vom 24. April 2015 und etwaiger Nachträge dazu (der "**Basisprospekt**") erhältlich. Der Basisprospekt [und der Nachtrag vom [Datum einfügen] [], [und] der Nachtrag vom [Datum einfügen] []]¹ wurden bzw. werden auf der Website der Luxemburger Börse (www.bourse.lu) veröffentlicht. [Soweit Pfandbriefe an einem regulierten Markt zugelassen oder öffentlich angeboten werden, einfügen: [Die Endgültigen Bedingungen bezüglich dieser Pfandbriefe werden [auf der Website der Luxemburger Börse (www.bourse.lu)] [] veröffentlicht. [Eine Zusammenfassung der einzelnen Emission der Pfandbriefe ist diesen Endgültigen Bedingungen angefügt.]²*

Final Terms

Endgültige Bedingungen

LANDESBANK BADEN-WÜRTTEMBERG

[Title of relevant Series of Pfandbriefe]

[Bezeichnung der betreffenden Serie der Pfandbriefe]

Series: [], Tranche []

Serie: [], Tranche []

issued pursuant to the
begeben aufgrund des

EUR 50,000,000,000

Programme for the Issuance of Debt Securities

of
der

Landesbank Baden-Württemberg

Issue Price: [] per cent.

Ausgabepreis: []%

Issue Date: []³

Tag der Begebung: []³

¹ To be inserted if relevant.

Auszufüllen soweit relevant.

² Applicable only for Pfandbriefe with a denomination of less than EUR 100,000 or the equivalent in another currency and with regard to an issue of Pfandbriefe with a specified denomination of EUR 100,000 and above if the Issuer chooses to prepare a summary on a voluntary basis.

Nur für Pfandbriefe mit einer Stückelung von weniger als EUR 100.000 oder dem entsprechenden Gegenwert in einer anderen Währung anwendbar oder für Pfandbriefe mit einer Stückelung von EUR 100.000 oder höher, wenn die Emittentin sich zur Erstellung einer freiwilligen Summary entscheidet.

³ The Issue Date is the date of payment and settlement of the Pfandbriefe. In the case of free delivery, the Issue Date is the delivery date. *Der Tag der Begebung ist der Tag, an dem die Pfandbriefe begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.*

Terms not otherwise defined herein shall have the meanings specified in the [Terms and Conditions, as set out in the Prospectus] [**Insert in case of an increase of an issue:** applicable Terms and Conditions of the [Global Jumbo Pfandbriefe][Pfandbriefe] set out on pages [●] to [●] and [●] to [●] of the base prospectus dated [**insert date**] in respect of the Programme, as incorporated by reference in the Base Prospectus] (the "**Terms and Conditions**").

*Begriffe, [die in den im Prospekt enthaltenen Emissionsbedingungen][die in den anwendbaren Emissionsbedingungen der [Global Jumbo Pfandbriefe][Pfandbriefe] auf den Seiten [●] bis [●] und [●] bis [●] des Basisprospekts zum Programm vom [Datum einfügen], wie per Verweis in den Basisprospekt einbezogen,] (die "**Emissionsbedingungen**") definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

[The completed and specified provisions of the relevant Option [I] [II] [III] [IV] [V] [VI] of the Terms and Conditions represent the conditions applicable to the relevant Series of Pfandbriefe (the "**Conditions**").

*Die vervollständigten und spezifizierten Bestimmungen der jeweiligen Option [I] [II] [III] [IV] [V] [VI] der Emissionsbedingungen stellen für die betreffende Serie von Pfandbriefen die Bedingungen der Pfandbriefe dar (die "**Bedingungen**").]*

Part I.

Teil I.

Conditions that complete and specify the Terms and Conditions.

Bedingungen, die die Emissionsbedingungen komplettieren bzw. spezifizieren.

The applicable and legally binding Conditions are as set out below in the German language version [together with a non-binding English language translation thereof].

[In the case of Fixed Rate Bearer Pfandbriefe replicate the relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders]

[In the case of Floating Rate Bearer Pfandbriefe replicate the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]

[In the case of Zero Coupon Bearer Pfandbriefe replicate the relevant provisions of Option III including relevant further options contained therein, and complete relevant placeholders]

[In the case of Fixed Rate Registered Pfandbriefe replicate the relevant provisions of Option IV including relevant further options contained therein, and complete relevant placeholders]

[In the case of Floating Rate Registered Pfandbriefe replicate the relevant provisions of Option V including relevant further options contained therein, and complete relevant placeholders]

[In the case of Zero Coupon Registered Pfandbriefe replicate the relevant provisions of Option VI including relevant further options contained therein, and complete relevant placeholders]

[In case of an increase of an issue of Global Jumbo Pfandbriefe / Pfandbriefe which were issued under a base prospectus with a date earlier than the date of this Base Prospectus insert relevant Terms and Conditions as incorporated by reference in the Base Prospectus and complete relevant placeholders]

Die geltenden und rechtlich bindenden Bedingungen sind wie nachfolgend in der deutschen Sprache aufgeführt [zusammen mit einer unverbindlichen Übersetzung in die englische Sprache].

[Im Fall von Festverzinslichen Inhaber-Pfandbriefe, die betreffenden Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall von Variabel Verzinslichen Inhaber-Pfandbriefe die betreffenden Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall von Nullkupon Inhaber-Pfandbriefe die betreffenden Angaben der Option III (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall von Festverzinslichen Namensfandbriefe, die betreffenden Angaben der Option IV (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall von Variabel Verzinslichen Namensfandbriefe die betreffenden Angaben der Option V (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall von Nullkupon Namensfandbriefe die betreffenden Angaben der Option VI (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter vervollständigen]

[Im Fall einer Aufstockung einer Emission von Global Jumbo Pfandbriefen / Pfandbriefen, die unter einem Basisprospekt emittiert wurden, der ein früheres Datum hat als dieser Basisprospekt, Emissionsbedingungen einfügen, wie diese in Form des Verweises in diesen Basisprospekt einbezogen wurden, und betreffende Platzhalter vervollständigen]

Part II. Teil II.

[] New Global Note⁴
New Global Note⁴

[] Intended to be held in a manner which would allow
ECB eligibility

[Yes. Note that the designation "yes" simply means that the Pfandbriefe are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Pfandbriefe will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]⁵

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Pfandbriefe are capable of meeting them the Pfandbriefe may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Pfandbriefe will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

Verwahrung in einer Weise, die EZB-Fähigkeit bewirkt

*[Ja. Die Auswahl der Möglichkeit "ja", bedeutet lediglich, dass beabsichtigt ist, die Pfandbriefe zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle einzureichen. Das bedeutet nicht notwendigerweise, dass die Pfandbriefe zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]*⁵

[Nein. Selbst wenn "nein" als Möglichkeit ausgewählt wurde zum Datum dieser Endgültigen Bedingungen, können die Pfandbriefe zukünftig bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle eingereicht werden, wenn die Kriterien der Eignung des Eurosystems (EZB-Fähigkeit) in der Zukunft geändert und die Pfandbriefe diesen Kriterien entsprechen können. Das bedeutet nicht notwendigerweise, dass die Pfandbriefe zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der

⁴ Not applicable with regard to Registered Pfandbriefe
Nicht anwendbar in Bezug auf Namenspfandbriefe

⁵ Include this text if this item is applicable in which case the Pfandbriefe must be issued in NGN form.
Dieser Text ist einzufügen, falls dieser Punkt anwendbar ist. In diesem Fall müssen die Schuldverschreibungen in NGN Form emittiert werden.

Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]

[] Classical Global Note⁶
Classical Global Note⁶

[] Intended to be held in a manner which would allow
ECB eligibility

[Note that if this item is applicable it simply means that the Classical Global Note is intended to be deposited directly with Clearstream Banking AG, Frankfurt which does not necessarily mean that the Pfandbriefe will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (ECB eligibility)]⁷

Verwahrung in einer Weise, die EZB-Fähigkeit bewirkt

*[Im Fall der Anwendbarkeit dieses Punktes ist damit beabsichtigt, die Classical Global Note direkt bei Clearstream Banking AG, Frankfurt einzuliefern. Das bedeutet nicht notwendigerweise, dass die Pfandbriefe zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]*⁷

Interest of natural and legal persons involved in the issue/offer

Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind

[]

[Reasons for the offer⁸
Gründe für das Angebot⁸

[specify details]
[Einzelheiten einfügen]

Securities Identification Numbers ***Wertpapierkennnummern***

ISIN Code []
ISIN Code

Common Code []
Common Code

German Securities Code []
Wertpapierkennnummer (WKN)

Any other securities number []
Sonstige Wertpapiernummer

[Yield⁹

⁶ Not applicable with regard to Registered Pfandbriefe
Nicht anwendbar in Bezug auf Namenspfandbriefe

⁷ Include this text if the Classical Global Note is deposited directly with Clearstream Banking AG, Frankfurt.
Dieser Text ist einzufügen, falls die Classical Global Note direkt bei Clearstream Banking AG, Frankfurt eingeliefert wird.

⁸ See "Use of Proceeds" wording in the Prospectus. If reasons for the offer is different from making profit and/or hedging certain risks include those reasons here. Not to be completed in case of Pfandbriefe with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency.

Siehe "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken bestehen, sind die Gründe hier anzugeben. Nicht auszufüllen bei Pfandbriefen mit einer festgelegten Stückelung von mindestens EUR 100.000 oder dem Gegenwert in einer anderen Währung.

⁹ Only applicable for Fixed Rate Pfandbriefe.

Rendite⁹

Yield []
Rendite]

[] **[Historic Interest Rates¹⁰** **Zinssätze der Vergangenheit¹⁰**

Details of historic[EURIBOR[®]][[•]-LIBOR[®]] [[•]-CMS] [[•]EONIA[®]] rates an be obtained from **[insert relevant Screen Page]**

Einzelheiten der Entwicklung der [EURIBOR[®]][[•]-LIBOR[®]] [[•]-CMS] [[•]EONIA[®]] Sätze für die Vergangenheit können abgerufen werden unter **[relevante Bildschirmseite einfügen]**

[Conditions to which the offer is subject: [None] [Not applicable] **[Specify]**
*Bedingungen, denen das Angebot unterliegt: [Keine] [Nicht anwendbar] **[Einfügen]***

Time period, including any possible amendments, during which the offer will be open: [None] [Not applicable] **[Specify]**
*Frist — einschließlich etwaiger Änderungen — während der das Angebot vorliegt: [Keine] [Nicht anwendbar] **[Einfügen]***

Description of the application process: [None] [Not applicable] **[Specify]**
*Beschreibung des Prozesses für die Umsetzung des Angebots: [Keine] [Nicht anwendbar] **[Einfügen]***

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not applicable] **[Specify]**
*Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner: [Nicht anwendbar] **[Einfügen]***

Details of the minimum and/or maximum amount of application, (whether in number of notes or aggregate amount to invest): [Not applicable] **[Specify]**
*Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Pfandbriefe oder des aggregierten zu investierenden Betrags): [Nicht anwendbar] **[Einfügen]***

Method and time limits for paying up the notes and for delivery of the Pfandbriefe: [Not applicable] **[Specify]**
*Methode und Fristen für die Bedienung der Pfandbriefe und ihre Lieferung: [Nicht anwendbar] **[Einfügen]***

Manner and date in which results of the offer are to be made public: [Not applicable] **[Specify]**
*Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind: [Nicht anwendbar] **[Einfügen]***

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [Not applicable] **[Specify]**
*Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit der Zeichnungsrechte und die Behandlung der nicht ausgeübten Zeichnungsrechte: [Nicht anwendbar] **[Einfügen]***

Various categories of potential investors to which the Pfandbriefe are offered:

- [] Qualified Investors
- [] Institutional Investors
- [] Retail Investors

Angabe der verschiedenen Kategorien der potentiellen Investoren, denen die Pfandbriefe angeboten wurden:

[] *Qualified Investoren*

¹⁰ Nur bei Festverzinslichen Pfandbriefen anwendbar.

Only applicable for Floating Rate Pfandbriefe. Not required for Pfandbriefe with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency.

Nur bei Variabel Verzinslichen Pfandbriefen anwendbar. Nicht anwendbar auf Pfandbriefe mit einer festgelegten Stückelung von mindestens EUR 100.000 oder dem Gegenwert in einer anderen Währung.

☐ Institutionelle Investoren
☐ Retail investoren

If the offer of Pfandbriefe 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: [Not applicable] [**Specify**]

Werden die Pfandbriefe gleichzeitig an den Märkten zweier oder mehrerer Staaten angeboten und ist eine bestimmte Tranche einigen Märkten vorbehalten, so ist diese Tranche anzugeben: [Nicht anwendbar] [Einfügen]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not applicable] [**Specify**]

Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist: [Nicht anwendbar] [Einfügen]

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable] [**Specify**]

Angabe etwaiger Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden: [Nicht anwendbar] [Einfügen]

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place: [Not applicable] [**Specify**]

Name und Anschrift des Koordinator/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und — sofern dem Emittenten oder dem Bieter bekannt — Angaben zu den Platzierern in den einzelnen Ländern des Angebots: [Nicht anwendbar] [Einfügen]

Method of distribution **Vertriebsmethode**

☐ Non-syndicated
Nicht syndiziert

☐ Syndicated
Syndiziert

Date of Underwriting Agreement¹¹ ☐
Datum des Underwriting Agreements¹¹

Management Details including form of commitment¹² **Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme¹²**

Dealer/Management Group (specify name(s) and address(es)) ☐
Platzeur/Bankenkonsortium (Name(n) und Adresse(n) angeben)

☐ Firm commitment ☐
Feste Zusage

☐ No firm commitment/best efforts arrangements ☐
Keine feste Zusage/zu den bestmöglichen Bedingungen

[Commissions¹³

¹¹ Required only for Pfandbriefe issued on a syndicated basis in case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency or derivative securities.
Nur erforderlich bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung

¹² Required only for Pfandbriefe issued on a syndicated basis in case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency or derivative securities.
Nur erforderlich bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung

¹³ To be completed in consultation with the Issuer.

Provisionen¹³

Management/Underwriting Commission (specify) []
Management- und Übernahme provision (angeben)

Selling Concession (specify) []
Verkaufsprovision (angeben)

Listing Commission (specify) []
Börsenzulassungsprovision (angeben)

Stabilising Dealer/Manager [insert details][None]
Kursstabilisierender Dealer/Manager [Einzelheiten
einfügen][Keiner]

Admission to trading [Yes][No]
Handelsaufnahme [Ja][Nein]

[] Stuttgart
Stuttgart

[] Regulated Market
Regulierter Markt

[] Official Market
Amtlicher Markt

[] Frankfurt am Main
Frankfurt am Main

[] Regulated Market
Regulierter Markt

[] Official Market
Amtlicher Markt

[] Other (insert details) []
Sonstige (Einzelheiten einfügen)

Expected Date of admission¹⁴ []
Erwarteter Termin der Zulassung¹⁴

Estimate of the total expenses related to admission to trading¹⁵ []
Geschätzte Gesamtkosten für die Zulassung zum Handel¹⁵

Regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading.¹⁶
Angabe regulierter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Pfandbriefe der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel

¹⁴ In Abstimmung mit der Emittentin auszuführen.

To be completed only, if known.

Nur auszufüllen, sofern bekannt.

¹⁵ Required only for Pfandbriefe issued on a syndicated basis in case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency or derivative securities.

Nur erforderlich bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung

¹⁶ Required only for Pfandbriefe issued on a syndicated basis in case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency or derivative securities.

Nur erforderlich bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung

zugelassen sind.¹⁶

☐ Frankfurt (regulated market)

☐ Stuttgart (regulated market)

☐ Other (insert details)

☐

Sonstige (Einzelheiten einfügen)

Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment¹⁷

Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung¹⁷

[not applicable]

[specify details]

[nicht anwendbar]

[Einzelheiten einfügen]

Rating¹⁸

☐

Rating¹⁸

[Specify whether the relevant rating agency is established in the European Community and is registered or has applied for registration pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011, (the "**CRA Regulation**").]

*[Einzelheiten einfügen, ob die jeweilige Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, geändert durch Verordnung (EU) Nr. 513/2011 des Europäischen Parlaments und des Rates vom 11. Mai 2011, (die "**Ratingagentur-Verordnung**") registriert ist oder die Registrierung beantragt hat.]*

[The European Securities and Markets Authority ("**ESMA**") publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.]

*[Die Europäische Wertpapier und Marktaufsichtsbehörde ("**ESMA**") veröffentlicht auf ihrer Webseite (www.esma.europa.eu) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.]]*

¹⁷ Required only for Pfandbriefe issued on a syndicated basis in case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency or derivative securities.

Nur erforderlich bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung

¹⁸ Do not complete, if the Pfandbriefe are not rated on an individual basis. In case of Pfandbriefe with a Specified Denomination of less than EUR 100,000 or its equivalent in any other currency, need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider. Insert clear and comprehensive information on whether the respective rating was issued by a rating agency with its seat within the European Union and registered in accordance with Regulation (EC) No. 1060/2009 on rating agencies, as amended by Regulation (EC) No. 513/2011 (the "**Rating Regulation**") in accordance with Article 4 para. 1 of the Rating Regulation.

Nicht auszufüllen, wenn kein Einzelrating für die Pfandbriefe vorliegt. Bei Pfandbriefen mit einer festgelegten Stückelung von weniger als EUR 100.000 oder dem Gegenwert in einer anderen Währung, kurze Erläuterung der Bedeutung des Ratings, wenn dieses unlängst von der Ratingagentur erstellt wurde. Nach Artikel 4 Abs. 1 der Verordnung (EG) Nr. 1060/2009 über Ratingagenturen, wie durch Verordnung (EG) Nr. 513/2011 geändert, klare und unmissverständliche Informationen darüber einfügen, ob das jeweilige Rating von einer Ratingagentur mit Sitz in der Gemeinschaft abgegeben wurde, die im Einklang mit dieser Verordnung registriert wurde.

Consent to the use of the Base Prospectus Einwilligung zur Verwendung des Basisprospekts

General Consent:
Generelle Einwilligung:

[Applicable] [Not applicable]
[Anwendbar] [Nicht anwendbar]

The Issuer consents to the use of the Base Prospectus by the following Dealer(s) and/or financial intermediar[y][ies] (individual consent):

[insert name[s] and address[es]]
[Not applicable]

Die Emittentin stimmt der Verwendung des Basisprospekts durch den/die folgenden Platzeur(e) und/oder Finanzintermediär(e) (individuelle Zustimmung) zu:

[Name[n] und Adresse[n]
einfügen] [Nicht anwendbar]

Individual consent for the subsequent resale or final placement of Pfandbriefe by the Dealer(s) and/or financial intermediary[y][ies] is given in relation to:

[Luxembourg] [Germany]
[Austria] [the Netherlands]
[United Kingdom] [Not applicable]

Individuelle Zustimmung zu der späteren Weiterveräußerung und der endgültigen Platzierung der Pfandbriefe durch [den][die] Platzeur(e) und/oder Finanzintermediär[e] wird gewährt in Bezug auf:

[Luxemburg] [Deutschland]
[Österreich] [die Niederlande]
[England] [Nicht anwendbar]

Such consent is also subject to and given under the condition:
Ferner erfolgt diese Zustimmung vorbehaltlich:

[Not applicable] [specify details]
[Nicht anwendbar] [Einzelheiten einfügen]

The subsequent resale or final placement of Pfandbriefe by Dealers and/or financial intermediaries can be made:

[As long as this Base Prospectus is valid in accordance with Article 11 of the Luxembourg act relating to prospectuses for securities which implements the Prospectus Directive] [insert period] [Not applicable]
[der Dauer der Gültigkeit des Basisprospekts gemäß Artikel 11 des Luxemburger Wertpapierprospektgesetzes, welches die Prospektrichtlinie umsetzt]
[Zeitraum einfügen] [Nicht anwendbar]

Die spätere Weiterveräußerung und endgültigen Platzierung der Pfandbriefe durch Platzeure und/oder Finanzintermediäre kann erfolgen während:

[Listing:¹⁹
[Börsenzulassung]¹⁹:

The above Final Terms comprises the details required to list this issue of Pfandbriefe (as from [insert Issue Date for the Pfandbriefe]) under the EUR 50,000,000,000 Programme for the Issuance of Debt Securities of Landesbank Baden-Württemberg.

Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Pfandbriefen (ab dem [Tag der Begebung der Pfandbriefe einfügen]) unter dem EUR 50.000.000.000 Programme for the Issuance of Debt Securities der Landesbank Baden-Württemberg erforderlich sind.]

