



**rentenbank**

## **LANDWIRTSCHAFTLICHE RENTENBANK**

### **EUR 60,000,000,000**

### **Euro Medium Term Note Programme**

*On 23rd March, 1994 Landwirtschaftliche Rentenbank (the "Issuer" or the "Bank") entered into a Euro Medium Term Note Programme (the "Programme") and issued a base prospectus on that date describing the Programme. The Programme was last updated on 16th May, 2011 and a base prospectus describing the Programme was issued. This Base Prospectus dated 16th May, 2012 supersedes all previous base prospectuses. Any Notes (as defined below) to be issued after the date hereof under the Programme, which has been amended as at the date hereof as described herein, are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.*

Under the Programme, the Issuer may from time to time issue notes (the "Notes", which expression shall include Senior Notes and Subordinated Notes (each as defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 60,000,000,000 (or its equivalent in other currencies calculated as described herein). The Notes may be issued in any denomination.

Notes may be issued in bearer form ("Bearer Notes"), registered form ("Registered Notes") or uncertificated and dematerialised book entry form ("Uncertificated Notes").

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".**

The Notes will be issued on a continuing basis to one or more of the Dealers specified on page 6 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Application has been made to the Luxembourg Stock Exchange for the Notes to be issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be listed on its official list and admitted to trading on its regulated market. Application has been made for the Notes to be admitted to the official list of the United Kingdom Financial Services Authority. Application has also been made for such Notes to be admitted to trading on the London Stock Exchange's regulated market. Application has been made for the Notes to be issued under the Programme to be listed and admitted to trading on the regulated market of the Frankfurt Stock Exchange. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes.

Any person (an "Investor") intending to acquire or acquiring any Notes from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive as implemented by the national legislation of each Member State of the European Economic Area, the Issuer may be responsible to the Investor for this Base Prospectus only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each Member State of the European Economic Area in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

#### **Arrangers**

**BofA Merrill Lynch**

**Landwirtschaftliche Rentenbank**

#### **Dealers**

**Barclays**

**BNP PARIBAS**

**BofA Merrill Lynch**

**Citi**

**Commerzbank**

**Credit Suisse**

**Deutsche Bank**

**DZ BANK AG**

**Goldman Sachs International**

**HSBC**

**J.P. Morgan**

**Morgan Stanley**

**Nomura**

**RBC Capital Markets**

**The Royal Bank of Scotland**

**TD Securities**

**UBS Investment Bank**

**WestLB AG**

The date of this Base Prospectus is 16th May, 2012.

This Base Prospectus comprises a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the “Securities Prospectus Act”). This Base Prospectus has been approved by and filed with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the “German Financial Supervisory Authority”) in its capacity as competent authority under the Prospectus Directive and the Securities Prospectus Act for the Notes issued under the Programme up to the expiry of 12 months from the date of publication of this Base Prospectus. The German Financial Supervisory Authority has scrutinised this Base Prospectus only with respect to its completeness, the consistency of the information given and its comprehensibility (see “About this Base Prospectus” below). The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in applicable Final Terms (as defined below), no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes outside the European Economic Area or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, the Republic of France, The Netherlands, the Republic of Italy, Kingdom of Norway, Japan, the Commonwealth of Australia and New Zealand (see “Subscription and Sale” and “Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions” below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable U.S. state securities laws, and may include Notes in bearer form that are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and provided that applicable U.S. tax law requirements are satisfied. (see “Subscription and Sale — United States of America” and “Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions” below). Any offer or sale of any Notes (including resales thereof) in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the U.S. Securities Act or pursuant to an exemption therefrom.

**NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR 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 NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 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.**

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All references in this document to “U.S. dollars” and “U.S.\$” refer to the currency of the United States of America, those to “Japanese Yen” or “yen” refer to the currency of Japan, those to “Australian dollars” or “AUD” refer to the currency of Australia, those to “NZ\$” refer to the currency of New Zealand, those to “sterling” refer to the currency of the United Kingdom and those to “euro”, “EUR” or “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

## TABLE OF CONTENTS

	<i>Page</i>
Documents Incorporated by Reference .....	4
Summary .....	7
German Translation of the Summary Zusammenfassung des Basisprospekts .....	14
Risk Factors .....	22
About this Base Prospectus .....	27
General Description of the Programme .....	29
Form of the Notes .....	30
Terms and Conditions of the Notes .....	35
Forms of Final Terms .....	64
Use of Proceeds.....	90
Description of the Issuer .....	91
Financial Information .....	96
Taxation .....	99
Book-Entry Clearing Systems .....	127
Subscription and Sale.....	132
Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions .....	139
General Information .....	142
Signature .....	148

## DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has previously been published and filed with the German Financial Supervisory Authority, shall be deemed to be incorporated in, and to form part of, this Base Prospectus as follows:

- (a) the Issuer’s audited annual consolidated financial statements for the year ending 31st December, 2011, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out at the following pages of the Issuer’s 2011 Annual Report in the English language that constitutes a part of the annual document, published and filed with the German Financial Supervisory Authority in accordance with Section 10 of the Securities Prospectus Act (the “Annual Document”):

	<i>Page(s)</i>
Group Management Report.....	25-50
Consolidated Statement of Comprehensive Income (IFRS) .....	52
Consolidated Balance Sheet (IFRS).....	53
Consolidated Statement of Changes in Equity .....	54
Consolidated Cash Flow Statement .....	55-56
Notes to the Consolidated Financial Statements .....	57-100
Group Auditors’ Report.....	101
Report of the Advisory Board .....	106

- (b) the Issuer’s audited annual financial statements for the year ended 31st December, 2011, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out at the following pages of the Issuer’s 2011 Unconsolidated Financial Report in the English language that constitutes a part of the Annual Document:

	<i>Page(s)</i>
Management Report .....	2-24
Balance Sheet.....	26-27
Income Statement .....	28-29
Notes.....	30-49
Independent Auditors’ Report .....	50-51
Report of the Advisory Board .....	52-53

- (c) the Issuer’s audited annual consolidated financial statements for the year ending 31st December, 2010, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out at the following pages of the Issuer’s 2010 Annual Report in the English language that constitutes a part of the Annual Document:

	<i>Page(s)</i>
Group Management Report.....	26-48
Consolidated Statement of Comprehensive Income (IFRS) .....	50
Consolidated Balance Sheet (IFRS).....	51
Consolidated Statement of Changes in Equity .....	52
Consolidated Cash Flow Statement .....	53-54
Notes to the Consolidated Financial Statements .....	55-99
Group Auditors’ Report.....	100
Report of the Advisory Board .....	106

- (d) the Issuer's audited annual financial statements for the year ended 31st December, 2010, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out at the following pages of the Issuer's 2010 Unconsolidated Financial Report in the English language that constitutes a part of the Annual Document:

	<i>Page(s)</i>
Management Report .....	2-20
Balance Sheet .....	22-23
Income Statement .....	24-25
Notes.....	26-42
Independent Auditors' Report .....	46-47
Report of the Advisory Board .....	49-50

The following information, which has previously been published and filed with the German Financial Supervisory Authority, shall be deemed to be incorporated in, and to form part of, this Base Prospectus as follows:

- (i) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 16th May, 2011;
- (ii) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 28th May, 2010;
- (iii) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 28th May, 2009;
- (iv) the terms and conditions contained in pages 32 to 60 of the Base Prospectus relating to the Programme dated 28th May, 2008;
- (v) the terms and conditions contained in pages 27 to 50 of the Base Prospectus relating to the Programme dated 27th July, 2007;
- (vi) the terms and conditions contained in pages 28 to 50 of the Base Prospectus relating to the Programme dated 27th July, 2006; and
- (vii) the terms and conditions contained in pages 22 to 45 of the Prospectus relating to the Programme dated 15th July, 2005, as supplemented by the Prospectus Supplement dated 27th July, 2005.