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt, dass diese Informationen zutreffend wiedergegeben worden sind und — soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen

¹⁹ Include only in the version of the Final Terms which is submitted to the relevant stock exchange in the case of Pfandbriefe to be listed on such stock exchange.
Nur in derjenigen Fassung der Endgültigen Bedingungen einfügen, die der betreffenden Börse, bei der die Pfandbriefe zugelassen werden sollen, vorgelegt wird.

ableiten konnte — wurden keine Fakten unterschlagen, die reproduzierten Informationen unzutreffend oder irreführend gestalten würden und (ii) die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit.

Landesbank Baden-Württemberg

[Name & title of signatories]

[Name und Titel der Unterzeichnenden]

DESCRIPTION OF PUBLIC SECTOR PFANDBRIEFE AND MORTGAGE PFANDBRIEFE (ÖFFENTLICHE PFANDBRIEFE UND HYPOTHEKENPFANDBRIEFE)

The following is a description condensed to some of the more fundamental principles governing the law regarding Pfandbriefe and Pfandbrief Banks in summarized form and without addressing all the laws' complexities and details. Accordingly, it is qualified in its entirety by reference to the applicable laws.

Introduction

The Pfandbrief operations of the Issuer are subject to the Pfandbrief Act (*Pfandbriefgesetz*) of 22 May 2005, which has come into force on 19 July 2005 and was last amended by Article 4 of the Law of 10 December 2014 (with the respective amendments having entered into force on 1 January 2015) (the "**Pfandbrief Act**").

All German credit institutions are permitted, subject to authorisation and further requirements of the Pfandbrief Act, to engage in the Pfandbrief business and to issue Mortgage Pfandbriefe (*Hypothekendarlehen*), Public Pfandbriefe (*Öffentliche Pfandbriefe*) as well as Ship Pfandbriefe (*Schiffsdarlehen*) and Aircraft Pfandbriefe (*Flugzeugdarlehen*).

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*, "**BaFin**") and, for that purpose, must meet some additional requirements as specified in the Pfandbrief Act.

For the purpose of this overview, banks authorised to issue Pfandbriefe will generally be referred to as "**Pfandbrief Banks**" which is the term applied by the Pfandbrief Act.

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 generally are medium- to long-term bonds, typically with an original maturity of two to ten years, which are secured or "covered" at all times by a pool of specified qualifying assets (*Deckung*), as described below. Pfandbriefe are recourse obligations of the issuing bank, and no separate vehicle is created for their issuance generally or for the issuance of any specific series of Pfandbriefe. Traditionally, Pfandbriefe have borne interest at a fixed rate, but Pfandbrief Banks are also issuing zero-coupon and floating rate Pfandbriefe, in some cases with additional features such as step-up and/or step-down coupons, caps or floors. Most issues of Pfandbriefe are denominated in Euro. A Pfandbrief Bank may, however, also issue Pfandbriefe in other currencies, subject to certain limitations. Pfandbriefe may not be redeemed at the option of the Holders prior to maturity.

Pfandbriefe may either be Mortgage Pfandbriefe, Public Pfandbriefe, Ship Pfandbriefe or Aircraft Pfandbriefe. The outstanding Pfandbriefe of any one of these types must be covered by a separate pool of specified qualifying assets: a pool for Mortgage Pfandbriefe only, a pool for Public Pfandbriefe only, a pool covering all outstanding Ship Pfandbriefe only, and a pool covering all outstanding Aircraft Pfandbriefe (each a "**Cover Pool**"). An independent trustee appointed by the BaFin has wide responsibilities in monitoring compliance by the Pfandbrief Bank with the provisions of the Pfandbrief Act. In particular, the trustee monitors that the prescribed cover is maintained and the cover assets are recorded in a register listing the assets provided as cover from time to time in respect of the Pfandbriefe of the relevant type; such register is maintained by the Pfandbrief Bank.

The aggregate principal amount of assets in each Cover Pool must at all times at least be equal to the aggregate principal amount of the outstanding Pfandbriefe covered by such Cover Pool. Moreover, the aggregate interest yield on any such Pool must at all times be at least equal to the aggregate interest payable on all Pfandbriefe covered by such 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

present value (*Barwert*). Finally, the present value of the assets contained in the Cover Pool must exceed the total amount of liabilities from the corresponding Pfandbriefe and derivatives by at least 2 per cent (*sichernde Überdeckung*).

Such 2 per cent excess cover must consist of highly liquid assets. Qualifying assets for the excess cover are (i) debt securities of the Federal Republic of Germany, a special fund of the Federal Republic of Germany, a German state, the European Communities, the member states of the European Union, the states comprising the European Economic Area, the European Investment Bank, the IBRD-World Bank, the Council of Europe Development Bank, or the European Bank for Reconstruction and Development, as well as under certain circumstances debt securities of Switzerland, the United States of America, Canada or Japan, if such countries have been allocated a risk weight equal to a rating of level 1 obtained from an international rating agency and as set out in regulation no. 575/2013; (ii) debt securities guaranteed by any of the foregoing entities; and (iii) credit balances maintained with the European Central Bank, the central banks of the member states of the European Union or appropriate credit institutions which have their corporate seat in a country listed under (i) above if such credit institutions have been allocated a risk weight equal to a rating of level 1 obtained from an international rating agency and as set out in regulation no. 575/2013 (and the claims satisfy certain criteria).

The Pfandbrief Bank must record in the register of cover assets for any Cover Pool of a given Pfandbrief type each asset and the liabilities arising from derivatives. Derivatives may be entered in such register only with the consent of the trustee and the counterparty.

The Pfandbrief Bank must have 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.

Cover Pool for Mortgage Pfandbriefe

The principal assets qualifying for the Cover Pool for Mortgage Pfandbriefe are loans secured by mortgages which may serve as cover up to the initial 60 per cent of the value of the property, as assessed by experts of the Pfandbrief Bank not taking part in the credit decision in accordance with comprehensive evaluation rules designed to arrive at the fair market value of the property. Moreover, building structures connected firmly with the mortgaged property taken into account as augmenting the value must be adequately insured against relevant risks in an amount covering at least the estimated costs for repair or reconstruction in case of damage or loss or the loan amount outstanding from time to time.

The underlying property must be situated in a state of the European Economic Area, Switzerland, the United States of America, Canada, Japan, Australia, New Zealand or Singapore. Furthermore, the registered cover pool assets include all claims of the Pfandbrief Bank directed to the economic substance of the property.

Other assets qualifying for inclusion in the cover pool for Mortgage Pfandbriefe include, among others:

(i) equalisation claims converted into bearer bonds, (ii) subject to certain qualifications, those assets which may also be included in the 2 per cent excess cover described above, up to a total sum of 10 per cent of the aggregate principal amount of outstanding Mortgage Pfandbriefe; (iii) the assets which may also be included in the Cover Pool for Public Pfandbriefe referred to below (resulting from bonds), up to a total of 20 per cent of the aggregate principal amount of outstanding Mortgage Pfandbriefe, whereby the assets pursuant to (ii) above will be deducted and (iv) claims arising under interest rate and currency swaps as well as under other qualifying derivatives contracted under standardised master agreements with certain qualifying counterparties, provided that it is assured that the claims arising under such derivatives will not be prejudiced in the event of the insolvency of the Pfandbrief Bank or any other Cover Pool maintained by it. The amount of the claims of the Pfandbrief Bank arising under derivatives which are included in the Cover Pool measured against the total

amount of all assets forming part of the Cover Pool as well as the amount of the liabilities of the Pfandbrief Bank arising from such derivatives measured against the aggregate principal amount of the outstanding Mortgage Pfandbriefe plus the liabilities arising from derivatives may in either case not exceed 12 per cent, calculated in each case on the basis of the net present values.

Cover Pool for Public Sector Pfandbriefe

The Cover Pool for Public Sector Pfandbriefe may comprise money claims resulting from loans, bonds or a comparable transaction or other money claims acknowledged in writing as being free from defences if they are directed against an eligible debtor or for which an eligible debtor has assumed a full guarantee.

Eligible debtors are, *inter alia*: (i) German regional and local authorities and public law entities for which a maintenance obligation (*Anstaltslast*) or a guarantee obligation (*Gewährträgerhaftung*) or another state refinancing guarantee applies or which are legally entitled to raise fees, rates and other levies, (ii) the EU/EEA countries as well as their central banks, (iii) regional governments and regional and local authorities of the afore-mentioned states, (iv) Switzerland, the United States, Canada and Japan and their central banks provided they have been assigned a risk weight equal to a credit quality of level 1 obtained from an international rating agency and as set out in regulation no. 575/2013, (v) regional governments and regional and local authorities of the afore-mentioned states that have been equated with the relevant central government or have been assigned a risk weight equal to a credit quality of level 1 obtained from an international rating agency and as set out in regulation no. 575/2013, (vi) the European Central Bank, multilateral development banks and international organisations (as defined in regulation no. 575/2013) as well as the European Stability Mechanism, (vii) public sector entities that are located within the EU/EEA, (viii) public sector entities within the meaning of regulation no. 575/2013 (i.e., non-commercial administrative bodies responsible to central governments, regional governments or local authorities, or authorities that exercise the same responsibilities as regional and local authorities, or non-commercial undertakings owned by central governments that have explicit guarantee arrangements, including self administered bodies under public supervision) that are located within in Switzerland, the United States, Canada or Japan provided that, they have been assigned a risk weight equal to credit quality of level 1 obtained from an international rating agency and as set out in regulation no. 575/2013. However, public sector entities are only eligible to the extent the relevant claim is owed by them but not as guarantors of claims.

The Cover Pool may furthermore include *inter alia* the following substitute assets: (i) equalisation claims converted into bearer bonds; (ii) money claims against the European Central Bank, a central bank of an EU member state or a suitable credit institution, in as much as the amount of the claims of the Pfandbrief Bank is known at the time of purchase; and (iii) claims arising under certain derivatives contracted under standardised master agreements with certain qualifying counterparties, *provided that* it is assured that the claims arising under such derivatives will not be prejudiced in the event of the insolvency of the Pfandbrief Bank or any other Cover Pool maintained by it (and subject to the 12 per cent. threshold as described in case of Mortgage Pfandbriefe above).

Additional regulatory requirements

In addition to the provisions of the Pfandbrief Act, Pfandbrief Banks, like other types of German banks, are subject to governmental supervision and regulation in accordance with the Banking Act and other applicable German and EU laws and regulations. Supervision is conducted by ECB with day-to-day assistance of BaFin. In addition, the Deutsche Bundesbank in its capacity as the German central bank also holds some supervisory powers. The BaFin has comprehensive powers to instruct German banks to take actions to comply with applicable laws and regulations. In addition, German banks, including Pfandbrief Banks, are required to submit extensive confidential reports to the ECB, BaFin and the Deutsche Bundesbank, which include disclosure of the statistical and operational aspects of the banks' businesses. Within the scope of their oversight and regulatory capacities, each of the ECB, BaFin and the Deutsche Bundesbank may take immediate action whenever required.

In addition, under the Pfandbrief Act, the supervision of Pfandbrief Banks by the BaFin has been further strengthened. In particular, the rights to information of BaFin and requirements concerning the reporting and transparency of Pfandbrief Banks have increased.

Status and protection of the Pfandbriefe Holders

The Holders of outstanding Pfandbriefe of each class rank *pari passu* among themselves, and have preferential claims with respect to the assets registered in the relevant cover register. With respect to other assets of a Pfandbrief Bank, holders of Pfandbriefe rank *pari passu* with unsecured creditors of the Pfandbrief Bank.

Insolvency proceedings

In the event of the institution of insolvency proceedings over the assets of the Pfandbrief Bank, the assets registered in the relevant cover register for any Cover Pool maintained by it would not be part of the insolvency estate, and, therefore, such insolvency would not automatically result in an insolvency of any Cover Pool. Only if at the same time or thereafter the relevant Cover Pool were to become insolvent, separate insolvency proceedings would be initiated over the assets of such Cover Pool by the BaFin. In this case, Holders of Pfandbriefe would have the first claim on the respective Cover Pool. Their preferential right would also extend to interest on the Pfandbriefe accrued after the commencement of insolvency proceedings. Claims of counterparties to derivatives included in the respective Cover Pool would rank *pari passu* with these rights and claims of the Holders of the Pfandbriefe and claims of Administrators (as defined below) for remuneration and expenses would be satisfied before.

Furthermore, but only to the extent that Holders of Pfandbriefe suffer a loss, Holders would also have recourse to any assets of the Pfandbrief Bank not included in the Cover Pools. As regards those assets, Holders of the Pfandbriefe would rank equal with other unsecured and unsubordinated creditors of the Pfandbrief Bank.

One to three administrators (*Sachwalter*, each an "**Administrator**") will be appointed in the case of the insolvency of the Pfandbrief Bank to administer each Cover Pool for the sole benefit of the Holders of related Pfandbriefe. The Administrator will be appointed by the court having jurisdiction pursuant to the German Insolvency Code (*Insolvenzordnung*) 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 also of the BaFin with respect to the duties of the Pfandbrief Bank arising in connection with the administration of the assets included in the relevant Cover Pool. The Administrator will be entitled to dispose of the Cover Pool's assets and receive all payments on the relevant assets to ensure full satisfaction of the claims of the Holders of Pfandbriefe. To the extent, however, that those assets are obviously not necessary to satisfy such claims, the insolvency receiver of the Pfandbrief Bank is entitled to demand the transfer of such assets to the Pfandbrief Bank's insolvency estate.

Subject to the consent of the BaFin, the Administrator may transfer all or part of the cover assets and the liabilities arising from the Pfandbriefe issued against such assets to another Pfandbrief Bank.

On 9 December 2010, the Pfandbrief Act has been amended in order to strengthen the protection of rights of Pfandbriefe Holders by integrating a provision which clarifies that measures that may be implemented on the basis of the German Bank Restructuring Act (*Kreditinstitute-Reorganisationsgesetz*) do not apply to the Pfandbrief business of the respective credit institution, but only to the remaining part of the business of the respective credit institution, and it was further amended on 10 December 2014 to provide that, should the resolution authority, in effecting a transfer within the meaning of § 107 of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), include provisions to transfer the bank's Pfandbrief business, whether in whole or in part, this transfer shall, in deviation from § 114 par. 2 of the Recovery and Resolution Act, be carried out in accordance with §§ 30 to 36 Pfandbrief Act.

Jumbo-Pfandbriefe

Jumbo-Pfandbriefe are governed by the same laws as Pfandbriefe and therefore cannot be classified as a type of securities apart from Pfandbriefe. However, in order to improve the liquidity of the Pfandbrief market certain Pfandbrief Banks have 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 options issuers have when structuring Jumbo-Pfandbriefe. An overview of some of the Minimum Requirements is set out below:

- (a) The minimum issue size of a Jumbo-Pfandbrief is EUR 1,000,000,000. If the minimum size is not reached with the initial issue, a Pfandbrief may be increased by way of a tap issue in order to give it Jumbo-Pfandbrief status, provided all the requirements stated under (b) to (g) are fulfilled.
- (b) Only Pfandbriefe of straight bond format (i.e. fixed coupon payable annually in arrear, bullet redemption) may be offered as Jumbo-Pfandbriefe.
- (c) Jumbo-Pfandbriefe must be listed on an organised market in a Member State of the European Union or in another Contracting State of the Agreement on the European Economic Area immediately after issue, although not later than 30 calendar days after the settlement date.
- (d) Jumbo-Pfandbriefe must be placed by a syndicate consisting of at least five banks (syndicate banks).
- (e) The syndicate banks act as market makers; in addition to their own system, they pledge to quote prices upon application and bid/ask (two-way) prices at the request of investors on an electronic trading platform and in telephone trading.
- (f) The syndicate banks pledge to report daily for each Jumbo-Pfandbrief outstanding (life to maturity from 24 months upwards) the spread versus asset swap. The average spreads, which are calculated for each Jumbo-Pfandbrief by following a defined procedure, are published on the website of the Verband Deutscher Pfandbriefbanken (www.pfandbrief.de).
- (g) A subsequent transfer to the name of an investor is not permitted (restriction on transferability). It is permitted to buy back securities for redemption purposes or in the context of monitoring the cover pool if the outstanding volume of the issue does not fall below EUR 1,000,000,000 at any time. The issuer must publicly announce any buyback, the planned volume thereof and the issue envisaged for repurchase at least 3 banking days in advance, and make sure that extensive transparency is given in the market. Once a buyback transaction has been carried out, it is not permitted to increase the issue in question for a period of one year.
- (h) If one of the requirements stated in the above provisions is not met, the issue will lose its Jumbo-Pfandbrief status. Jumbo-Pfandbriefe which were issued before 28 April 2004 and have a volume of less than EUR 1,000,000,000 retain Jumbo status notwithstanding (a) above, provided that the other requirements in the above provisions are fulfilled.

The Minimum Requirements are supplemented by additional recommendations (*Empfehlungen*; -"**Recommendations**") and a code of conduct applicable to issuers of Jumbo-Pfandbriefe (*Wohlverhaltensregeln für Emittenten* - "**Code of Conduct**"). Neither the Recommendations nor the Code of Conduct are statutory provisions.

DESCRIPTION OF LBBW

Business Overview

Landesbank Baden-Württemberg ("**LBBW**" or the "**Bank**" and LBBW together with its consolidated subsidiaries "**LBBW Group**") is a public law institution with legal capacity (*rechtsfähige Anstalt des öffentlichen Rechts*) established by virtue of the Landesbank Baden-Württemberg Act (*Gesetz über die Landesbank Baden-Württemberg*) of 11 November 1998 (the "**LBBW Act**"). LBBW was formed, with effect from 1 January 1999, by the merger of Südwestdeutsche Landesbank Girozentrale ("**SüdwestLB**"), Landeskreditbank Baden-Württemberg ("**former L-Bank**") and Landesgirokasse - öffentliche Bank und Landessparkasse ("**Landesgirokasse**"). Upon merger, the assets and liabilities of former L-Bank and Landesgirokasse as at 31 December 1998 were transferred to SüdwestLB. The former state development business (*Förderanteil*) of former L-Bank was separated from the commercial banking business (*Marktanteil*) of former L-Bank with effect from 1 December 1998 and transferred as of that date to the newly created Landeskreditbank Baden-Württemberg-Förderbank, an independent public law institution with legal capacity and separate legal personality.

As of 1 August 2005, former Baden-Württembergische Bank AG was integrated into LBBW as a legally dependent institution under public law.

As of 1 April 2008, former Landesbank Sachsen AG was integrated into LBBW as a legally dependent institution under public law.

As of 1 July 2008, former LRP Landesbank Rheinland-Pfalz, a wholly-owned subsidiary, was integrated into LBBW as a legally dependent institution under public law.

LBBW is organized under the laws of the Federal Republic of Germany and the State of Baden-Württemberg and is registered in the commercial register in Stuttgart (registration number: HRA 12704), Mannheim (registration number: HRA 004356 and HRA 104440), and Mainz (registration number: HRA 40687).

LBBW is a universal and commercial bank and together with its regional retail banks BW-Bank, Rheinland-Pfalz Bank and Sachsen Bank, it offers its services in about 200 branches and offices throughout Germany.

LBBW also supports its domestic customers and customers of the affiliated savings banks abroad and offers them an on-site service at selected locations. Under the LBBW Act, LBBW acts as:

- a universal bank and an international commercial bank;
- a central bank to the savings banks in the State of Baden-Württemberg, Saxony and Rhineland-Palatinate; and
- a savings bank in Stuttgart, the state capital of Baden-Württemberg.

LBBW enjoys full freedom of business and freedom of establishment rights and is authorised to provide the full range of banking and financial services, as well as all other appropriate business activities deemed in the interest of the Landesbank without being subject to any regional restrictions.

LBBW's head offices are located at: Am Hauptbahnhof 2, 70173 Stuttgart, Germany; Ludwig-Erhard-Allee 4, 76131 Karlsruhe, Germany; Augustaanlage 33, 68165 Mannheim, Germany and Große Bleiche 54-56, 55098 Mainz, Germany.

Shareholding in LBBW

LBBW is owned by the Savings Bank Association of Baden-Württemberg (*Sparkassenverband Baden-Württemberg*; the "Association"), the State of Baden-Württemberg (Baden-Württemberg), the City of Stuttgart ("**Stuttgart**"), Landesbeteiligungen Baden-Württemberg GmbH (Landesbeteiligungen BW), and the Landeskreditbank Baden-Württemberg - Förderbank ("**L-Bank**").

With effect from 1 January 2013 the General Meeting held on 7 December 2012 has decided the conversion of silent partners' contributions totalling 2,230,556,358.79 EUR. The amount of 900,412,867.65 EUR thereof was added to the share capital. Thus the share capital amounts to 3,483,912,867.65 EUR since 1 January 2013.