The foregoing terms and conditions apply (as specified in the applicable Final Terms) to increases in issue of Notes, the first tranche of which was issued under the corresponding Base Prospectus with an earlier date.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. The information incorporated herein by reference was published:

- (a) in printed form by making it available at the registered office of the Issuer and from the specified offices of the Principal Paying Agent, the Registrar and the other Paying and Transfer Agents for the time being in London, New York and Luxembourg; and
- (b) in an electronic form on the Issuer's website at [www.rentenbank.de](http://www.rentenbank.de).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the German Financial Supervisory Authority in accordance with Article 16 of the Prospectus Directive and the Securities Prospectus Act. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its registered offices set out at the end of this Base Prospectus.

The Issuer will, in the event of a significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes.

## SUMMARY

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, civil liability will attach to Landwirtschaftliche Rentenbank as the responsible person for this summary, including any translation hereof, but only if it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus.*

### Information Relating to the Programme

<b>Issuer:</b>	Landwirtschaftliche Rentenbank
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arrangers:</b>	Merrill Lynch International Landwirtschaftliche Rentenbank
<b>Dealers:</b>	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc RBC Europe Limited The Royal Bank of Scotland plc The Toronto-Dominion Bank UBS Limited WestLB AG  and any other Dealers appointed in accordance with the Programme Agreement.
<b>Issuing Agent, Principal Paying Agent and Exchange Agent:</b>	Deutsche Bank AG, London Branch
<b>Registrar:</b>	Deutsche Bank Trust Company Americas
<b>VP Agent:</b>	Danske Bank A/S
<b>VPS Agent:</b>	Nordea Bank Norge ASA
<b>Risk Factors:</b>	An investment in the Notes involves certain risks relating to the Issuer and the Notes. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in any Notes may (i) affect the ability of the Issuer to fulfil its obligations under Notes issued under the Programme and/or (ii) lead to a volatility and/or decrease in the market value of the relevant Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes.

### **Risks Relating to the Issuer**

In particular, while the Issuer's business consists almost entirely in issuing loans to other financial institutions, it is subject to the risk that borrowers and other contractual partners may become unable to meet their obligations to the Issuer. Disruptions recently experienced in the international capital markets as a result of the global financial crisis and the Euro-zone debt crisis may result in a reduction of available financing. In addition, there will be risk associated with changes in interest rates and foreign exchange rates. The Issuer's credit ratings may be lowered or withdrawn by the relevant rating agencies.

### **Risks Relating to Notes Generally**

Prospective investors in the Notes are exposed to certain risks associated with investment in the Notes. This includes the fact that the Notes may not be a suitable investment for all investors. In addition, there can be no assurance given that there will be a market for any Notes. There are limited remedies in the event of a default. An investment in the Notes may involve exchange rate risks. The Notes may be modified or waived subject to defined majority voting provisions that are binding on all the Noteholders. The investment activities of certain investors are restricted by applicable legal investment laws and regulations by certain authorities. As Notes in global form are held by or on behalf of certain clearing systems, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

### **Risks Relating to the Structure of a Particular Issue of Notes**

In addition, prospective investors in the Notes are exposed to certain risks associated with the structure of a particular issue of Notes. The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to unsubordinated obligations. The Issuer may have the right to redeem certain Notes prior to maturity, a feature that is likely to limit such Notes' market value and expose investors to certain reinvestment risks. Amounts due in respect of principal and/or interest in respect of Index Linked Notes will be dependent upon the performance of an index or the result of a formula, which itself may contain substantial credit, interest rate or other risks.

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes 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 Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding Notes.

<b>Programme Size:</b>	Up to EUR 60,000,000,000 (or its equivalent in other currencies). The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement, in connection with which a new prospectus will be published.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Euro, sterling, U.S. dollars, yen, and, subject to any applicable legal or regulatory restrictions and any applicable reporting requirements, any other currency agreed between the Issuer and the relevant Dealer.