<u>Shareholder</u>	stake in nominal capital (in millions EUR)	Percentage of Outstanding shares of LBBW hold
Association	1,412.2	40.534118
Baden-Württemberg	870.6	24.988379
Stuttgart	659.6	18.931764
Landesbeteiligungen BW ¹⁸	471.7	13.539374
L-Bank	69.9	2.006365

Board of Managing Directors

The "**Board of Managing Directors**" (*Vorstand*) manages the business of LBBW and represents LBBW. As of 1 March 2015 it consists of seven members who are appointed by the Supervisory Board (Chairman's Committee). The Supervisory Board (Chairman's Committee) appoints a Chairman and may appoint one or several Vice Chairmen of the Board of Managing Directors. The Chairman serves as the chief executive officer of LBBW.

As of the date of this Base Prospectus the members of the Board of Managing Directors are:

Hans-Jörg Vetter (Chairman)

Michael Horn (Vice Chairman)

Karl Manfred Lochner

Ingo Mandt

Dr. Martin Setzer

Volker Wirth

Alexander Freiherr von UsLAR-Gleichen

The business address of each of the above is Am Hauptbahnhof 2, 70173 Stuttgart, Germany.

The members of the Board of Managing Directors also hold positions in the administrative, managerial or supervisory bodies of the following companies:

Vetter, Hans-Jörg	BWK GmbH Unternehmensbeteiligungsgesellschaft
	Deutscher Sparkassen-und Giroverband e.V.
	HERRENKNECHT AKTIENGESSELLSCHAFT
	HSBC Trinkaus & Burkhardt AG
	LBBW Asset Management Investmentgesellschaft mbH

¹⁸ Landesbeteiligungen Baden-Württemberg (BW) GmbH is owned 87.86% by Baden-Württemberg and 12.14% by L-Bank.

	LBBW Immobilien Management GmbH
	LHI Leasing GmbH
	Süd Beteiligungen GmbH
	Vereinigung der Baden-Württembergischen Wertpapierbörse e.V.
Horn, Michael	B+S Card Service GmbH
	Grieshaber Logistik GmbH
	Siedlungswerk GmbH Wohnungs- und Städtebau
	Vorarlberger Landes- und Hypothekenbank AG
Dr. Martin Setzer	cellent AG
	Cellent Finance Solutions GmbH
	Deutscher Sparkassen Verlag GmbH
Lochner, Karl Manfred	LHI Leasing GmbH
	MKB Mittelrheinische Bank Gesellschaft mit beschränkter Haftung
	MMV Leasing Gesellschaft mit beschränkter Haftung
	Süd Beteiligungen GmbH
	SüdFactoring GmbH
	SüdLeasing GmbH
Mandt, Ingo	Baden-Württembergische Wertpapierbörse
	Boerse Stuttgart AG
	börse-stuttgart Holding GmbH
	BWK GmbH Unternehmensbeteiligungsgesellschaft
	Euwax AG
	LBBW Asset Management Investmentgesellschaft mbH
	LHI Leasing GmbH
Wirth, Volker	LBBW Immobilien Management GmbH
	MKB Mittelrheinische Bank Gesellschaft mit beschränkter Haftung
	MMV Leasing Gesellschaft mit beschränkter Haftung
	S Rating und Risikosysteme GmbH
	Süd Beteiligungen GmbH
	SüdFactoring GmbH
	SüdLeasing GmbH

General Meeting

The powers of the General Meeting have – in accordance with the decision of the European Commission – been restricted to the specific responsibilities of a General Meeting pursuant to the stock corporation act (*Aktiengesetz*)

The powers in particular are as follows: information rights, the right of passing resolutions regarding the allocation of profits, of discharging the members of the Supervisory Board and Board of Managing Directors from responsibility and of passing resolutions regarding the Bank's articles of association and its amendments.

Supervisory Board

Whereas the Supervisory Board in its previous form comprised 30 members and their deputies, the restructured Supervisory Board now consists of 21 members. Half of the 14 seats allocated to shareholders have been filled with members drawn from outside the owners. The remaining seven members of the Supervisory Board are selected as representatives of the employees and confirmed by vote at the general meeting. Those employee representatives in the previous Supervisory Board who obtained the first seven places in the last election on 19 October 2009, are representing the employees in the first period of office of the restructured Supervisory Board.

In a change from previous practice, the functions of oversight and supervision of the Board of Managing Directors are now bundled exclusively in the Supervisory Board. This includes the appointment and dismissal of the members of the Board of Managing Directors as well as that of the Chairman and Deputy Chairmen of the Board.

With the constituent assembly of the restructured Supervisory Board on 8 November 2010, the Owners' Meeting was replaced with the General Meeting and the new restructured Supervisory Board and its committees replaced their predecessors. Despite the changes to the organizational structure, LBBW remains a public law institution.

As of 1 March 2015 the Members of the Supervisory Board are:	Principal activity performed outside the Issuer
Chairman Hans Wagener	German Public Auditor - Tax Adviser
Deputy Chairman Dr. Nils Schmid	Deputy Prime Minister-President, Minister for Finance and Economic Affairs of the State of Baden-Württemberg
Hans Bauer*	Employee of Landesbank Baden-Württemberg
Carsten Claus	Chairman of the Board of Managing Directors of Kreissparkasse Böblingen
Harald Coblenz*	Employee of Landesbank Baden-Württemberg
Wolfgang Dietz	Lord Mayor of the Town of Weil am Rhein
Walter Fröschle*	Employee of Landesbank Baden-Württemberg
Helmut Himmelsbach	Lord Major (retired)
Jens Jungbauer*	Employee of Landesbank Baden-Württemberg

Bettina Kies-Hartmann*	Employee of Landesbank Baden-Württemberg
Fritz Kuhn	Lord Mayor of the State Capital Stuttgart
Klaus-Peter Murawski	State Secretary of the State Ministry of Baden-Württemberg
Günther Nollert*	Employee of Landesbank Baden-Württemberg
Dr. Fritz Oesterle	Attorney at Law, law firm Oesterle
Martin Peters	Managing Partner of the Eberspächer Group
Norbert H. Quack	Attorney at Law, Notary, law firm Quack Gutterer & Partner
Claus Schmiedel	Chairman of the SPD Parliamentary Group in the State Parliament of Baden-Württemberg
Peter Schneider	President of the Savings Bank Association of Baden-Württemberg
Dr. Ing. Hans-Jochem Steim	Chairman of the Supervisory Board of Hugo Kern und Liebers GmbH & Co. KG
Dr. Jutta Stuible-Treder	Managing Partner of EversheimStuible Treuberater GmbH, Stuttgart
Norbert Zipf*	Employee of Landesbank Baden-Württemberg

* Elected by LBBW employees

The business address of each of the above is Am Hauptbahnhof 2, 70173 Stuttgart, Germany.

The Supervisory Board created from its members a Executive Committee (*Präsidialausschuss*); a Audit Committee (*Prüfungsausschuss*), a Risk Committee of the Supervisory Board (*Risikoausschuss*) and a Compensation Control Committee (*Vergütungskontrollausschuss*).

Executive Committee

The Executive Committee consists of five members and prepares the personnel decisions of the Supervisory Board. It decides upon the employment and termination of employment of members of the Board of Managing Directors, whereas the Supervisory Board is responsible for determining the remuneration of members of the Board of Managing Directors. The Executive Committee represents Landesbank towards the Board of Managing Directors. It supports Landesbank in its restructuring efforts.

Audit Committee

The Audit Committee consists of eight members. In addition to supervising the audit of the annual financial statements and of the consolidated financial statements, the Audit Committee supervises the accounting process and the effectiveness of the internal control system, of the internal auditing system and of the risk management system. It supervises and checks the independence of the auditors, and notably any services provided in addition to the audit by the auditors for Landesbank. It reports the result of the audit of the annual financial statements to the Supervisory Board.

Risk Committee of the Supervisory Board

The Risk Committee of the Supervisory Board consists of eight members and supervises the management of business by the Board of Managing Directors, including the business areas of the

dependent institutions. The Risk Committee of the Supervisory Board is responsible for approving the lending operations in accordance with the rules of procedure of the Risk Committee of the Supervisory Board adopted by the Supervisory Board. It must also be informed of any loans that display the features specified by the Supervisory Board in the rules of procedure.

Compensation Control Committee

In addition to the existing Executive, Risk and Audit Committees, with the latter assuming the statutory duties of the Nomination Committee from 1 January 2014, the Supervisory Board established the Compensation Control Committee also required under the amended German Banking Act at its meeting on 16 December 2013. The Compensation Control Committee consists of five members.

Advisory Board

An Advisory Board (*Beirat*) consisting of currently 108 members advises the Board of Managing Directors on general matters relating to LBBW/BW-Bank and fosters the exchange of experience among LBBW, private business and public administration. Members of the Advisory Board are appointed by the Board of Managing Directors in consultation with the Supervisory Board.

Statutory Auditors

The annual financial statements of LBBW and the consolidated financial statements of LBBW in respect of the fiscal years ended 31 December 2007, 2008 and 2009, respectively, have been audited by PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Friedrichstrasse 14, 70174 Stuttgart, and in each case unqualified auditor's reports (*Bestätigungsvermerke*) have been issued thereon. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

The annual financial statements of LBBW and the consolidated financial statements of LBBW in respect of the fiscal years ended 31 December 2010, 2011, 2012, 2013 and 2014 have been audited by KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG), Theodor-Heuss-Straße 5, 70174 Stuttgart, and in each case unqualified auditor's reports (*Bestätigungsvermerke*) have been issued thereon. KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG) is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

List of consolidated Subsidiaries

A list of the subsidiaries included in the consolidated financial statements 2014 of the Issuer can be found on pages 240 through 248 of the Annual Report 2014 of the Issuer. Such parts of the Annual Report 2014 of the Issuer are incorporated by reference into this Base Prospectus as set out under "*Documents Incorporated by Reference*" above.

BUSINESS OF LBBW

Structure and business activities of LBBW Group

LBBW Group for the most part comprises the single entity Landesbank Baden-Württemberg, which is referred to below as LBBW.

LBBW is a universal bank that combines the range of services of a large bank with the regional proximity of its retail banks. LBBW is represented in its core regions of Baden-Württemberg, Rhineland-Palatinate and Saxony, and the neighboring economic areas under their respective brands:

- Baden-Württembergische Bank (BW-Bank) operates private and corporate customer business in the core market of Baden-Württemberg and in Bavaria as well. BW-Bank assumes the role of a municipal savings bank within the state capital, Stuttgart.
- LBBW bundles its medium-sized corporate customer and private customer business in Saxony and neighboring regions under the umbrella of LBBW Sachsen Bank.
- LBBW Rheinland-Pfalz Bank focuses on business with Medium Sized Enterprises in Rhineland-Palatinate and neighboring regions.

In order to emphasize that the two dependent institutions in Rhineland-Palatinate and Saxony are part of LBBW, their brand logo and language usage were changed as of 1 January 2015 and are now preceded by the word LBBW.

LBBW offers the entire range of products and services of a modern universal bank via its network of around 200 branches and locations across Germany. The business with large corporates operating across Germany and internationally, capital markets business, real estate financing and the Bank's function as the central bank for savings banks in Baden-Württemberg, Rhineland-Palatinate and Saxony are located within LBBW itself. Essential staff and service functions are also concentrated within LBBW.

LBBW also supports the corporate customers of LBBW and of the savings banks with their international activities. Branches and representative offices worldwide offer support with country expertise, market know-how and financial solutions. To complement this, LBBW has German centres in Beijing, Singapore, Mexico City, Delhi, Gurgaon and Moscow that advise German corporate customers on market entry and make local offices and networks available to them.

The range of services and products offered by LBBW within the Group is enhanced by subsidiaries specializing in specific business areas, such as leasing, factoring, asset management, real estate and equity finance.

Business model of the LBBW Group

LBBW's business model rests on five pillars with a clear focus on customer business

Strategically, LBBW focuses consequently on its customer business. The relevant core markets are in particular the regions of Baden-Württemberg, Rhineland-Palatinate and Saxony as well as the respective neighboring regions. Above all, LBBW is the partner for corporate and private customers in those regions as well as for the savings banks. This is accompanied by efficient real estate financing and capital market products, which are also targeted at institutional customers.

Corporate customers

Corporate customer business focuses on medium-sized companies in the regional core markets as well as the respective neighboring regions. Of these neighboring regions, North Rhine-Westphalia and Bavaria are especially important; the greater Hamburg area will also play a role in the future. Thereby, LBBW sees itself principally as a primary bank for Medium Sized Enterprises, offering long-term, sustained support to its customers on matters concerning financial services and all the related strategic issues.

Medium-sized corporate customers in Baden-Württemberg and in Bavaria are addressed by BW-Bank. In Rhineland-Palatinate, North Rhine Westphalia, Hesse and in future Hamburg, this function is assumed by LBBW Rheinland-Pfalz Bank and in central Germany by LBBW Sachsen Bank.

LBBW also takes care of selected large corporates in Germany, Austria and Switzerland. Furthermore, LBBW supports its customers in international business in important and emerging economic regions worldwide. The corporate customer business encompasses business with municipalities as well, but is mainly concentrated on the region of Baden-Württemberg

Various subsidiaries such as SüdLeasing, MKB Mittelrheinische Bank/MMV Leasing, SüdFactoring and Süd Beteiligungen provide specialist products and services.

Private customers

Private customer business is particularly targeted at the wealthy customer groups in the regional markets of Baden-Württemberg, Saxony and Rhineland-Palatinate as well as in the neighboring economic areas. In addition, wealth management services are offered to high net-worth customers.

Furthermore, BW-Bank assumes the role of a municipal savings bank for the city of Stuttgart. The Bank offers its full range of services to all groups of customers, thereby providing citizens with the full array of banking services.

Products, services and bespoke advice are at the core of the business philosophy to create long-term customer relationships. The products on offer range from classic checking accounts and credit card business through financing solutions to complex securities and pension-savings products.

Savings banks

In this business area, LBBW acts primarily as a central bank to the savings banks in the core markets of Baden-Württemberg, Saxony and Rhineland-Palatinate, providing them with a broad range of products and services, and forming a service partnership with them.

Overall, this business area comprises three main types of cooperation:

- The savings banks' proprietary business, which entails services in all hedging and investment product categories.
- In market partner business, LBBW products are offered for resale to the savings banks' own retail and corporate customers, in addition to joint loan extension.
- Service business encompasses research, securities clearing and management, international payment transactions, documentary payments etc.

Real estate financing

The real estate financing business is geared toward private and institutional investors, real estate companies, project developers, open and closed-end funds, privatization agencies, real estate investment trusts (REITs) and housing companies.

New business in commercial real estate financing concentrates on the defined core markets of Germany, the United States and the United Kingdom particularly in the residential, office, retail and logistics real estate segments.

In addition, this year the Bank began offering financing for special assets governed by statutory regulations in Germany (German open-ended funds and special funds) in all regional markets and for all types of use.

The subsidiary LBBW Immobilien Management GmbH additionally provides real estate development, real estate asset management and real estate services with a focus on the core markets of Baden-Württemberg and Rhineland-Palatinate, the Rhine Main region, Munich and Berlin. In addition, it performs real estate services within the Group.

Financial markets

The financial markets segment primarily supports companies, savings banks, banks, private customers and institutional customers. Institutional investors include, for example, pension funds, insurance companies, asset managers, local authorities, foundations and churches.

Its activities concentrate on German-speaking regions. LBBW supports its international customers chiefly on the money and foreign currency markets and in issuing business.

Financial markets business also includes trading activities in the capital market environment. LBBW particularly offers its customers solutions for managing interest-rate, currency and commodity risks as well as for raising and investing short-term and long-term cash in the capital markets.

LBBW additionally offers support in optimizing balance sheet structures and asset/liability management as well as the savings banks' proprietary business, i.e. interest rate and credit products.

The subsidiary LBBW Asset Management Investmentgesellschaft mbH complements the product range of LBBW in its capital markets business. It primarily focuses on consulting and the management of security trust assets for institutional and private investors.

Credit investment

The credit investment business pools the credit substitute business of LBBW, former Sachsen LB and former Landesbank Rheinland-Pfalz. This particularly includes bonds, structured securitizations and credit derivatives. The securitization portfolio guaranteed by the owners - the State of Baden-Württemberg, Sparkassenverband Baden-Württemberg (Savings Bank Association of Baden-Württemberg) and the state capital Stuttgart - was sold in full in August 2014.

Important developments affecting LBBW

Economic background

Germany's gross domestic product (GDP) growth in 2014 accelerated from 0.2% to 1.6%. Similar to 2013, the main factor was private consumption, which contributed 0.7 percentage points. Public consumption contributed 0.2 percentage points. Net trade, contributed 0.4 percentage points. A

negative factor was inventory, which reduced the GDP growth by 0.4 percentage points. All figures are according to the report of the Statistical Office from 24 February 2015 which might be subject to revisions.

Employment remained stable. The number of persons engaged in economic activity declined in December 2014 by 1.0% compared to December 2013, total employment stands at 42.9 million. The unemployment rate (seasonally adjusted) fell to 6.5% in February 2015 (latest available figure) compared to 6.8% in February 2014. Inflation was with an annual average of 0.9% markedly lower than 1.5% in 2013, which was mainly due to energy prices.

In 2015, LBBW expects a real GDP growth of 1.6% (calendar adjusted), the calendar effect amounts to 0.2 percentage points according to the Federal Statistical Office. Accordingly, the corresponding unadjusted figure should be 1.8%. The largest contribution should once again come from private consumption and investment. The average inflation rate should be 0.6% after 0.9% in 2014.

Germany's net trade rate should profit from the stabilization of the Euro area for which the LBBW expect a GDP growth rate of 1.2% after 0.9% and from the acceleration in the US, which should see a GDP grow of 3.3% after 2.5% in 2014. In addition, private consumption in Germany should benefit from low oil prices and high employment. The main downside risk in 2015 for the LBBW scenario comes from geopolitical tension in the Eastern Ukraine and from the ongoing Greece debt crisis.

In the State of Baden-Wuerttemberg GDP grew in 2014 by 1.7% according to LBBW's calculations based on figures of the regional Statistical Office. Thus, Baden-Wuerttemberg's GDP growth was very similar to the growth rate of Germany. In 2015 LBBW expects a growth rate for Baden-Wuerttemberg of 1.8% (calendar adjusted). Baden-Wuerttemberg has a larger share of export orientated industries than Germany on average, which explains the slightly higher growth rate compared to the total German figure.

Funding Challenges

LBBW issued senior unsecured bonds, mortgage-backed and public-sector Pfandbriefe (covered bonds) and subordinated bonds. The targeted investors for issues placed directly were primarily savings banks, private customers, insurance companies and pension and investment funds. In 2014, LBBW was able to accomplish its funding plan without restrictions.

LBBW's cost of funds could increase in the future and it may need to seek funds from a greater variety of sources than has been the case historically. In the highly competitive market in which LBBW competes, this could have a significant impact on earnings. In addition, LBBW is subject to ratings requirements under various derivatives transactions, structured finance transactions and deposit and liquidity facilities. Rating changes could limit LBBW's ability to conduct these or other lines of business, which could adversely impact LBBW's financial condition or results of operations and could impede LBBW's efforts to meet certain targets.

FINANCIAL INFORMATION OF LBBW

Overview of Financial Information of LBBW Group

The following tables have been extracted from LBBW Group's consolidated audited financial statements for the fiscal year 2014 (pursuant to International Financial Reporting Standards as adopted by the European Union (EU)) ("IFRS").

Consolidated audited balance sheet of LBBW Group

The following table provides an overview of the audited consolidated balance sheet of LBBW Group as of 31 December 2014 and 2013:

Assets	31 Dec 2014 EUR million	31 Dec 2013 ¹⁾ EUR million	Change 2014/2013	
			EUR million	in %
Cash and cash equivalents	1,936	2,156	-220	-10.2
Loans and advances to banks	38,424	47,625	-9,201	-19.3
Loans and advances to customers	113,195	111,453	1,742	1.6
Allowances for losses on loans and advances	-1,594	-2,201	607	-27.6
Financial assets measured at fair value through profit or loss	79,884	70,105	9,779	13.9
Financial investments and shares in investments accounted for using the equity method	29,352	40,957	-11,605	-28.3
Portfolio hedge adjustment attributable to assets	750	355	395	>100
Non-current assets held for sale and disposal groups	93	727	-634	-87.2
Intangible assets	489	494	-5	-1.0
Investment property	705	481	224	46.6
Property and equipment	644	646	-2	-0.3
Current income tax assets	219	179	40	22.3
Deferred income tax assets	1,095	1,059	36	3.4
Other assets	1,038	610	428	70.2
Total assets	266,230	274,646	-8,416	-3.1

Rounding differences may occur in this and subsequent tables for computational reasons.

1) Adjustment of prior year values.

Equity and liabilities	31 Dec 2014 EUR million	31 Dec 2013 ¹⁾ EUR million	Change 2014/2013	
			EUR million	in %
Deposits from banks	52,314	58,045	-5,731	-9.9
Deposits from customers	69,874	82,053	-12,179	-14.8
Securitized liabilities	44,231	50,693	-6,462	-12.7
Financial liabilities measured at fair value through profit or loss	75,246	57,651	17,595	30.5
Portfolio hedge adjustment attributable to liabilities	751	685	66	9.6
Provisions	3,455	3,133	322	10.3
Liabilities from disposal groups	0	915	-915	-100.0
Current income tax liabilities	69	58	11	19.0
Deferred income tax liabilities	66	169	-103	-60.9
Other liabilities	787	742	45	6.1
Subordinated capital	6,229	7,103	-874	-12.3
Equity	13,208	13,399	-191	-1.4
Share capital	3,484	3,484	0	0.0
Capital reserve	8,240	8,240	0	0.0
Retained earnings	920	1,214	-294	-24.2
Other income	111	104	7	6.7
Unappropriated profit/loss	434	339	95	28.0
Equity attributable to non-controlling interests	19	18	1	5.6
Total equity and liabilities	266,230	274,646	-8,416	-3.1
Guarantee and surety obligations	5,574	5,933	-359	-6.1
Irrevocable loan commitments	23,432	19,071	4,361	22.9
Business volume	295,236	299,650	-4,414	-1.5

Rounding differences may occur in this and subsequent tables for computational reasons.

1) Adjustment of prior year values.

Consolidated audited income statement of LBBW Group

The following table provides an overview of the audited consolidated income statement of LBBW Group for the fiscal years ended 31 December 2014 and 2013:

	As of 31.12.2014 EUR million	As of 31.12.2013 ³⁾ EUR million	Changes 2014/2013	
			EUR million	in %
Net interest income	1,878	1,773	105	5.9
Allowances for losses on loans and advances	-104	-314	210	-66.9
Net fee and commission income	518	545	-27	-5.0
Net gains/losses from financial instruments measured at fair value through profit or loss ¹⁾	-120	369	-489	-
Net gains/losses from financial investments and net income/expenses from investments accounted for using the equity method	263	16	247	>100
Other operating income/expenses ²⁾	101	113	-12	-10.6
Total operating income/expenses (after allowances for losses on loans and advances)	2,536	2,502	34	1.4
Administrative expenses	-1,853	-1,774	-79	4.5
Operating result	683	728	-45	-6.2
Guarantee commission for the State of Baden-Württemberg	-191	-300	109	-36.3
Impairment of goodwill	-16	-3	-13	>100
Net income/expenses from restructuring	1	48	-47	-97.9
Net consolidated profit/loss before tax	477	473	4	0.8
Income tax	-43	-134	91	-67.9
Net consolidated profit/loss	434	339	95	28.0

Rounding differences may occur in this and subsequent tables for computational reasons.

1) In addition to net trading gains/losses in the narrow sense, this item also includes net gains/losses from financial instruments measured at fair value and net gains/losses from hedge accounting.

2) Net income/expenses from investment property is shown as part of other operating income/expenses.

3) Adjustment of prior year values.

Changes in accordance with IAS 8

The following changes in estimates were applied on a prospective basis in accordance with IAS 8.39 in the financial year:

- Changes were made to the estimates for the parameters that are used for the CVA calculation of public-sector counterparties. This change resulted in a reduction of EUR 12 million in net gains/losses from financial instruments measured at fair value.
- In order to determine the fair value hierarchy of debentures, the allocation rules were partially adjusted to reflect clarifications by the IFRIC in relation to the interpretation of IFRS 13 and current market practice. This led to a migration of the fair value volume from Level I to Level II totaling EUR 8.8 billion and of EUR 0.3 billion from Level II to Level I.

In the financial year the following facts were corrected retrospectively in accordance with IAS 8.42:

- Up to 2013, a property that was mainly owner-occupied from the Group's perspective was reported under the item »Investment property« in the consolidated financial statements of LBBW and measured at fair value. Due to the immaterial valuation effects in the 2013 financial year, the retrospective correction of the cumulative effect on earnings from previous years is reported in equity as at 1 January 2013, leading to a reduction of EUR 3.7 million and to a EUR 0.7 million increase in deferred tax assets. The reclassification in fixed assets is measured at amortized cost and increased the balance sheet item by EUR 20.5 million.
- Due to the improper measurement of forward-forward swaps in the second half of the 2013 financial year, the volume of assets held for trading reported as at 31 December 2013 was too high. The trading assets were reduced by EUR 4.1 million and the deferred tax assets increased by EUR 0.5 million in the retrospective amendment. Net gains/losses from financial instruments measured at fair value was reduced by EUR -4.1 million as at 31 December 2013 and deferred tax expense was improved by EUR +0.5 million.

- In the case of contractual changes (modifications), structured promissory notes were subject to an improper measurement of premium amortizations and measurement results of embedded options in previous periods. The effects until 2012 have been amended retrospectively against equity as at 1 January 2013, reducing it by EUR -2.4 million. The deferred income tax assets were thus increased by EUR 1.0 million, deposits from customers by EUR 4.5 million and deposits from banks by EUR 14.8 million. The trading liabilities were reduced by EUR -2.6 million and other liabilities by EUR -13.3 million. There were no material changes in the 2013 financial year. Accordingly, no corrections were necessary for the 2013 financial year.
- In previous years, the OTC interest rate derivatives were valued for certain counterparties using a yield curve that applies only for derivatives with collateral agreements, even though such agreements were not available for these specific counterparties. The effect of the retrospective amendment reduced the equity by EUR -8.2 million and the trading assets by EUR -11.7 million as at 1 January 2013. The deferred income tax assets increased by EUR 3.5 million. Owing to the immaterial amount applicable to the 2013 financial year, the retrospective improvement of EUR 2.0 million is recognized in equity. Other amendment items are the trading assets, which increase by EUR 3 million and deferred income tax assets, which were reduced by EUR 1.0 million.

Due to technical improvements, some data in the Notes could be determined more precisely for the first time in the financial year. For the purpose of improved clarity, the relevant prior year values were adjusted accordingly. The said changes impact only on the disclosures in the Notes and have no effect on the balance sheet and the income statement.

REVIEW OF DEVELOPMENTS IN 2014

The following discussion and analysis is based on the audited consolidated financial statements of LBBW Group as of and for the fiscal year ended 31 December 2014 (including the adjusted figures for 2013) and should be read in conjunction with such financial statements and the notes thereto.

In compliance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and the additional requirements of the German commercial law pursuant to Section 315a of the German Commercial Code. The standards and interpretations of IFRS include the International Financial Reporting Standards and the International Accounting Standards ("IAS") published by the International Accounting Standards Board ("IASB"), and their interpretations by the Standing Interpretations Committee ("SIC") and its successor, the International Financial Reporting Interpretations Committee ("IFRIC").

The separate financial statements of LBBW were drawn up in compliance with the provisions of the "Handelsgesetzbuch" (HGB, the German Commercial Code), in particular the "Supplemental Regulations for Banks" (§§ 340 ff. HGB) and "Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute" (RechKredV, the German Accounting Regulation for Banks and Financial Service Institutions).

For details of the principles governing the preparation of both, the separate financial statements and consolidated financial statements for the fiscal years ended 31 December 2014 and 2013, refer to the Notes to the respective financial statements as of 31 December 2014 and 31 December 2013 respectively.

Material Factors in 2014 and Strategic profile

Conditions in the banking sector remain challenging. In particular, the low interest rates, intense competition in the German banking market and the good liquidity situation of companies in general, which continued to be reflected in muted demand for loans in the first half of 2014 in particular, are resulting in challenging conditions. The global trend of digitalization, which is increasingly permeating all areas of life, is forcing banks to modify their products and processes accordingly. At the same time, the trend toward substantially more stringent prudential and regulatory requirements continues. The increasingly far-reaching regulation goes hand in hand with considerable challenges and burdens for the sector.

Given these underlying conditions LBBW Group was satisfied with the net consolidated profit before tax of EUR 477 million that was generated in the 2014 financial year. This result slightly exceeds the pre-year figure and is fully in line with the expectations. After taxes, consolidated net profit came to EUR 434 million (previous year: EUR 339 million). At the level of LBBW, a net profit before taxes and hybrid capital service of EUR 424 million in 2014 was generated.

The net consolidated profit continues the series of net profits for the Company recorded since 2011. It shows that thanks to the systematic customer-oriented focus and reduction in risk weighted assets LBBW Group has been able to reposition itself to ensure its sustained stability and viability.

The business model at LBBW Group is based on the five pillars of corporate customers, private customers, the savings bank business, real estate financing and financial markets; these are geared toward the major customer groups. LBBW's strategy consistently focuses on customer business. The core markets are, in particular, Baden-Württemberg, Rhineland-Palatinate, Saxony and the neighboring areas. Above all, LBBW is the partner for corporate and private customers in those regions as well as for the savings banks. This is accompanied by efficient real estate financing and capital market products, which are also targeted at institutional customers. In LBBW Group's segment reporting, the two pillars of corporate customers and real estate financing are assigned to the Corporates segment, while private customer and savings bank business forms part of the

Retail/Savings Banks segment. The Financial Markets segment is identical to the pillar described here.

In view of the difficult setting in the banking industry LBBW is not dissatisfied with the net profit before tax of EUR 1,067 million generated in its three operating segments, particularly since LBBW successfully further developed its customer business in many areas in 2014.

Beyond LBBW's customer business, LBBW continued to reduce the credit substitute business left over from the time before the Bank's realignment in 2014. In particular, the remainder of LBBW's securitization portfolio secured by a guarantee of the Company's owners was sold off. For LBBW, this marked a further major step toward focusing its resources in full on its core business going forward. Moreover, as planned LBBW repaid silent partners' contributions of EUR 1 billion to LBBW's owners in the first half of 2014. This was done with the approval of the banking supervisory authority and had no effect on the value of the common equity Tier 1 ratio in accordance with CRR/CRD IV after full implementation, which comes to 13.6 % within the Group as at 31 December 2014.

A particular challenge in 2014 was the transition of the supervisory function to the European Central Bank in early November. The comprehensive assessment that preceded this transition tied up considerable capacity and resources within the Bank. However, the result has confirmed that LBBW's capitalization is solid and its stress resistance high. Even in the adverse scenario of the stress test, which assumed a pronounced economic slump and marked disruption on the financial markets, the common equity Tier 1 ratio of the Company was well above the minimum demanded by the supervisory authority.

LBBW expects the underlying conditions in the German banking market in 2015 to remain challenging. In this setting LBBW Group expects the net consolidated profit before taxes to record a further modest year-on-year increase unless unforeseen market turbulence or an unexpectedly pronounced economic slump occurs.

Business volume

Consolidated total assets continue to decline.

Total assets fell again slightly at the end of the financial year by EUR -8.4 billion or -3.1 % to EUR 266.2 billion.

Major factors here were significantly lower levels of loans and advances to banks as well as financial investments, the latter as a result of the continued reduction of risk in the non-core banking business during this period. The level of financial assets measured at fair value through profit or loss showed the opposite performance against the backdrop of the strong movement of interest rates. Following the subdued business on the assets side, both liabilities to banks and customers and securitized liabilities decreased. The level of trading liabilities, in contrast, rose heavily over the course of the year under review.

The volume of business was reduced by EUR -4.4 billion or -1.5 % to EUR 295.2 billion. In addition to the decline in total assets, another contributing factor was the reduction of guarantee and surety obligations by EUR -0.4 billion. Irrevocable loan commitments showed the opposite trend with a EUR 4.4 billion increase.

Lending

Loans and advances to banks decreased by EUR -9.2 billion on the previous year, thus ending at a figure of EUR 38.4 billion. Public sector loans were reduced by EUR -4.4 billion. In addition, a EUR -3.2 billion drop in the volume of securities repurchase transactions with banks and a decline in current account claims by EUR -0.5 billion were reported.

Given the increase in loans and advances to customers by EUR 1.7 billion, a volume of EUR 113.2 billion was reached as at 31 December 2014. The performance was largely a result of the EUR 5.3

billion increase in securities repurchase transactions due to tri-party repo transactions with multinational financial service providers (including also central counterparties such as FICC and LCH). The opposite was seen for the figures resulting from maturities of overnight and term money with declines of EUR -0.5 billion as well as from mortgage loans at EUR -0.7 billion and for other loans totaling EUR -2.4 billion.

The rise in financial assets measured at fair value through profit or loss by EUR 9.8 billion to EUR 79.9 billion was primarily a result of the expanded trading assets. The decline in interest rates seen since the start of the period under review was reflected in the measurement of derivatives held for trading; in total, the fair values rose by EUR 8.6 billion in the past year. In addition, the rise in money market transactions led to an increase in the portfolio of EUR 0.9 billion and that of bonds increased the trading portfolio by EUR 0.7 billion. The decline in bonds and debentures totaling EUR -0.6 billion was almost equally matched by a rise in short-term money market instruments, also referred to as commercial papers and certificates of deposit.

The level of financial investments and shares in investments accounted for using the equity method fell by EUR -11.6 billion to EUR 29.4 billion as a result of the continued scaling back of risk. Given the sale of the guarantee portfolio and maturities exceeding the new business, the portfolio of bonds and debentures declined by EUR -17.8 billion. This was due to, among other things, the maturing of a GPBW GmbH & Co. KG bond (guarantee company of the State of Baden-Württemberg) in the amount of EUR -12.7 billion, which was acquired in connection with the guarantee structure of the risk shield. A newly issued bond in the amount of EUR 5.5 billion was acquired from GPBW GmbH & Co. KG in order to act as a risk shield for the loan issued to the special-purpose entity Sealink.

The portfolio of investments accounted for using the equity method remained at the previous year's level due to offsetting effects from disposals and additions resulting from the change in the scope of consolidation. The change in long-term assets held for sale by EUR -0.6 billion was largely a result of the completed sale of a subsidiary. The opposing item on the liabilities side was reduced by EUR -0.9 billion.

Funding

The portfolio of deposits from banks decreased by EUR -5.7 billion to EUR 52.3 billion compared to the level as at 31 December 2013. Declining volumes from securities repurchase transactions in the amount of EUR -2.4 billion were a key factor contributing to this. The fact that maturities exceeded the new business volume caused declines in the level of debentures at EUR -1.9 billion and the volume of registered covered bonds at EUR -0.5 billion.

Deposits from customers at EUR 69.9 billion were EUR - 12.2 billion below the previous year's figure. This was primarily owed to a reduction of overnight and term money amounting to EUR -9.2 billion. A major portion of the decline came from the EUR -7.2 billion reduction of cash collateral put up by GPBW GmbH & Co. KG (guarantee company of the State of Baden-Württemberg). This is because a portion of the guarantee volume is no longer required given the complete sale of the guarantee portfolio. So there are still term deposits of EUR 5.5 billion to secure the loan issued to the special-purpose entity Sealink. The EUR -2.0 billion decrease in borrower's note loans as well as maturing and partially repaid registered covered bonds reduced the size of the portfolio by EUR -1.2 billion. The level of customer-oriented securities repurchase transactions had declined by year-end, namely by EUR -1.0 billion.

Given the subdued demand for loans, only a small degree of maturing issues were replaced. As a result, the level of **securitized liabilities** has also been reduced by EUR -6.5 billion to EUR 44.2 billion due to extraordinary and partial repayments over the year. The decline was largely owed to maturing or partially repaid covered bonds at EUR -3.1 billion and debentures at EUR -3.5 billion.

Similar to the assets side, liabilities measured at fair value through profit or loss rose by EUR 17.6 billion to EUR 75.2 billion. A major portion of the rise in trading was traced back to the lower interest level since the start of the period under review, which led to a rise in the fair value of derivatives held

for trading by roughly EUR 10.4 billion. In addition, the portfolio of money market transactions recognized as other trading liabilities increased at year-end by approximately EUR 7.8 billion to EUR 36.3 billion.

A drop in subordinated capital by EUR -0.9 billion to EUR 6.2 billion was reported in the year under review. This largely came about through the repayment of silent partnership contributions to the owners in April 2014 at a nominal figure of EUR -1.0 billion and the omission of interest liabilities from restitution at around EUR -0.2 billion. Considering maturities and new issues, the level of subordinated liabilities rose by some EUR 0.5 billion in the period under review. The portfolio of capital generated from profit-participation rights, however, declined.

Equity

At the end of 2014 LBBW Group had equity of EUR 13.2 billion on the balance sheet, which came up just short of the previous year especially as a result of actuarial losses. The reduction of the discount rate for pension provisions as at year-end from 3.50 % to 2.15 % was the key factor here.

The regulatory capital requirements and capital ratios have been calculated in accordance with the provisions of the CRR since 2014. With a common equity Tier 1 capital ratio of 13.6 % (previous year: 12.6 % internal calculation) and total capital ratio of 18.9 % (previous year: 18.7 % internal calculation), the LBBW Group's capital ratios as at the reporting date were noticeably above the stricter supervisory capital requirements of the CRR after full implementation of the transition rules (fully loaded). The continued reduction of risk weighted assets (primarily in the portfolios of the non-core bank) among other things contributed to the improvement in ratios. Risk weighted assets initially rose to EUR 89.8 billion due to the introduction of the CRR according to internal calculations, but were then scaled back in the period under review by EUR 7.6 billion to EUR 82.2 billion with the reduction of non-core banking activities, among other things. Looking at the forecasts made in the previous year, the three aforementioned performance indicators were exceeded.

Like all institutions under ECB supervision, LBBW must meet capital requirements specific to each institution starting in 2015. These individual requirements exceed the statutory provisions set out in the CRR. They are determined by the ECB and can be adjusted by the ECB from time to time. The requirement on a consolidated basis regarding the common equity Tier 1 (CET 1) capital ratio (phase-in) is 10.3%. LBBW Group's capital ratios as of the date of this Base Prospectus are also above these individual requirements.

The leverage ratio at LBBW Group of 4.1 % (fully loaded) as at year-end 2014 was also well above the minimum 3.0 % stipulated by supervisory authorities.

Financial position.

The Group's financial position throughout the entire reporting year was satisfactory on account of the good liquidity. LBBW Group's funding strategy is determined by the Asset Liability Committee (ALCo). In addition to its classic funding options obtainable from the money and capital markets, this also gives LBBW other funding options as offered by the central banks. Here the Group focuses on ensuring a balanced structure in terms of the groups of products and investors used.

LBBW was always able to obtain funding on the market on the requisite scale. The LiqV liquidity indicator is only determined at the level of the Bank and totaled 1.34 as at 31 December 2014 (previous year: 1.47).

Capital management

Capital management at LBBW is designed to ensure solid capitalization within the LBBW Group. In order to guarantee adequate capital from various perspectives, the Bank analyzes capital ratios and structures both from the perspective of regulatory capital requirements and that of economic capital. Capital management at LBBW Group is imbedded in the overall bank management process, the strategies, regulations, monitoring processes and organizational structures of the LBBW Group.

The integrated risk and capital management is carried out by the Group's Board of Managing Directors. Among other things, the Asset Liability Committee (ALCo) supports the Board of Managing Directors in structuring the balance sheet, managing capital and liquidity, in funding and in managing market-price risks. The ALCo prepares decisions in this respect that are subsequently met by the Group's Board of Managing Directors.

On matters relating to risk management and capital management under economic aspects, the Risk Committee (RiskCom) helps prepare decisions for the Board of Managing Directors with regard to risk monitoring, the risk methodology and the risk strategy for the Group as a whole, and in relation to compliance with the regulatory requirements. The Regulatory/Accounting Committee was established in 2013 in order to evaluate in good time the requirements of the large number of provisions of banking supervisory law and accounting that are relevant for management purposes, and to take the measures required.

Capital allocation and longer-term strategic capital management is carried out during the planning process integrated on an annual basis (with a five-year planning horizon) with the forecast during the year, and is decided and monitored continuously by the Group's Board of Managing Directors. The Supervisory Board ultimately decides on the business plan.

Economic capital.

Besides the capital backing stipulated by regulatory bodies, the capital backing required from LBBW's point of view for economic purposes, calculated using the Bank's own risk models, is monitored in an additional steering circle.

See the risk and opportunity report for details.

Regulatory capital.

With the entry into force of CRR/CRD IV (Capital Requirements Regulation / Capital Requirements Directive) as at 1 January 2014, the requirements for calculating regulatory own funds that were previously governed in the Solvency Regulation (SolvV) were replaced by the directly applicable provisions of Regulation (EU) No. 575/2013. In this context, the SolvV applicable since 1 January 2014 only comprises procedural provisions and specifications for implementing national flexibility with regard to Regulation (EU) No. 575/2013. LBBW Group's own funds are calculated on the basis of these requirements and are based on the regulatory capital adequacy provisions relevant for banking groups.

LBBW Group's capital ratios are calculated according to the provisions of article 92 CRR in conjunction with article 11 CRR. Accordingly, the ratios to be fulfilled at all times are:

- Common equity Tier 1 ratio (basis: CET1 capital) of 4.5 %
- Tier 1 ratio (basis: common equity Tier 1 capital and additional Tier 1 capital) of 6.0 %
- Total capital ratio (basis: common equity Tier 1 and additional Tier 1 capital, as well as supplementary capital) of 8.0 %

Owing to the transitional provisions in accordance with article 465 in conjunction with article 23 SolvV, the following ratios deviating from above had to be complied with by the end of each business day in 2014:

- Common equity Tier 1 ratio (basis: CET1 capital) of 4.0 %
- Tier 1 ratio (basis: common equity Tier 1 capital and additional Tier 1 capital) of 5.5 %.

The ratios are derived from the respective capital components expressed as a percentage of the total exposure amount. The total exposure amount is calculated as the equity requirements for the credit and dilution risk, the trading book business, market price risk, the risks of the credit valuation

adjustments for OTC derivatives, operational risk and counterparty risk from the trading book business, multiplied by a factor of 12.5. These ratios required by the supervisory authorities were maintained at all times during the 2014 financial year.

The own funds derive from the sum of Tier 1 and supplementary capital.

Tier 1 capital consists of common equity Tier 1 capital and additional Tier 1 capital, whereby the common equity Tier 1 capital comprises the paid-in capital, associated premiums (capital reserves), retained earnings and other reserves.

The additional Tier 1 capital comprises the silent partners' contributions and preference shares. Due to the transitional provisions that will be in place until the end of 2021, they may continue to be included this capital heading within the ranges applicable in accordance with article 486 CRR in conjunction with article 31 SolvV. Amounts that are no longer included in these ranges may be included in this capital heading, provided the conditions for consideration as supplementary capital are met.

Supplementary capital comprises long-term subordinated liabilities and profit-participation certificates, as well as long-term subordinated loans and profit-participation certificates that meet the requirements of article 63 CRR and the associated premiums. The supplementary capital instruments are subject to a day specific reduction in the last five years of their term.

Losses incurred in the current financial year, intangible assets, goodwill, deferred tax claims dependent on future profitability and the value adjustment deficit for receivables that were calculated pursuant to the IRB approach, must be deducted from the common equity Tier 1 capital. In addition, the revaluation reserve, the gains or losses from own liabilities measured at fair value due to changes in the credit ratings of LBBW Group, gains and losses from derivative liabilities recognized at fair value resulting from the Bank's own credit risk, as well as value adjustments due to the requirements for a prudent valuation must be deducted when calculating the own funds.

The transitional provisions in accordance with article 467 et seq in conjunction with article 481 CRR should be applied for these deductions and exclusions from common equity Tier 1 capital. Hence, neither the revaluation reserves for securities on central states and equity investments nor deferred taxes from non-temporary differences in 2014 have to be taken into account as deductibles. The following must be taken into account as deductions of 20 %: intangible assets and goodwill, the value adjustment deficit, the revaluation reserves from other securities, as well as gains/losses from derivative liabilities recognized at fair value resulting from LBBW's own credit risk. The remaining 80 % of the aforementioned deductions for immaterial assets is deducted in equal amounts from goodwill and additional Tier 1 capital. The remaining value adjustment deficit of 80 % is deducted in equal amounts from additional Tier 1 capital and supplementary capital.

As part of market-smoothing operations, supplementary capital components securitized in securities may be repurchased within the applicable limits. Some directly or indirectly held supplementary capital instruments that have been repurchased must be deducted from the supplementary capital. The fixed ceiling was complied with at all times in 2014.

As at 1 January 2008, LBBW received permission from Bundesanstalt für Finanzdienstleistungsaufsicht (the German Federal Financial Supervisory Authority – BaFin) to use the approach based on internal ratings to calculate capital adequacy for counterparty risks arising from the major classes of receivables. Equity requirements for receivables for which permission has not been received to use a rating procedure are calculated in accordance with the credit risk standardized approach (CRSA).

The own funds in accordance with CRR are calculated based on the IFRS financial statements of the entities included in the basis of consolidation.

The following table shows the structure of the LBBW Group's own funds:

EUR million	31 Dec 2014	31 Dec 2013
Equity	16,315	17,853
Core capital (Tier 1)	12,972	14,711
of which: common equity Tier 1 (CET 1)	12,015	12,437
of which: additional Tier 1 capital (AT 1)	957	2,274
Supplementary capital (Tier 2)	3,343	2,927
Tier 3 capital ¹⁾	0	215
Total amount at risk (formerly position subject to a capital charge)	82,182	79,351
Risk weighted exposure amounts for the credit, counterparty and dilution risk, as well as advance payments	65,500	64,463
Risk exposure value for settlement and delivery risks	1	0
Total exposure amount for position, foreign exchange and commodity risk	9,061	10,288
Total risk exposure amount for operational risks	5,065	4,600
Total amount of risk due to CVA	2,554	0
Total capital ratio (in %)	19.9	22.5
Tier 1 capital ratio (in %)	15.8	18.5
Common equity Tier 1 ratio (in %)	14.6	15.7

Rounding differences may occur in this and subsequent tables for computational reasons.

¹⁾ Position no longer relevant under CRR

EUR million	31 Dec 2014	31 Dec 2013
Core capital (Tier I)	12,972	14,711
Paid-in capital instruments	3,484	3,484
Discount	8,240	8,240
Additional Tier 1 capital (AT 1)	957	2,274
Retained profits, cumulative result and other reserves	882	748
Reserve for general banking risks in accordance with section §340g HGB ¹⁾	0	495
Deductible from CET 1 capital incl. 50% deduction, section 10 (2a), 6, 6a KWG ²⁾	0	-530
Deductible from CET 1 capital in accordance with CRR	-591	0

¹⁾ Rounding differences may occur in this and subsequent tables for computational reasons. HGB position no longer relevant for IFRS

²⁾ Position no longer relevant under CRR

Explanation of the changes in 2013 versus 2014.

Under CRR, IFRS carrying amounts must be used instead of the previous HGB carrying amounts for the total amount at risk and for own funds. The values shown above as at 31 December 2013 are reported under the law applicable at that time in accordance with SolvV.

Following approval of the 2013 annual financial statements, EUR 1 billion in silent-partners' contributions was repaid to the guarantors. In addition, the change in the legal provisions led to a reduction in additional Tier 1 capital. Due to the transitional provisions that will apply until 2017, deductions that must be deducted in full from the common equity Tier 1 capital can be deducted in part from the additional Tier 1 capital.

The increase in supplementary capital resulted mainly from the new issue of EUR 500 million in subordinated liabilities. Tier 3 capital can no longer be included in accordance with CRR.

Due to the new capital requirements for risk, the increase in the total amount at risk results mainly from an adjustment to the credit valuation of OTC derivatives. Further effects when calculating the capital requirements for risk weighted exposure amounts include the higher capital requirements for exposures to companies in the financial sector and new capital requirements for loans and advances to central counterparties, among other things. This development was countered by the reduction in securitization positions, among other things.

Income statement

The Group's solid profit trend also continued in the past 2014 financial year. Despite the slightly lower income in the core business fields, net consolidated profit before tax at EUR 477 million in the 2014 financial year exceeded the previous year's figure (EUR 473 million) by EUR 4 million.

Allowances for losses on loans and advances were reduced markedly from the previous year in LBBW Group's core markets thanks to the good economic situation. The net gain from financial investments and net income from investments accounted for using the equity method, which were largely influenced by investment transactions, were extraordinarily sound at EUR 263 million and showed a rise of EUR 247 million over the previous year. This was strained, however, by a substantial drop in net gains from financial instruments measured at fair value and an increase in administrative expenses, largely as a result of efforts to meet regulatory requirements (which were extremely high and also rose versus the previous year).

Net consolidated profit before tax in the 2014 financial year marginally exceeded the planned figure. The income items within the detailed forecast are nearly balanced in terms of positive and negative deviations. Net profit for the year got a boost from the earnings effects (not planned to this extent) from the full winding-down of the remainder of the guarantee portfolio and from sales of equity investments and the reversal of provisions. Allowances for losses on loans and advances were noticeably better than planned; the low need for allocations reflected the sound quality of the loan portfolio. Income from financial instruments measured at fair value remained below the Bank's own expectations, primarily as a result of general customer reticence as well as market valuations straining the banking book, in particular. Administrative expenses were marginally above the planned figure due to surprisingly high negative effects from regulatory requirements, among other things. These developments also put the cost/income ratio (**CIR**) at year-end well above the planned figure at 77.9 % (previous year: 63.4 %).

Net profit/loss before tax of the three operating segments Corporates, Financial Markets and Retail/Savings Banks totaled EUR 1,067 million for the 2014 financial year (previous year: EUR 1,170 million). This was offset by an improved, but still negative result in the credit investment segment. This was also hampered again in 2014 by the fee for the guarantee of the State of Baden-Württemberg, although this will be reduced further in 2015.

Net interest income climbed by EUR 105 million versus the previous year to EUR 1,878 million despite the declining business volume overall. Together with the continuously low interest level on the money and capital markets, interest expenses showed a sharper drop than interest income. The drop in interest income was a result of both the lower interest level once again and, in large part, the decline in volumes of loans and advances as well as the further winding-down of the non-core banking business. Interest expenses also fell primarily as a result of the improved funding options due to interest rates and liquidity. This was also a product of LBBW's stable and even improved ratings. Net interest income from trading and hedging derivatives put up a strong performance as well. The lower derivative volume was a critical factor here in particular.

Expenses for allowances for losses on loans and advances fell substantially by EUR 210 million year on year to EUR -104 million. This was primarily attributable to much lower direct write-downs and reductions in net additions to specific valuation allowances versus the same period of the previous year. The allowance requirement overall was therefore sizably lower than the planned figures and the long-term average, thus reflecting the sound quality of the loan portfolio and the scaling back of risk at LBBW Group.

Net fee and commission income dropped moderately in the year under review by EUR -27 million to EUR 518 million (previous year: EUR 545 million), with the individual types of fees and commissions showing a difference in performance. Slight improvements in the net fee and commission income from asset management as well as from securities and custody transactions were pitted against lower net fee and commission income in payments and, due to the restrained demand for loans, noticeably lower net fee and commission income from loans and sureties.

Net gains/losses from financial instruments measured at fair value through profit or loss fell significantly versus the previous year, namely by EUR -489 million to EUR -120 million. The reasons for the net loss for the year came include a sizable drop in the profit contribution due to spread tightening for credit derivatives. Income from derivative financial instruments serving as economic

hedges but unable to be included in the hedge accounting according to IFRS was also weaker than planned. The decline in the customer-oriented capital markets business also exerted strain. The reason for this was the lower demand for hedging products in particular. It should be noted that the extremely high figure from the previous year was marked by lively trading with interest rate products, among other things. In addition, the result was influenced by the expenses item, which was pitted against income, especially net interest income, due to IFRS reporting methods. The market valuation of own liabilities resulted in an expense of EUR -15 million because of LBBW's improved credit rating, but was still lower than the previous year (EUR -82 million).

Net gains/losses from financial investments and net income/expenses from investments accounted for using the equity method rose sharply year on year by EUR 247 million to EUR 263 million. At EUR 62 million, the gain or loss on securities was heavily influenced once again by the continued reduction in volumes and risks in the portfolios of the non-core banking business (credit substitute business). In the 2014 financial year LBBW sold the remainder of its guarantee portfolio and large parts of the non-guaranteed portion of its credit substitute business, with a total volume of EUR 9 billion. There were no additional profit burdens as reported at this point in the previous year. The remaining portfolio of EUR 2.4 billion (the original volume was roughly EUR 95 billion) will continue to be wound down. The valuation and sale of equity investments in the financial year produced a profit of EUR 84 million (previous year: EUR 18 million). The disposal of equity investments had a positive impact of EUR 97 million here (previous year: EUR 37 million). Measurement issues yielded a net burden of EUR -13 million (previous year: EUR -18 million). Income from investments accounted for using the equity method rose by EUR 111 million in the period under review to EUR 117 million (previous year: EUR 6 million). Among other things, the significant increase resulted from higher profit contributions from a venture capital company and was largely due to LBBW's profit share from the sale of an investment.

Other operating income and net income from investment property at EUR 101 million fell just short of the previous year's level (EUR 113 million). This was characterized by a number of one-off effects. The exceedingly successful previous year for real estate was not matched in the year under review. Successful project developments helped generate earnings of EUR 29 million (previous year: EUR 99 million). Impairments on real estate in the amount of EUR -1 million (previous year: EUR -18 million) declined, however. The fair value measurement of investment property, in contrast, yielded value adjustments of EUR -37 million (previous year: EUR 1 million) due to real estate valuations being updated. However, other operating income got substantial relief from net reversals of provisions being made possible in connection with legal and litigation risks in the amount of EUR 34 million. The sale of a subsidiary, which had yet to be concluded at the end of 2013, had weighed the previous year's result down by EUR -30 million. The transaction was completed in September of last year. This again resulted in a profit burden of EUR -20 million.

Administrative expenses rose by EUR -79 million year on year from EUR -1,774 million to EUR -1,853 million overall. There were further structural changes again in 2014, due to the outsourcing of IT activities that began in 2013. Within administrative expenses, staff costs fell marginally by EUR 3 million. Other administrative expenses saw selective relief, but higher burdens to deal with regulatory requirements, increased contributions for the bank levy and higher IT spending overall led to a EUR -87 million increase. Projects started in the past year to restructure the IT architecture with the aim of accommodating the growing degree of bank management requirements were also key factors behind the increase. In addition, the first-time consolidation of subsidiaries also caused expenses to increase. There was some relief, however, for administrative expenses in the depreciation of property and equipment and amortization of intangible assets.

Expenses incurred for the guarantee commission for the State of Baden-Württemberg fell by EUR 109 million to EUR -191 million as a result of the complete sale of the guarantee portfolio over the course of 2014. LBBW continues to finance the special-purpose entity Sealink, which is not required to be consolidated within the Group. The state of Baden-Württemberg still offers a guarantee for certain loans to this special-purpose entity, for which fee and commission expenses will continue to accrue.

Against the backdrop of sustained low interest rates, muted market volatility and general customer reticence, the goodwill of EUR -16 million allocated to the Financial Markets segment was written off in full.

Expenses and income from restructuring measures amounting to a net figure of EUR 1 million accrued in the past financial year. The result is a EUR -47 million drop in this item versus the previous year. A positive effect from the net reversal of restructuring provisions no longer needed amounting to EUR 48 million in the previous year was a critical factor behind this change.

Based on the developments above, net consolidated profit before tax at EUR 477 million marginally exceeded the previous year's figure by EUR 4 million (previous year: EUR 473 million).

A tax expense totaling EUR -43 million was incurred in the year under review, compared with EUR -134 million in the previous year. Current income taxes rose by EUR 26 million in the 2014 financial year to EUR -76 million, largely as a result of the performance at LBBW Bank in particular. Income taxes pertaining to previous years improved to EUR 31 million, especially as a result of several extraordinary effects, including the recognition of write-downs to the going-concern value of leasing companies in the event of long-term impairments, which should now be recognized in profit or loss. Deferred taxes worth EUR 1 million also accrued. This EUR 27 million improvement over the previous year is largely attributable to the reversal of temporary effects.

Net consolidated profit after tax climbed significantly by EUR 95 million to EUR 434 million (previous year: EUR 339 million).

Legal and Arbitration Proceedings

There are no nor have there been any governmental, legal or arbitration proceedings, involving the Issuer or any of its subsidiaries (and, so far as the Issuer is aware, no such proceedings are pending or threatened) which may have or have had during the twelve months prior to the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer and/or the LBBW Group. In view of recent rulings by the Supreme Court and higher courts, the banking landscape continues to face not inconsiderable legal risks from customer transactions in complex derivatives. The case law trend mentioned remains relevant for LBBW as well, especially as this has not yet resulted in any consistent ruling. Current trends in consumer law are also subject to ongoing case law developments. As an example of this, in the 2014 financial year new rulings by the German Supreme Court on loan agreements with consumers, lists of prices and services or rulings by the courts regarding investment advisory services had to be assessed for their relevance for LBBW. It is to be expected that this development of the law on various topics will continue in the future. The continuous processes of legal analysis and risk processes initiated by LBBW in response to this also take account of these developments by continuously monitoring the law. As far as is known today, adequate provision has been made to cover legal risks while at the same time the future development of legislation and legal disputes will continue to be of crucial importance for LBBW. Here the provisions formed relate, also against the backdrop of the unclear legislative situation, principally to covering legal risks from certain derivatives transactions as well as risks relating to consumer law.

Material Contracts

Except for the guarantee in an initial amount of EUR 12.7 billion, provided by GPBW GmbH & Co. KG (a company, the shares of which are held indirectly by the State of Baden-Württemberg) in 2009 to LBBW, for the owners of LBBW, as security for positions in securitized assets of LBBW and loans of LBBW to the Irish special purpose company Sealink Funding Ltd. (see the paragraph entitled "Risks relating to the Acquisition of SachsenLB" at the end of the section "Risk Factors"), neither LBBW nor any of its consolidated subsidiaries has entered into any contracts outside of the ordinary course of business that have had or may reasonably be expected to have a material effect on the ability of LBBW to meet its obligations to Holders of the Securities.

Conflict of Interests

To the knowledge of LBBW, the members of the administrative, management or supervisory bodies of LBBW and their private interests do not comprise any potential conflicts of interest with any duties to LBBW.

DEVELOPMENTS IN 2014 / TREND INFORMATION

Trend Information

The restructuring process started in 2009 was completed in 2013. LBBW Group has exceeded the target set for 2013 in terms of the downsizing of the credit substitute business as well as the risk assets. The stringent reduction of risks made it possible for LBBW Group to repay silent partners' contributions of EUR 1 billion to its owners in the first half of 2014. Furthermore, LBBW Group has successfully passed the Europe-wide stress test.

LBBW Group is continuing to focus its activities on the needs of its customers and reduce the remaining non-core activities even after the completion of the restructuring process.

Hence, at the beginning of August, LBBW Group sold the remaining elements of the securitization portfolio guaranteed by its owners of EUR 4.7 billion to international investors.

With the sale of LBBW CZ, the investment portfolio was reduced even further. Only one more major investment has to be sold in close cooperation with the EU-Commission (the transaction is expected to be realized in the first half of 2015).

In 2014 successes in terms of cost can also be reported. In contrast, there is an additional cost burden resulting from the bank levy as well as heavy expenses in connection with preparations for the more stringent regulatory requirements such as Basel III, SEPA and BSA/AQR. In addition, investments in growth and future projects have been made.

In this context, LBBW Group strengthened its core business with the acquisition of NORD/LBs' custodian bank in the beginning of 2015.

TAXATION

The information below is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of Securities and/or Coupons. Prospective purchasers are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Securities and/or Coupons.

German Taxation

The following is a general discussion of certain German tax consequences of the acquisition, the ownership and the sale, assignment or redemption of Securities and/or Coupons (in the following referred to as "Securities" and each a "Security"). It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It is limited to Securities that are issued and acquired after 31 December 2008. The tax treatment of Securities issued and acquired prior to 1 January 2009 may differ significantly from the description in this overview.

As each Series of Securities may be subject to a different tax treatment due to the specific terms of such Series, the following section only provides some very generic information on the possible tax treatment and has to be read in conjunction with the more specific information on the taxation of each Series of Securities as provided in the relevant Final Terms. Furthermore, the taxation of the different types of Securities (e.g. Notes, Certificates) may differ from each other. The following summary only describes the tax treatment of Securities in general and certain particularities with respect to individual types of Securities.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and the sale, assignment or redemption of Securities and the receipt of interest thereon, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective holders of the Securities.

Tax Residents

Private Investors

Interest and Capital Gains

Interest payable on the Securities to persons holding the Securities as private assets ("Private Investors") who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) qualifies as investment income (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and is generally taxed at a separate tax rate of 25 per cent. (*Abgeltungsteuer*, in the following also referred to as "flat tax"), plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax.

Capital gains from the sale, assignment or redemption of the Securities (including the original issue discount of the Securities, if any, and interest having accrued up to the disposition of a Security and credited separately ("Accrued Interest", *Stückzinsen*), if any) qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act and are also taxed at the flat tax rate of 25 per cent., plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the Securities. Where the Securities are issued in a currency other than Euro the sale, assignment or redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Securities are – except for a standard lump sum (*Sparer-Pauschbetrag*) of 801 Euro (1,602 Euro for married couples filing jointly) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Securities can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods only and can be set-off against investment income including capital gains generated in these future assessment periods.

Particularities apply with respect to so-called full risk certificates (*Vollrisikozertifikate*), i.e. certain index linked debt securities which do not provide for a guaranteed repayment or any capital yield, with several payment dates. According to the decree of the German Federal Ministry of Finance (*Bundesfinanzministerium*) dated 9 October 2012 (IV C 1 - S 2252/10/10013) all payments to the investor under such certificates that are made prior to the final maturity date shall qualify as taxable income from a so called other capital receivable (*sonstige Kapitalforderung*) pursuant to Sec. 20 para. 1 no. 7 German Income Tax Act, unless the offering terms and conditions stipulate that such payments shall be redemption payments. If there is no final redemption payment, the final maturity date shall not constitute a sale-like event in the meaning of Sec. 20 para. 2 German Income Tax Act. Therefore, capital losses, if any, shall not be deductible. Although this decree only refers to certain types of certificates, it cannot be excluded that the tax authorities may apply the above described principles to other kinds of certificates as well.

Further, the German Federal Ministry of Finance in its decree dated 9 October 2012 (IV C 1 – S 2252/10/10013) has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. This position is subject to controversial discussions among tax experts. In this respect, it is not clear, as well, whether the position of the tax authorities may affect securities which are linked to a reference value in case such value decreases. Furthermore, according to the decree dated 9 October 2012 (IV C 1 - S 2252/10/10013), as amended by decree dated 9 December 2014 (IV C 1 – S 2252/08/10004 :015), the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if (i) the sales price does not exceed the actual transaction cost or (ii) the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the transaction price.

Withholding Tax

If the Securities are held in a custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "Disbursing Agent"), the flat tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses directly and factually related to the sale, assignment or redemption) over the acquisition costs for the Securities (if applicable converted into Euro terms on the basis of the foreign exchange rates as of the acquisition date and the sale, assignment or redemption date respectively). In the case of interest and capital gains received after

31 December 2014, church tax is collected for the Private Investor by way of withholding as a standard procedure unless the Private Investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other securities. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the holder of the Securities may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses in order to set-off such losses with investment income derived through other institutions in the holder's personal income tax return.

If custody has changed since the acquisition and the acquisition data is not proved as required by Sec. 43a para. 2 German Income Tax Act or not permitted to be proved, the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale, assignment or redemption of the Securities. In case of Securities issued as capital claims which are not securitized in the form of bearer or registered notes (*Inhaber- oder Orderschuldverschreibungen*) the flat tax will be withheld on the investment yield in full without deduction.

In the course of the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with the German Income Tax Act. Withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Tax Directive – General") may be credited in the course of the tax assessment procedure.

In case of Securities issued as unsecuritised debt, the Issuer, instead of the Disbursing Agent, will be obliged to withhold the flat tax.

If the Securities are not kept in a custodial account with a Disbursing Agent, the flat tax will – by way of withholding – apply on interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Security 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 sale, assignment or redemption of the Securities will also be subject to the flat tax.

In general, no flat tax will be levied if the holder of a Security filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of 801 Euro (1,602 Euro for married couples filing jointly)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the holder of the Security has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent tax office.

For Private Investors the withheld flat tax is, in general, definitive. Exceptions apply e.g., if and to the extent the actual investment income exceeds the amount which was determined as the basis for the withholding of the flat tax by the Disbursing Agent. In such case, the exceeding amount of investment income must be included in the Private Investor's income tax return and will be subject to the flat tax in the course of the assessment procedure. According to the decree of the German Federal Ministry of Finance dated 9 October 2012 (IV C 1 – S 2252/10/10013) however, any exceeding amount of not more than 500 Euro per assessment period will not be claimed on grounds of equity, provided that no other reasons for an assessment according to Sec. 32d para. 3 German Income Tax Act exist. Further, Private Investors may request that their total investment income, together with their other income, be subject to taxation at their personal, progressive tax rate rather than the flat tax rate, if this results in a lower tax liability. According to Sec. 32d para. 2 German Income Tax Act the flat tax rate is also not available in situations where an abuse of the flat tax rate is assumed (e.g. "back-to-back" financing). In order to prove such investment income and the withheld flat tax thereon the investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not subject to the withholding of the flat tax (e.g. since there is no Disbursing Agent) must be included into the personal income tax return and will be subject to the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate or the investment income is not subject to the flat tax rate according to Sec. 32d para. 2 no. 1 German Income Tax Act. In the course of the assessment procedure withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Tax Directive – General") and foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

If the Issuer is, or is deemed to be, resident in Germany for tax purposes and if, further, the Securities qualify as hybrid instruments (for example, silent partnership, profit participating notes, jouissance rights (*Genussrechte*)), German withholding tax has to be imposed irrespective of where the Securities are held in custody.

The Issuer will not be obliged to make any payments of additional amounts to holders of Securities in respect of such withholding or deduction (see Condition 7 of the Terms and Conditions of the Instruments and Condition 7 of the Terms and Conditions of the Pfandbriefe). Non-German holders of Securities may be restricted in applying for a refund of or a credit for withholding tax, subject to – *inter alia* – the tax law of the country where the respective non-German Investor is resident of.

Business Investors

Interest payable on the Securities to persons holding the Securities as business assets ("Business Investors") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains, including the original issue discount of the Securities and Accrued Interest, if any, from the sale, assignment or redemption of the Securities are subject to income tax at the applicable personal, progressive income tax rate or, in case of corporate entities, to corporate income tax at a uniform 15 per cent. tax rate (in each case plus solidarity surcharge at a rate of 5.5 per cent. on the tax payable; and in case where payments of interest on the Securities to Business Investors are subject to income tax plus church tax, if applicable). Such interest payments and capital gains may also be subject to trade tax if the Securities form part of the property of a German trade or business. Losses from the sale, assignment or redemption of the Securities, subject to certain exceptions, are generally recognized for tax purposes.

Withholding tax, if any, including solidarity surcharge thereon, is credited as a prepayment against the Business Investor's corporate or personal, progressive income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to certain further requirements, no withholding deduction will apply on capital gains from the sale, assignment or redemption of the Securities and certain other income if (i) the Securities are held by a corporation, association or estate in terms of Sec. 43 para 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to Sec. 43 para 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive (for further details see below "EU Savings Tax Directive – General") and foreign taxes may be credited in accordance with the German Income Tax Act. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

Non-residents

Interest payable on the Securities and capital gains, including the original issue discount and Accrued Interest, if any, are not subject to German taxation, unless (i) the Securities 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 the Securities, (ii) the interest income otherwise constitutes German-source income or (iii) the Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the sale, assignment or redemption of the Securities are paid by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank upon presentation of a coupon to a holder of such coupon (other than a non-German bank or financial services institution) (*Tafelgeschäft*). In the cases (i), (ii) and (iii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, as a rule, exempt from German withholding tax on interest and the solidarity surcharge thereon, even if the Securities are held in custody with a Disbursing Agent. However, where the investment income is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent or in case of a *Tafelgeschäft*, flat tax is levied as explained above under "Tax Residents".

The withholding tax may be refunded based upon an applicable tax treaty or German national tax law.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Securities 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 Securities are 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 Securities. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax. However, it is unclear if and in what form such tax will be actually introduced.

EU-Residents

Germany has implemented the EU Savings Directive (for further details see below "EU Savings Tax Directive – General") into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung, ZIV*) in 2004. Starting on 1 July 2005, Germany has therefore begun to communicate all payments of interest on the Securities and similar income with respect to the Securities to the beneficial owners Member State of residence if the Securities have been kept in a custodial account with a Disbursing Agent.

Luxembourg Taxation

The following is a general description of certain Luxembourg tax considerations relating to the Securities. It specifically contains information on taxes on the income from the Securities withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of Luxembourg. This overview is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to the application of the Luxembourg law of December 23, 2005 as amended introducing a final tax on certain payments of interest made to certain Luxembourg resident individuals (the "**Law**").

Payment of interest or similar income (within the meaning of the Law) on debt instruments made or deemed made by a paying agent (within the meaning of the Law) established in Luxembourg to or for the benefit of an individual Luxembourg resident for tax purposes who is the beneficial owner of such payment or to certain residual entities (entities defined in article 4.2 of the EU Savings Directive, hereafter "Residual Entities") established in another EU Member State or in an associated or dependent territory with which an Agreement has been signed, and deemed to be acting on behalf of an individual Luxembourg resident, may be subject to a final tax at a rate of 10%. Such final tax will be in full discharge of income tax if the individual beneficial owner acts in the course of the management of his/her private wealth. Responsibility for the withholding and payment of the tax lies with the Luxembourg paying agent.

An individual beneficial owner of interest or similar income (within the meaning of the Law) who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt for a final tax of 10% when he receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State, in a Member State of the EEA which is not an EU Member State, or in a State which has concluded a treaty directly in connection with the EU Savings Directive. Responsibility for the declaration and the payment of the 10% final tax is assumed by the individual resident beneficial owner of interest.

Luxembourg Taxation - EU Savings Directive

The EU Council of Economic and Finance Ministers adopted the EU Savings Directive on 3 June 2003. The EU Savings Directive is, in principle, applied by member states as from 1 July 2005 and has been implemented in Luxembourg by the laws of 21 June 2005. Under the directive, each member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income within the meaning of the EU Savings Directive paid by a paying agent within the meaning of the EU Savings Directive, to or for the immediate benefit of an individual resident or certain types of entities called "residual entities", within the meaning of the EU Savings Directive, established in that other member state (or certain dependent or associated territories). See further "*EU Savings Directive – General*" below.

Singapore Taxation

Interest and other payments in respect of Securities issued by LBBW acting through its branch in Singapore

Under section 12(6) of the Income Tax Act (Chapter 134) of Singapore (the "**Income Tax Act**"), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore, except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore (hereinafter ‘section 12(6) payments’).

If section 12(6) payments are liable to be paid to persons not known to be resident in Singapore, tax is required to be withheld at the rate of 15 per cent (or reduced to a lower rate if an applicable tax treaty so provides). However with effect from 17 February 2012, pursuant to section 45I of the Income Tax Act, and except in the case where the Comptroller of Income Tax finds that the payment is made in connection with a tax avoidance arrangement within the meaning of section 33(1), the requirement to withhold tax on payments to non-residents does not apply if the section 12(6) payments is liable to be made by specified entities, which is defined to include a bank licensed under the Banking Act (Cap. 19) as is the case with LBBW Singapore Branch and if the payment is liable to be made:-

- (a) at any time during the period from 17 February 2012 to 31 March 2021 (both dates inclusive) (referred to as the ‘relevant period’) under a contract which took effect before 17 February 2012; a contract which was extended or renewed, where the extension or renewal took effect before 17 February 2012; or a debt security which was issued before 17 February 2012;
- (b) under a contract which took effect on a date which falls within the relevant period;
- (c) under a contract which was extended or renewed where –
 - (i) the extension or renewal took effect on a date which falls within the relevant period; and
 - (ii) the payment is made on or after the date on which such extension or renewal took effect; or
- (d) under a debt security which was issued on a date which falls within the relevant period.

Permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and assessed to tax on such payments (unless specifically exempt from tax).

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
 - (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
 - (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007
- except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

Capital Gains Tax

There is no capital gains tax in Singapore. Therefore, gains in the nature of capital made from the sale of Securities will not be taxable in Singapore. However, any gains from the sale of the Securities will be viewed as being on revenue account and taxable if they are gains accruing in or derived from Singapore in respect of gains or profits from any trade, business, profession or vocation carried on by that person.

United States Federal Income Taxation

The following is an overview of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Securities by a holder thereof. This overview does not address the U.S. federal income tax consequences of every type of Security which may be issued under the Programme, and the relevant Final Terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Security as appropriate. This overview only applies to Registered Instruments held as capital assets and does not address, except as set forth below, aspects of U.S. federal income taxation that may be applicable to holders that are subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax-exempt organisations, dealers or traders in securities or currencies, or to holders that will hold a Security as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes or that have a functional currency other than the U.S. dollar. Moreover, this overview does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership or retirement of Securities and does not address the U.S. federal income tax treatment of holders that do not acquire Securities as part of the initial distribution at their initial issue price.

This overview is based on the Internal Revenue Code of 1986, as amended, existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein. Any special U.S. federal income tax considerations relevant to a particular issue of the Securities will be provided in the relevant Final Terms.

For purposes of this description, a U.S. Holder is a beneficial owner of Securities who for U.S. federal income tax purposes is (i) a citizen or resident of the United States; (ii) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States or any State thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (1) that validly elects to be treated as a United States person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more United States persons have the authority to control.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Securities, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences.

A Non-U.S. Holder is a beneficial owner of Securities other than a U.S. Holder or a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

You should consult your own tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of Securities.

Bearer Instruments are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Instrument may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S Internal Revenue Code.

Characterisation of the Securities

Whether a security is treated as debt (and not equity) for U.S. federal income tax purposes is an inherently factual question and no single factor is determinative. The Issuer intends to treat the Securities as indebtedness for U.S. federal income tax purposes, although no opinions have been sought, and no assurances can be given, with respect to such treatment. The following discussion assumes that such treatment will be respected. If the treatment of the Securities as indebtedness is not upheld, they may be treated as equity in a passive foreign investment company for U.S. federal income tax purposes. If so, a U.S. Holder of the Securities could be subject to significant adverse tax consequences, including, among others, imputed interest charges together with tax calculated at ordinary income rates on any gain from the sale or other disposition of the Securities.

The following discussion does not address the U.S. federal income tax consequences of an investment in contingent payment debt instruments. In the event the Issuer issues contingent payment debt instruments the relevant Final Terms will describe the material U.S. federal income tax consequences thereof.

U.S. Holders

Interest

Except as set forth below, interest paid on a Security, whether payable in U.S. Dollars or a currency, composite currency or basket of currencies other than U.S. Dollars (a "foreign currency"), including any additional amounts, will be includible in a U.S. Holder's gross income as ordinary interest income in accordance with the U.S. Holder's usual method of tax accounting. In addition, interest on Securities issued by the Issuer or through a non-U.S. branch of the Issuer will generally be treated as foreign source income for U.S. federal income tax purposes and interest on Securities issued by the New York branch of the Issuer will generally be treated as U.S. source income for U.S. federal income tax purposes.

Effect of Non-U.S. Withholding Taxes

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for non-U.S. income taxes withheld by the Issuer. For purposes of the foreign tax credit limitation, foreign source income is classified in one of two "baskets", and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that income. Interest and OID (defined below) should generally constitute "passive category income", or in the case of certain U.S. Holders, "general category income". Since a U.S. Holder may be required to include OID on the Securities in its gross income in advance of any withholding of non-U.S. income taxes from payments attributable to the OID (which would generally occur when the Security is repaid or redeemed), a U.S. Holder may not be entitled to a credit or deduction for these non-U.S. taxes in the year the OID is included in the U.S. Holder's gross income, and may be limited in its ability to credit or deduct in full the non-U.S. taxes in the year those taxes are actually withheld by the Issuer. Prospective purchasers should consult their tax advisers concerning the U.S. foreign tax credit implications of the payment of these non-U.S. taxes.

Foreign Currency Denominated Interest

Any interest paid in a foreign currency will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the foreign currency, including the amount of any applicable withholding tax thereon, regardless of whether the foreign currency is converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar

value using the spot rate of exchange on the date of receipt. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period or, at the U.S. Holder's election, at the spot rate of exchange on the last day of the accrual period or the spot rate on the date of receipt, if that date is within five days of the last day of the accrual period. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognise foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date payment is received differs from the rate applicable to an accrual of that interest.

Original Issue Discount

U.S. Holders of Securities issued with original issue discount ("OID") will be subject to special tax accounting rules, as described in greater detail below. U.S. Holders of Securities issued with OID (including cash basis taxpayers) should be aware that, as described in greater detail below, they generally must include OID in income for United States federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income. However, U.S. Holders of such Securities generally will not be required to include separately in income cash payments received on the Securities, even if denominated as interest, to the extent such payments do not constitute qualified stated interest (as defined below). Securities issued with OID will be referred to as "Original Issue Discount Securities". Notice will be given in the relevant Final Terms when the Issuer determines that a particular Security will be an Original Issue Discount Security.

Additional rules applicable to Original Discount Securities that are denominated in or determined by reference to a currency other than the U.S. dollar are described under "Foreign Currency Discount Securities" below.

For U.S. federal income tax purposes, a Security, other than a Security with a term of one year or less (a "short-term Security"), will be treated as issued at an original issue discount (a "Discount Security") if the excess of the Security's "stated redemption price at maturity" over its issue price equals or exceeds a de minimis amount (0.25% of the Security's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Security that provides for payments other than qualified stated interest before maturity, its weighted average maturity)). The "issue price" of each Security in a particular offering will be the first price at which a substantial amount of that particular offering is sold (other than to an underwriter, broker, agent or wholesaler). The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate or, subject to certain conditions, based on one or more interest indices. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. Notice will be given in the relevant Final Terms when we determine that a particular Security will bear interest that is not qualified stated interest.

In the case of a Security issued with de minimis OID, the U.S. Holder generally must include such de minimis OID in income as stated principal payments on the Securities made in proportion to the stated principal amount of the Security. Any amount of de minimis OID that has been included in income will be treated as capital gain.

Certain of the Securities may be redeemed prior to their maturity. Original Issue Discount Securities containing such features may be subject to rules that differ from the general rules discussed herein. Persons considering the purchase of Original Issue Discount Securities with such features should carefully examine the relevant Final Terms and should consult their own tax advisors with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Securities.

U.S. Holders of Original Issue Discount Securities with a maturity upon issuance of more than one year must, in general, include OID in income in advance of the receipt of some or all of the related cash payments. The amount of OID includible in income by the initial U.S. Holder of an Original Issue Discount Security is the sum of the "daily portions" of OID with respect to the Security for each

day during the taxable year or portion of the taxable year in which such U.S. Holder held such Security ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for an Original Issue Discount Security may be of any length and may vary in length over the term of the Security, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Security's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a Security at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortisation of any acquisition or bond premium, as described below) and reduced by any payments made on such Security (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will have to include in income increasingly greater amounts of OID in successive accrual periods.

In the case of an Original Issue Discount Security that is a Floating Rate Security, both the "yield to maturity" and "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the Security will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Security on its date of issue or, in the case of certain Floating Rate Securities, the rate that reflects the yield to maturity that is reasonably expected for the Security. Additional rules may apply if interest on a Floating Rate Security is based on more than one interest index or if the principal amount of the Security is indexed in any manner. Persons considering the purchase of Floating Rate Securities should carefully examine the relevant Final Terms and should consult their own tax advisors regarding the U.S. federal income tax consequences of the holding and disposition of such Securities.

U.S. Holders may elect to treat all interest on any Security as OID and calculate the amount includible in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium. U.S. Holders should consult their own tax advisors about this election.

Short-Term Securities

In the case of Securities having a term of one year or less ("Short-Term Securities"), all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, U.S. Holders generally will be taxable on the discount in lieu of stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Security, unless the U.S. Holder elects to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method U.S. Holders of a Short-Term Security are not required to include accrued discount in their income currently unless they elect to do so (but may be required to include any stated interest in income as it is received). U.S. Holders that report income for United States federal income tax purposes on the accrual method and certain other U.S. Holders are required to accrue discount on such Short-Term Securities (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realized on the sale, exchange or retirement of the Short-Term Security will generally be ordinary income to the extent of the discount accrued through the date of sale, exchange or retirement. In addition, a U.S. Holder that does not elect to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder's

interest expense with respect to any indebtedness incurred or continued to purchase or carry such Securities.

Foreign Currency Discount Securities

OID for any accrual period on a Discount Security that is denominated in, or determined by reference to, a foreign currency will be determined for any accrual period in the foreign currency and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described under "–Foreign Currency Denominated Interest." Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Security), a U.S. Holder will recognise foreign currency gain or loss in an amount determined in the same manner as interest income received by a holder on the accrual basis, as described above in "–Foreign Currency Denominated Interest."

Securities Purchased at a Premium

A U.S. Holder that purchases a Security for an amount in excess of the sum of all amounts payable on the Security after the purchase date other than qualified stated interest will be considered to have purchased the Security at a "premium." A U.S. Holder generally may elect to amortise the premium over the remaining term of the Security on a constant yield method as an offset to interest when includible in income under the U.S. Holder's regular accounting method. In the case of a Security that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortisable bond premium will reduce interest income in units of the foreign currency. At the time amortised bond premium offsets interest income, exchange gain or loss (taxable as ordinary income or loss) is realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Securities. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. Bond premium on a Security held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognized on disposition of the Security. Special rules limit the amortization of bond premium in the case of Securities subject to certain options, including callable Securities U.S. Holders should consult their tax advisers about these rules if applicable.

Sale, Exchange or Retirement

A U.S. Holder's tax basis in a Security generally will be its U.S. dollar cost (as defined herein) increased by the amount of any OID included in the U.S. Holder's income with respect to the Security and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Security. The U.S. dollar cost of a Security purchased with a foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Securities traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognise gain or loss on the sale or retirement of a Security equal to the difference between the amount realized on the sale or retirement (less any accrued but unpaid interest, which will be taxable as such) and the tax basis of the Security. The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of such amount on the date of sale or retirement or, in the case of Securities traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Gain or loss recognized on the sale or retirement of a Security (other than gain or loss that is attributable to OID, or to changes in exchange rates, which will be treated as ordinary income or loss) will be capital gain or loss and will be long-term capital gain or loss if the Security was held for more than one year.

Gain or loss recognized by a U.S. Holder on the sale or retirement of a Security that is attributable to changes in exchange rates will be treated as ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction. Gain or loss realized by a U.S. Holder on the sale or retirement of a Security generally will be U.S. source income or loss. Prospective investors should consult their tax advisers as to the foreign tax credit implications of such sale or retirement of Securities.

Sale or Exchange of Foreign Currency

Foreign currency received as interest on a Security or on the sale or retirement of a Security will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such sale or retirement. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Securities or upon exchange for U.S. Dollars) will be ordinary income or loss.

Dual Currency Securities

U.S. Holders of Securities that are denominated in more than one currency or that have one or more non-currency contingencies and are denominated in either one foreign currency or more than one currency will be subject to special rules applicable to "Multi-Currency Debt Securities." A U.S. Holder generally would be required to apply the "noncontingent bond method" in the Multi-Currency Debt Security's denomination currency, which for this purpose would be the Multi-Currency Debt Security's predominant currency as determined by the Issuer. A description of the principal U.S. federal income tax consideration relevant to holders of Dual Currency Securities, including specification of the predominant currency, will be set forth, if required, in the relevant Final Terms.

Other Securities

A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of other types of Security that the Issuer, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set forth, if required, in the relevant Final Terms.

Reportable Transaction Reporting

Under certain U.S. Treasury Regulations, U.S. Holders that participate in "reportable transactions" (as defined in the regulations) must attach to their U.S. federal income tax returns a disclosure statement on Form 8886. U.S. Holders should consult their own tax advisors as to the possible obligation to file Form 8886 with respect to the ownership or disposition of the Securities, or any related transaction, including without limitation, the disposition of any non-U.S. currency received as interest or as proceeds from the sale or other disposition of the Securities.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in the Securities, subject to certain exceptions (including an exception for Securities held in accounts maintained by U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the Securities.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) such U.S. Holder's "net investment income" (or undistributed "net investment income" in the case of estates and trusts) for the relevant taxable year and (2) the excess of such U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income

will generally include its gross interest income and its net gains from the disposition of the Securities, unless such interest or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisor regarding the applicability of this tax to your income and gains in respect of your investment in the Securities.

Non-U.S. Holders

Interest or OID from the Issuer or the New York branch of the Issuer

Under U.S. federal income tax law currently in effect, subject to the discussions below under the captions "Interest or OID from the New York branch of the Issuer", "U.S. Backup Withholding Tax and Information Reporting" and "FATCA", and except as otherwise indicated in the applicable Final Terms, payments of interest (including OID) on a Security to a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States.

Interest or OID from the New York branch of the Issuer

Interest paid from the New York branch of the Issuer that is not effectively connected with a U.S. trade or business will not be subject to U.S. federal income tax and withholding of U.S. federal income tax will not be required on that payment if you:

- (i) are not a "10-percent shareholder" (within the meaning of Sections 881(c)(3)(B) and 871(h)(3)(B) of the Code) of the Issuer;
- (ii) are not a controlled foreign corporation related to Issuer;
- (iii) are not a bank receiving interest on a loan entered into in the ordinary course of business within the meaning of Section 881(c)(3)(A) of the Code; and
- (iv) certify to us, our paying agent, or the person who would otherwise be required to withhold U.S. federal income tax, generally on IRS Form W-8BEN or W-8BEN-E or applicable substitute form, under penalties of perjury, that you are not a U.S. person for U.S. federal income tax purposes and provide your name and address.

Interest that does not satisfy the foregoing exception will be subject to U.S. federal withholding tax, currently at a rate of 30%, unless:

- (i) such tax is eliminated or reduced under an applicable United States income tax treaty and the Non-U.S. Holder provides a properly executed IRS Form W-8BEN establishing such reduction or exemption from withholding tax on interest; or
- (ii) such interest is effectively connected with a U.S. trade or business of the Non-U.S. Holder and the Non-U.S. Holder provides a properly executed IRS Form W-8ECI, W-8BEN or W-8BEN-E claiming an exemption from withholding tax on such interest.

A Non-U.S. Holder whose interest income is effectively connected with a U.S. trade or business (or in the case of an applicable treaty, is attributable to a permanent establishment or fixed base maintained in the United States) of the Non-U.S. Holder will be subject to regular U.S. federal income tax on such interest in generally the same manner as if it were a U.S. holder. A corporate Non-U.S. Holder may also be subject to an additional U.S. branch profits tax at a rate of 30% on its effectively connected earnings and profits attributable to such interest (unless reduced or eliminated by an applicable income tax treaty).

Sale, Exchange or Retirement of Securities

Subject to the discussion below under the captions "U.S. Backup Withholding Tax and Information Reporting" and "FATCA" any gain realized by a Non-U.S. Holder upon the sale, exchange or

retirement of a Security generally will not be subject to U.S. federal income tax, unless (i) the gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

U.S. Backup Withholding Tax and Information Reporting

A backup withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation, to certain holders of Securities that are United States persons. Information reporting generally will apply to payments of principal of, and interest on, an obligation, and to proceeds from the sale or redemption of, an obligation made within the U.S. to a holder (other than an exempt recipient, a payee that is not a U.S. person that provides an appropriate certification and certain other persons). The payor will be required to withhold backup withholding tax on payments made within the United States on a Security to a holder of a Security that is a United States person, other than an exempt recipient, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States of principal and interest to a holder of a Security that is not a United States person will not be subject to backup withholding tax and information reporting requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. The backup withholding tax rate is currently 28%.

FATCA

With respect to Instruments issued by LBBW acting through its New York branch, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30.00 per cent. on payments of interest made at any time and payments of principal and the gross proceeds from the sale, exchange or redemption of the Instruments made on or after 1 January 2017 to foreign financial institutions unless the payee foreign financial institution certifies that it is eligible to receive payments from FATCA withholding on IRS Form W-8BEN-E (or other applicable form). Payments of the foregoing amounts made to certain non financial foreign entities that do not disclose certain information about any substantial U.S. owners (or certify that they do not have any substantial U.S. owners) in each case on IRS Form W-8BEN-E (or other applicable form) may also be subject to withholding at the rate of 30.00 per cent. under FATCA.

With respect to Instruments issued by a member of the LBBW Group other than the New York branch of LBBW after the date that is six months after the date on which the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Passthru Payment Grandfathering Date**") or (b) before that date that are either (i) "significantly modified" for U.S. federal income tax purposes after that date or (ii) constitute a further issue that is not issued pursuant to a qualified reopening for U.S. federal income tax purposes, the Issuer may under certain circumstances, be required under FATCA to withhold U.S. tax at a rate of 30.00 per cent. on all or a portion of payments of principal and interest which are treated as "passthru payments" made on or after 1 January 2017 to foreign financial institutions unless the payee foreign financial institution certifies that it is eligible to receive payments free of FATCA withholding.

Germany has entered into an intergovernmental agreement (an "**IGA**") with the United States to help implement FATCA for certain German financial institutions. The Issuer will be required to report certain information on its U.S. account holders to Germany in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable German law. It is not yet certain how the United States and Germany will address withholding on "foreign passthru payments" (which may include payments on Securities (other than Securities issued by the New York branch of the Issuer) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Instruments as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would pursuant to the conditions of the Instruments be required to pay additional amounts as a result of the deduction or withholding of such tax.

The above overview is not intended to constitute a complete analysis of all tax consequences relating to the ownership of Securities. Prospective purchasers of Securities should consult their own tax advisors concerning the tax consequences of their particular situations.

United Kingdom Taxation

The following is an overview of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Securities. It is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Securities. The comments relate only to the position of persons who are absolute beneficial owners of the Securities. Prospective holders of Securities should be aware that the particular terms of issue of any series of Securities as specified in the relevant Final Terms may affect the tax treatment of that and other series of Securities. The following is a general guide for information purposes and should be treated with appropriate caution. Holders of Securities who are in any doubt as to their tax position should consult their professional advisers. Holders of Securities who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Securities are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Securities. In particular, holders of Securities should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Non-UK source interest

Interest on Securities which does not have a United Kingdom source may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that, in their view, the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the relevant instrument and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the relevant instrument, and similar factors relating to any guarantee. Interest on Securities will have a United Kingdom source if the Securities are issued by LBBW acting through its London branch, and may have a United Kingdom source if, for example, the Securities are secured on assets situate in the United Kingdom.

UK Securities listed on a recognised stock exchange

Where interest on any Securities has a United Kingdom source, such Securities ("UK Securities") will constitute "quoted Eurobonds" provided they carry a right to interest and are and continue to be "listed on a recognised stock exchange". Whilst the UK Securities are and continue to be quoted Eurobonds, payments of interest on the UK Securities may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Luxembourg Stock Exchange, the Stuttgart Stock Exchange and the Frankfurt Stock Exchange are each a recognised stock exchange for these purposes.

The Issuer's understanding of current HMRC practice is that Securities which are officially listed and admitted to trading on (i) the Main Market of the Luxembourg Stock Exchange; (ii) the Regulated Market (*Regulierter Markt*) of the Frankfurt Stock Exchange or (iii) the Regulated Market (*Regulierter Markt*) of the Stuttgart Stock Exchange may be regarded, in each case, as "listed on a recognised stock exchange" for these purposes.

UK Securities issued by LBBW acting through its London Branch

In addition to the exemption set out above, interest on UK Securities issued by LBBW, London branch may be paid without withholding or deduction for or on account of United Kingdom income tax so long as LBBW, London branch is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by LBBW, London branch in the ordinary course of its business.

All UK Securities

In all cases falling outside the exemptions described above, interest on the UK Securities may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Securities with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Securities part of a borrowing with a total term of a year or more.

Provision of Information

Holders of Securities should note that where any interest on Securities is paid to them (or to any person acting on their behalf) by LBBW, London branch or any person in the United Kingdom acting on behalf of the Issuer (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant holder (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), then LBBW, London branch, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the holder of Securities (including the holder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the holder of Securities is resident in the United Kingdom for United Kingdom taxation purposes. In certain circumstances, the details provided to HMRC may be passed by HMRC to the tax authorities of certain other jurisdictions.

HMRC have the power to apply the provisions referred to above in certain circumstances, to payments made on redemption of any Securities which constitute "deeply discounted securities" for the purposes of the Income Tax (Trading and Other Income) Act 2005 (or any equivalent successor provisions), but have announced that they will not require this information in respect of such amounts paid on or before 5 April 2015.

For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Securities.

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

Other Rules Relating to United Kingdom Withholding Tax

1. Securities may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Securities will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.
2. Where Securities are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, holders of Securities who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Securities or any related documentation. Where a payment on Securities does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Securities). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

Austrian Taxation

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities (in particular from a potential qualification as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a domicile (Wohnsitz) and/or their habitual abode (gewöhnlicher Aufenthalt), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (Bundesabgabenordnung), in Austria are subject to income tax (Einkommensteuer) in Austria on their worldwide income (unlimited income tax liability; unbeschränkte Einkommensteuerpflicht). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; beschränkte Einkommensteuerpflicht).

Corporations having their place of management (Ort der Geschäftsleitung) and/or their legal seat (Sitz), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (Körperschaftsteuer) in Austria on their worldwide income (unlimited corporate income tax liability; unbeschränkte Körperschaftsteuerpflicht). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; beschränkte Körperschaftsteuerpflicht).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (Einkommensteuergesetz), the term investment income (Einkünfte aus Kapitalvermögen) comprises:

- income from the letting of capital (Einkünfte aus der Überlassung von Kapital) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (Einkünfte aus realisierten Wertsteigerungen) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (Einkünfte aus Derivaten) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Securities from a bank deposit (Depotentnahme) and circumstances leading to a loss of Austria's taxation right regarding the Securities vis-à-vis other countries, e.g. a relocation from Austria (Wegzug), are in general deemed to constitute a sale (cf. sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (inländische Einkünfte aus Kapitalvermögen), basically meaning income paid by an Austrian paying agent (auszahlende Stelle) or an Austrian custodian agent (depotführende Stelle), the income is subject to withholding tax (Kapitalertragsteuer) of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25%. In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest and other claims vis-à-vis credit institutions nor against income from private law foundations and comparable legal estates (privatrechtliche Stiftungen und damit vergleichbare

Vermögensmassen); income subject to tax at a flat rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus the income is subject to withholding tax of 25%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless tax at a flat rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally tax at a flat rate of 25%). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Securities at a rate of 25%. In case of investment income with an Austrian nexus the income is subject to withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Income from the alienation of the Securities is subject to corporate income tax of 25%. Losses from the alienation of the Securities can be offset against other income (and carried forward).

Private foundations (Privatstiftungen) pursuant to the Austrian Private Foundations Act (Privatstiftungsgesetz) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (inter alia, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus income is in general subject to withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Securities if they have a permanent establishment (Betriebsstätte) in Austria and the Securities are attributable to such permanent establishment (cf. sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (EU-Quellensteuergesetz, see below) from the Securities if withholding tax is levied on such interest (this does not apply, inter alia, if the Issuer has neither its place of management nor its legal seat in Austria and is not acting through an Austrian branch, which condition we understand to be fulfilled in the case at hand; cf. sec. 98(1)(5)(b) of the Austrian Income Tax Act).

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be

credited, with such tax credit being limited to 25% of the negative income. In certain cases the offsetting is not permissible. The custodian agent has to issue a written confirmation on each offsetting of losses.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (Zahlstelle) to a beneficial owner who is an individual resident in another EU Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (EU-Quellensteuer) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her EU Member State of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017. However, in connection with a planned amendment of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, interest, dividends and other income as well as account balances and sales proceeds from financial assets shall be brought within the scope of the automatic exchange of information provisions of Council Directive 2011/16/EU, which will most likely at some point in time lead to a repeal of Council Directive 2003/48/EC.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (Sitzgesellschaft)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (Stiftungseingangssteuer) pursuant to the Austrian Foundation Transfer Tax Act (Stiftungseingangssteuergesetz) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria.

Certain exemptions apply in cases of transfers mortis causa of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Dutch Taxation

The following is a general overview of certain Netherlands tax consequences of the acquisition, holding and disposal of the Securities. This overview does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders of Securities should consult with their tax advisers with regard to the tax consequences of investing in the Securities in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this overview only addresses Netherlands national tax legislation and published regulations, whereby the Netherlands means the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Please note that the overview does not describe the Netherlands tax consequences for:

- i. holders of Securities if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 ("*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

- ii. pension funds, investment institutions ("*fiscale beleggingsinstellingen*"), exempt investment institutions ("*vrijgestelde beleggingsinstellingen*") (as defined in The Netherlands Corporate Income Tax Act 1969; "*Wet op de vennootschapsbelasting 1969*") and other entities that are exempt from Netherlands corporate income tax;
- iii. holders of Securities who are individuals for whom the Securities or any benefit derived from the Securities are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holder (as defined in The Netherlands Income Tax Act 2001); and
- iv. holders of Securities if such Securities are or treated as (a) linked to the profits of the Issuer or to the profits of an entity related to the Issuer and (b) redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or a related entity.

Taxes on Income and Capital Gains

Residents of the Netherlands

Generally speaking, if the holder of Securities is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the Securities or any gain or loss realized on the disposal or deemed disposal of the Securities is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to € 200,000 and 25% with respect to taxable profits in excess of that amount.

If a holder of Securities is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes, any payment under the Securities or any gain or loss realized on the disposal or deemed disposal of the Securities is taxable at the progressive income tax rates (with a maximum of 52%), if:

- i. the Securities are attributable to an enterprise from which the holder of Securities derives a share of the profit, whether as an entrepreneur or as a person who has a co entitlement to the net worth ("*medegerechtigd tot het vermogen*") of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or
- ii. the holder of Securities is considered to perform activities with respect to the Securities that go beyond ordinary asset management ("*normaal, actief vermogensbeheer*") or derives benefits from the Securities that are taxable as benefits from other activities ("*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions i. and ii. do not apply to the individual holder of Securities, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Securities are included as investment assets. A tax free allowance may be available. An actual gain or loss in respect of the Securities is not subject to Netherlands income tax.

Non residents of the Netherlands

A holder of Securities that is neither resident nor deemed to be resident of the Netherlands will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Securities or in respect of any gain or loss realized on the disposal or deemed disposal of the Securities, provided that:

- i. such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a

- permanent representative in the Netherlands and to which enterprise or part of an enterprise the Securities are attributable; and
- ii. in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Securities that go beyond ordinary asset management and does not derive benefits from the Securities that are taxable as benefits from other activities in the Netherlands.

Gift and Inheritance Taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Securities by way of a gift by, or on the death of, a holder of such Securities who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Securities by way of gift by, or on the death of, a holder of Securities who is neither resident nor deemed to be resident in the Netherlands, unless:

- i. in the case of a gift of a Security by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- ii. the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value Added Tax (VAT)

No Netherlands VAT will be payable by the holders of the Securities on (i) any payment in consideration for the issue of the Securities or (ii) the payment of interest or principal by the Issuer under the Securities.

Other Taxes and Duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Securities in respect of (i) the issue of the Securities or (ii) the payment of interest or principal by the Issuer under the Securities.

EU Savings Directive – General

Under the EU Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), which is applicable as from 1 July 2005, each member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or

certain limited types of entity (as described in Article 4.2 of the EU Savings Directive) established in that other member state.

However, for a transitional period, Austria (unless during such period it elects otherwise) instead operates an information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, it will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the withholding tax rate has raised over time to 35 per cent. (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. as from 1 July 2011). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

In addition, a number of non-EU countries, and certain dependent or associated territories of certain member states, have adopted or agree to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a member state. Furthermore, the member states have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a member state to, or collected by such a person for, an individual resident or certain limited types of entity in one of those territories.

On 13 November 2008, the European Commission published a proposal for amendments to the EU Savings Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009; the European Economic and Social Committee adopted its opinion on 13 May 2009. On 2 March 2012 the European Commission, following a second review of the EU Savings Directive, adopted a report on the EU Savings Directive to the Council of the European Union which again confirmed the Commission's advice on the need for changes. Finally, on 24 March 2014 the European Council formally adopted a directive amending the EU Savings Directive. The member states will have to have legislation in place to implement the new rules by 1 January 2016 (and such legislation must apply from 1 January 2017). Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

The Securities may be issued from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Cr dit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, J.P. Morgan Securities plc, HSBC Bank plc, Landesbank Baden-W rttemberg, Mizuho International plc, Morgan Stanley & Co. International plc, Natixis, Nomura International plc, RBC Europe Limited, The Royal Bank of Scotland plc, UBS Limited and UniCredit Bank AG (the "**Dealers**" (which term shall include any additional dealer appointed under the Programme either as permanent new Dealer or for one particular issue of Securities only). The arrangements under which Securities may from time to time be agreed to be issued by the Issuer to, and subscribed by, the above Dealers are set out in an amended and restated dealership agreement dated on or around 24 April 2015 (the "**Dealership Agreement**" which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) and made between the Issuer and the Dealers named therein. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Securities, the price at which such Securities will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Securities. The Issuer may issue Securities from time to time to persons or institutions who are not Dealers.

The Programme is designed to enable the Issuer to offer Securities under the Programme to retail investors in a number of specified Passported Countries. Words and expressions defined in the sections headed "*Form of the Instruments*" and "*Terms and Conditions of the Instruments*" below shall have the same meaning in this section.

United States of America

1. Each Dealer has understood that the Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered 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. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act. Securities in bearer form 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 United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended and the U.S. Treasury regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Securities, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Securities comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Securities to or through more than one Dealer, by each of such Dealers as to Securities of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each Dealer to which it sells Securities during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to or for the account or benefit of U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Securities comprising any Tranche, any offer or sale of Securities 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 Rule 144A under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange for the offer and sale of Registered Instruments in the United States to QIBs pursuant to Rule 144A.

2. In addition, the Securities in bearer form will be issued in accordance with the provisions of United States Treasury Regulation §1.163-5(c)(2)(i) (D) (the "**D Rules**"), unless the relevant Final Terms specified that the Securities will be issued in accordance with the provisions of United States Treasury Regulation §1.163-5(c)(2)(i) (C) (the "**C Rules**") or that the C Rules and the D Rules are not applicable.

(a) In addition:

each Dealer has represented and agreed that

- (i) except to the extent permitted under U.S. Treas. Reg. § 1.163-5(c)(2)(i) (D) (the "**D Rules**"), (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Securities in bearer form that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities in bearer form are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if such Dealer is a United States person, it represents that it is acquiring the Securities in bearer form for purposes of resale in connection with their original issuance and, if such Dealer retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i) (D)(6); and
- (iv) with respect to each affiliate (if any) that acquires from such Dealer Securities in bearer form for the purposes of offering or selling such Securities during the restricted period, such Dealer either (A) hereby represents and agrees on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (i), (ii) and (iii) of this paragraph or (B) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) of this paragraph.

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and Regulations thereunder, including the D Rules; or

- (b) Where the C Rules are specified in the relevant Final Terms as being applicable in relation to any issue of Securities in bearer form, under the C Rules such Securities must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Securities in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees that in connection with the original issuance of the Securities in bearer form, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such purchaser is within the United States or its

possessions and will not otherwise involve any U.S. office of such Dealer in the offer or sale of Securities in bearer form. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

Each Series of Securities will also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

- (c) In the case of an issue of Securities denominated in Swiss Francs or an issue of Securities to be deposited with Clearstream Banking AG, which Securities will be represented by a global Security in substantially the form (subject to amendment and completion) of the First Schedule, Part B to the Trust Deed under United States Treasury Regulation §1.163-5(c)(2)(i) (C) (the "**C Rules**"), Securities in bearer form must be issued and delivered in connection with their original issuance outside the United States and its possessions. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or delivered, directly or indirectly, any Securities in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees that, in connection with the original issuance of Securities in bearer form, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or prospective purchaser is within the United States or its possessions and will not otherwise involve the U.S. office of such Dealer in the offer and sale of Securities in bearer form. Terms used in this paragraph have the meanings given to them by the United States Internal Code and regulations thereunder, including the C Rules.

In addition, each Tranche of Securities, including but not limited to certain Series of Securities in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Securities may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealers may agree, as indicated in the relevant Final Terms. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will offer, sell and deliver such Securities only in compliance with such additional U.S. selling restrictions.

Each Dealer (or, in the case of a sale of a Tranche to or through more than one Dealer, each of such Dealers as to Securities of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have certified as provided in this paragraph) who has purchased Securities of any Tranche of Securities in accordance with this Agreement shall determine and certify to the Principal Paying Agent or the Issuer the completion of the distribution of such Tranche as aforesaid. In order to facilitate compliance by each Dealer with the foregoing, the Issuer undertakes that, prior to such certification with respect to such Tranche, it will notify each Dealer in writing of each acceptance by the Issuer of an offer to purchase and of any issuance of, Securities or other debt obligations of the Issuer which are denominated in the same currency or composite currency and which have substantially the same interest rate and maturity date as the Securities of such Tranche.

Each issuance of index-, commodity- or currency-linked Securities shall be subject to additional U.S. selling restrictions as the relevant Dealer or Dealers shall agree as a term of the issuance and purchase of such Securities. Each Dealer has agreed that it shall offer, sell and deliver such Securities only in compliance with such additional U.S. selling restrictions.

Each Dealer has agreed that it has not entered and will not enter into any contractual arrangements with respect to the distribution or delivery of Securities into the United States except with its affiliates (if any) or with the prior written consent of the Issuer.

Public Offer Selling Restrictions Under the Prospectus Directive

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 Securities which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto 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 such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities 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, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

France

This document is not being distributed in the context of a public offering of financial securities ("*offre au public de titres financiers*") in France within the meaning of Article L.411-1 of the Code monétaire et financier and Articles 211-1 et seq. of the General Regulation of the *Autorité des marchés financiers*, and has therefore not been, and will not be, submitted to the *Autorité des marchés financiers* for prior approval and clearance procedure.

Each Dealer and the Issuer have represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Securities to the public in France and that offers and sales of Securities in France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*investisseurs qualifiés*) acting for their own

account, as defined in Article L.411-1, Article L.411-2, Articles D.411-1, D.411-4, D.744-1, D.754-1 and D.764-1 of the *Code monétaire et financier*.

In addition, each Dealer and the Issuer have represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

Pursuant to Article 211-3 of the General Regulation of the *Autorité des marchés financiers*, investors in France are informed that the Securities may only be issued, directly or indirectly, to the public in France in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the *Code monétaire et financier*.

Italy

This Programme has not been submitted for approval by Commissione Nazionale per le Società e la Borsa ("**CONSOB**", the Italian Securities Regulator) pursuant to the Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, promoted, advertised or delivered, and will not offer, sell, promote, advertise or deliver in a solicitation to the public any Securities or distribute any copy of this Prospectus, the Final Terms or any other document, including offering material relating to the Securities in the Republic of Italy, and that sales of the Securities in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation, except:

- (1) to "qualified investors" ("*investitori qualificati*"), as defined in Article 26, paragraph 1 (d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (the "**Intermediaries Regulation**"), in connection with Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**") implementing Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"), all as amended; or
- (2) in an offer to the public in the period commencing on the date of publication of such prospectus, *provided that* such prospectus has been approved in another relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under the Italian Financial Services Act and the Issuers Regulation, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under the Italian Financial Services Act, or the Issuers Regulation, as amended from time to time.

Furthermore and subject to the foregoing, any such offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Services Act, the Intermediaries Regulation, Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**"), all as amended and any other applicable laws and regulations; and
- (b) to the extent applicable, in compliance with Article 129 of the Italian Banking Act and the relevant implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the

offer of securities in the Republic of Italy or by Italian persons outside the Republic of Italy; and

- (c) in compliance with securities, tax, exchange control and any other applicable laws and regulations and any other applicable notification requirement or limitation which may be imposed, from time to time, *i.a.* by CONSOB or the Bank of Italy or any other Italian authority.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Securities in the Republic of Italy, in accordance with Article 100-*bis* of the Italian Financial Services Act, where no exemption from the rules of the public offerings applies under (3) above, the Securities which are initially offered and placed in the Republic of Italy or abroad to qualified investors only but in the following year are regularly (“*sistematicamente*”) distributed on the secondary market in the Republic of Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and the Issuers Regulation. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the Securities for any damages suffered by such non-qualified investors.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949, as amended)) or to or for the benefit of others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) (“**SFA**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed will be required to represent and agree, that this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under the exemptions provided in the SFA for offers made (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) or any person, pursuant to an offer referred to in Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA which subscribes or purchases the Securities, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should be made aware that the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or trust has acquired the Securities under Section 275 of the SFA except:

- (i) to an institutional investor under Section 274 of the SFA or to a relevant person as defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (i) as specified in Regulation 32 of the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) standard exemption wording is disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**DFSA**"), or;
- (b) such offer is made exclusively to persons or entities which are qualified investors in The Netherlands as defined in the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this provision, the expressions (i) an 'offer of Securities to the public' in relation to any Securities in The Netherlands; and (ii) 'Prospectus Directive', have the meaning given to them above in the paragraph headed with "**Public Offer Selling Restrictions Under the Prospectus Directive**".

In addition to and without prejudice to the relevant selling restriction set out under "**Public Offer Selling Restrictions Under the Prospectus Directive**" above, Zero Coupon Securities (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V. (*toegelaten instelling*), with due observance of the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations.

No such mediation is required in respect of (a) the transfer and acceptance of rights representing an interest in a Zero Coupon Security in global form, or (b) the initial issue of Zero Coupon Securities in definitive form to the first holders thereof, or (c) the transfer and acceptance of Zero Coupon Securities in definitive form between individuals not acting in the conduct of a business or profession, or (d) the transfer and acceptance of such Zero Coupon Securities within, from or into The Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Security in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with and, in addition thereto, if such Zero Coupon Securities in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal Decree of 11 March 1987, (*'Staatscourant 129'*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Securities.

As used herein "**Zero Coupon Securities**" are securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United Kingdom

In relation to each Tranche of Securities, each Dealer has represented, warranted and undertaken to the Issuer and each other Dealer (if any) that:

- (a) in relation to any Securities having 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 Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 purpose of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial Promotion*: It has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Securities in circumstances in which section 21(1) of the FSMA would not, if LBBW was not an authorised person, apply to LBBW.
- (c) *General Compliance*: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with (in both cases to the best of its knowledge and belief) all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Securities or has in its possession, or distributes or publishes this Base Prospectus, any Drawdown Prospectus, or any Final Terms or any related offering material, in all cases at its own expense.

Each Dealer has acknowledged that it will obtain any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of the Securities under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery of Securities.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Securities) or (in any other case) in a supplement to this document.

NOTICE TO PURCHASERS AND HOLDERS OF RESTRICTED SECURITIES AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Securities in the United States or that are U.S. persons are advised to consult legal counsel prior to making any offer, resale, pledge or transfers of such Securities.

Each prospective purchaser of restricted securities (as defined in Rule 144(a)(3) under the Securities Act), by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed as follows:

- (1) Such offeree acknowledges that this Base Prospectus is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.
- (2) Such offeree agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

Each purchaser of an interest in a restricted security offered and sold in reliance on Rule 144A will be deemed to have represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meaning given to them in Rule 144A or in Regulation S as the case may be):

- (a) The purchaser is not an "affiliate" (as defined in Rule 144A under the Securities Act) of the Issuer and (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Securities for its own account or for the account of a QIB for which it exercises sole investment discretion;
- (b) The purchaser understands that such restricted security is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such restricted security and the guarantee thereof have not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such restricted security, such restricted security may be offered, resold, pledged or otherwise transferred only (A) to a person which the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (D) to the issuer or an affiliate thereof or (E) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities law of any state of the United States or any other jurisdiction, (ii) the purchaser will, and each subsequent holder of the restricted security is required to, notify any purchaser of such restricted security from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Securities.
- (c) At the time of its purchase and throughout the period that it holds the restricted security, or any interest therein, that either (a) it is not and is not acting on behalf of (and will not be and will not be acting on behalf of), directly or indirectly, an employee benefit plan (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) subject to Title I of ERISA, a plan to which Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), applies or an entity whose underlying assets include "plan assets" by reason of any such plan's or employee benefit plan's investment in the entity or (b) the acquisition, holding and disposition of the restricted

security by such purchaser does not and will not constitute a nonexempt prohibited transaction under ERISA or Section 4975 of the Code.

Each purchaser of an interest in a restricted security acknowledges and agrees (i) that neither the Issuer nor the Dealers or any person representing the Issuer or the Dealers has made any representation to such purchaser with respect to the Issuer or the offer or sale of any Securities, other than by the Issuer with respect to the information contained in this Base Prospectus and any supplement(s) to this Base Prospectus or Final Terms, in each case which has been delivered to such purchaser and upon which it is relying in making its investment decision with respect to the Securities; (ii) that no Dealers make any representation or warranty as to the accuracy or completeness of this Base Prospectus or any supplement(s) to this Base Prospectus or Final Terms and (iii) that it has had access to such financial and other information concerning the Issuer, any Trust Deed or any other Agreements governing the Securities and such other documents as it deemed necessary in connection with its decision to purchase any of the Securities, including an opportunity to ask questions of, and request information from, the Issuer, and the Dealers.

Each restricted security will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS SECURITY (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER OR AN AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASERS OF THIS SECURITY FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY.

BY ITS ACQUISITION AND HOLDING OF THIS SECURITY OR ANY INTEREST HEREIN, THE PURCHASER AND HOLDER HEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS THIS SECURITY OR INTEREST HEREIN, THAT EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF),

DIRECTLY OR INDIRECTLY, AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) SUBJECT TO TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), APPLIES OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH PLAN'S OR EMPLOYEE BENEFIT PLAN'S INVESTMENT IN THE ENTITY OR (B) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY BY SUCH PURCHASER OR TRANSFEREE DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE.

Each purchaser of an interest in a restricted security is deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Securities as well as to holders of the Securities.

Each purchaser of an interest in a restricted security is further deemed to acknowledge and agree that:

1. the Registrar will not be required to accept for registration of transfer any Securities acquired by such purchaser, except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set forth herein have been complied with.
2. the Issuer, the Dealers and others will rely upon the truth and accuracy of its acknowledgments, representations and agreements set forth herein and such purchaser agrees that, if any of its acknowledgments, representations or agreements herein cease to be accurate and complete, it will notify the Issuer and the Dealers promptly in writing;
3. if it is acquiring any Securities as a fiduciary or agent for one or more investor accounts, it represents with respect to each account that:
 - (i) it has sole investment discretion; and
 - (ii) it has full power to make, and does make, the foregoing acknowledgments, representations and agreements on behalf of each such investor;
4. it will give to each person to whom it transfers the Securities notice of any restrictions on the transfer of the Securities;
5. if such purchaser acquires Securities in a sale that occurs outside the United States within the meaning of Regulation S under the U.S. Securities Act, until the expiration of the Distribution Compliance Period, it shall not make any offer or sale of any Securities to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act; and
6. it understands that any transfer of the Securities will be subject to the selling restrictions set forth hereunder and under "*Subscription and Sale*".

CERTAIN ERISA CONSIDERATIONS

Pursuant to Internal Revenue Service Circular 230, investors are hereby informed that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any investor for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written to support the marketing of the Securities. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" (as defined in ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan (Section 4975 of the Code also imposes prohibitions for certain plans that are not subject to Title I of ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. Accordingly, each original or subsequent purchaser or transferee of a Security that is or may become a Plan is responsible for determining that its purchase and holding of such Security will not constitute a prohibited transaction under ERISA or Section 4975 of the Code. As a result, each purchaser and holder of a Security will be deemed to have represented and agreed that (i) it is and will not be a Plan or (ii) the purchase and holding of a Security do not and will not constitute or otherwise result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

THE PRECEDING DISCUSSION IS ONLY AN OVERVIEW OF CERTAIN ERISA IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISORS PRIOR TO INVESTING IN THE SECURITIES TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

GENERAL INFORMATION

1. Application has been made for Securities issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange and to listing and trading on the regulated market of the Stuttgart Stock Exchange. Furthermore, application may be made for Pfandbriefe and Global Jumbo Pfandbriefe issued by LBBW under the Programme to be admitted to listing and trading on the regulated market of the Frankfurt Stock Exchange.

However, Securities may be issued pursuant to the Programme which will not be admitted to trading on the Luxembourg Stock Exchange, the Stuttgart Stock Exchange and/or the Frankfurt Stock Exchange or any other listing authority and/or stock exchange or which will be listed by such listing authority and/or on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

With regard to Securities which will neither be listed on the Luxembourg Stock Exchange and traded on the regulated market of the Luxembourg Stock Exchange nor be offered in Luxembourg, the CSSF is not the competent authority for such issue of Securities.

2. The establishment of the Programme and the issuance of Securities hereunder was authorised by a resolution of the Board of Managing Directors of LBBW passed on 12 April 2005. LBBW has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.
3. Since 31 December 2014, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published, there has been no significant change in the financial or trading position nor any material adverse change in the prospects of the Issuer or their subsidiaries taken as a whole.
4. The consolidated financial statements of LBBW have been audited for the financial years ended 31 December 2014 and 31 December 2013 by KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG) and unqualified auditor's reports have been issued thereon.
5. From the date of this Base Prospectus and throughout the life of the Programme, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered offices of the Issuer and at the specified office of the Principal Paying Agent, Principal Registrar and the Luxembourg Listing Agent, namely:
 - (a) the constitutive documents of the Issuer;
 - (b) the Trust Deed;
 - (c) the Dealership Agreement;
 - (d) the Paying Agency Agreement;
 - (e) the Issuer-ICSDs Agreement
 - (f) the annual reports of LBBW for the financial years ended 31 December 2014 and 2013;

- (g) any Final Terms in relation to any Tranche which is admitted to listing on the Regulated Market or by any other listing authority or on any other stock exchange; and
- (h) this Base Prospectus and any supplements thereto prepared in relation to the Programme.

This Base Prospectus, the documents incorporated by reference into this Base Prospectus, Final Terms in relation to any Tranche which is admitted to listing on the official list of the Luxembourg Stock Exchange and any Notices published in Luxembourg if not published in a daily newspaper having general circulation in Luxembourg in accordance with Condition 13 will also be available from the website of the Luxembourg Stock Exchange (www.bourse.lu).

6. Bearer Securities and any Coupon appertaining thereto will bear a legend substantially 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 in such legend provide that a United States person who holds a Bearer Security or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Security or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
7. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) and the Principal Paying Agent or, as the case may be, the Registrar in relation to each Series.
8. The Bearer Instruments may be accepted for clearance through Euroclear (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium), Clearstream, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg) Clearstream Banking AG, Frankfurt (Mergenthalerallee 61, 65760 Eschborn, Germany), SIX SIS AG (SIS Brandschenkestrasse 47, 8002 Zurich, Switzerland), and/or The Depository Trust Company (55 Water Street, New York, New York 10041, United States) or any other clearing system as may be specified in the relevant Final terms. The appropriate common code and International Securities Identification Number and, where applicable, the relevant number in relation to the Securities of each Series assigned by Euroclear, and Clearstream and/or any other clearing system as shall have accepted the relevant Securities for clearance (as the case may be) will be specified in the Final Terms relating thereto. In addition, the Issuer will make an application for any Registered Instruments to be accepted for trading in book-entry form by Euroclear, Clearstream or DTC, as applicable. The CUSIP and/or CINS numbers for each Tranche of Registered Instruments together with the relevant ISIN and Common Code will be specified in the applicable Final Terms.
9. The Dealers and their affiliates may be engaged by the Issuer in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business of such Dealers and their affiliates.
10. United States Federal Income Tax Confidentiality Waiver: Any person (and each employee, representative, or other agent of such person) may disclose to any and all persons, without limitation of any kind, the United States Federal income tax treatment and the United States Federal income tax structure of the Securities, Coupons or Talons and all materials of any kind (including opinions or other tax analyses) that are provided to any holder relating to such tax treatment and tax structure.
11. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any member state.

12. 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 for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities issued under the Programme. Any such short positions could adversely affect future trading prices of Securities issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED OFFICE OF LBBW

Landesbank Baden-Württemberg

Am Hauptbahnhof 2
70173 Stuttgart
Germany
Telephone: +49 711 127 70310

New York Branch

LBBW New York Branch

280 Park Avenue
31st Floor – West Building
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United States

Singapore Branch

LBBW Singapore Branch

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01-72 German Centre
Singapore 609916
Singapore

London Branch

LBBW London Branch

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United Kingdom

ARRANGER

Morgan Stanley & Co. International plc

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London E14 4QA
United Kingdom

DEALERS

Barclays Bank PLC

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United Kingdom

BNP Paribas

10 Harewood Avenue
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United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Commerzbank Aktiengesellschaft

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60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank

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France

Credit Suisse Securities (Europe) Limited

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United Kingdom

Daiwa Capital Markets Europe Limited

5 King William Street
London EC4N 7AX
United Kingdom

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60265 Frankfurt am Main
Germany

HSBC Bank plc
8 Canada Square
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United Kingdom

Landesbank Baden-Württemberg
Am Hauptbahnhof 2
70173 Stuttgart
Germany

Morgan Stanley & Co. International plc
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Canary Wharf
London E14 4QA
United Kingdom

Nomura International plc
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United Kingdom

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

UniCredit Bank AG
Arabellastrasse 12
81925 München
Germany

AUDITORS TO LBBW

KPMG Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Theodor-Heuss-Straße 5
70174 Stuttgart
Germany

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Mizuho International plc
Bracken House
One Friday Street
London EC4M 9JA
United Kingdom

Natixis
30 avenue Pierre Mendès France
75013 Paris
France

RBC Europe Limited
Riverbank House
2 Swan Lane
London
EC4R 3BF
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

TRUSTEE

in relation to Instruments

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT AND PRINCIPAL REGISTRAR

in relation to Instruments

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

FIRST ALTERNATIVE REGISTRAR

in relation to Instruments

The Bank of New York Mellon (Luxembourg) S.A.

Vertigo Building - Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

SECOND ALTERNATIVE REGISTRAR

in relation to Instruments

Citibank, N.A.

111 Wall Street
5th Floor,
Zone 2
New York 10043
United States

PAYING AGENTS

in relation to Instruments

**The Bank of New York Mellon (Luxembourg)
S.A.**

Vertigo Building - Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Citigroup Global Markets Deutschland AG

Reuterweg 16
60323 Frankfurt Am Main
Germany

Landesbank Baden-Württemberg

Am Hauptbahnhof 2
70173 Stuttgart
Germany

FISCAL AGENT

in relation to Pfandbriefe and
Global Jumbo Pfandbriefe

Landesbank Baden-Württemberg

Am Hauptbahnhof 2
70173 Stuttgart
Germany

REGISTRAR

in relation to Registered Pfandbriefe

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

To the Issuer as to German Law

Internal Legal Counsel

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Germany

To the Dealers and the Trustee as to English Law

White & Case LLP

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United Kingdom

To the Dealers as to German Law

White & Case LLP

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Germany

To the Dealers as to US Law

White & Case LLP

1155 Avenue of the Americas
New York, New York 10036
United States

LISTING AGENT

Banque Internationale à Luxembourg,

société anonyme

69 Route d'Esch
L-2953 Luxembourg