<b>Redenomination:</b>	The applicable Final Terms may provide that certain Notes may be redenominated in euro. If so, the wording of the redenomination clause will be set out in full in the Final Terms.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Except as provided above, the Notes are not subject to any maximum maturity.
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.  The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
<b>Form of Notes:</b>	The Notes may be issued in bearer form, registered form or uncertificated and dematerialised book entry form, as specified in the applicable Final Terms, and in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).  In respect of Notes issued in bearer form, the Notes will on issue be represented by either a temporary global Note or a permanent global Note as specified in the applicable Final Terms. Temporary global Notes will be exchangeable either for (i) interests in a permanent global Note or (ii) definitive Notes as indicated in the applicable Final Terms.  Bearer Notes may either be issued in the existing form known as classical global notes (“CGN”) or through Euroclear and Clearstream, Luxembourg in a new form, known as new global notes (“NGN”). Bearer Notes issued after 31st December, 2006 are only eligible as collateral for Eurosystem monetary policy and intra-day credit operations if they are issued in NGN form.  Notes may also be issued in the form of registered Notes in restricted or unrestricted form. From 1st October, 2010, registered Notes in global form may be held under the New Safekeeping Structure (the “NSS”).  Notes in registered form will not be exchangeable for Notes in bearer form and <i>vice versa</i> . Permanent global Notes will be exchangeable for definitive Notes only upon the occurrence of an Exchange Event.  Notes may also be issued in uncertificated and dematerialised book entry form (“Uncertificated Notes”) that are registered with and cleared through VP Securities A/S (“VP Notes” and “VP”, respectively) or registered with and cleared through the Norwegian Central Securities Depository ( <i>Verdipapirsentralen ASA</i> ) (“VPS Notes” and “VPS”, respectively). Uncertificated Notes will not be evidenced by any physical note or document of title. Entitlements to Uncertificated Notes will be evidenced by the crediting of such Notes to accounts with VP or VPS, as the case may be. Uncertificated Notes may not be exchanged for Bearer Notes or Registered Notes and <i>vice versa</i> .
<b>Clearing Systems:</b>	Notes in CGN form will normally be initially deposited with a common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream

Banking, société anonyme (“Clearstream, Luxembourg”) or deposited with a custodian for, and registered in the name of, Cede & Co. as nominee for The Depository Trust Company (“DTC”). Notes may also be deposited with a custodian for Clearstream Banking Aktiengesellschaft (“Clearstream, Frankfurt”) or for any other clearing system agreed by the Issuer, the relevant Dealer and the Principal Paying Agent.

Notes issued in NGN form will be deposited and safekept by a common safekeeper (the “Common Safekeeper”) and serviced by a common service provider (the “Common Service Provider”) for Euroclear or Clearstream, Luxembourg.

Notes in NGN form that the Issuer wishes to make potentially eligible as collateral for Eurosystem monetary policy or intra-day credit operations will be deposited and safekept throughout their lives by Euroclear or Clearstream, Luxembourg as Common Safekeeper.

Uncertificated Notes will be registered with and cleared through VP, VPS or any other clearing system agreed by the Issuer, the relevant Dealer and the Principal Paying Agent.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Final Terms.

**Floating Rate Notes:**

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

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first tranche of the Notes of the relevant series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,

as indicated in the applicable Final Terms.

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

**Other Provisions in relation to Floating Rate Notes and Index Linked Interest Notes:**

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms). Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).

**Index Linked Notes:**

Payments in respect of interest on Index Linked Interest Notes or in respect of principal on Index Linked Redemption Notes will be calculated

by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).

**Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest.

**Redemption:** The Final Terms relating to each tranche of Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or (in the case of Senior Notes only) the Noteholders upon giving, in the case of Senior Notes, not less than 15 nor more than 30 days' irrevocable notice and, in the case of Subordinated Notes, not less than two years' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.

**Denomination of Notes:** Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms except that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

**Taxation:** All payments in respect of the Notes will be made without deduction for or on account of withholding taxes levied in Germany, apart from certain exceptions. In the event that any such deduction is made, the Issuer will, except in certain circumstances, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:** None.

**Cross Default:** None.

**Status of the Senior Notes:** Unless otherwise specified in the applicable Final Terms, the Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (subject as aforesaid and to such mandatory exceptions as are from time to time applicable under German law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

**Status and Characteristics relating to Subordinated Notes:** The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, except for those that have been accorded by law preferential rights.

The obligations of the Issuer to pay the principal amount of the Subordinated Notes will be subordinated obligations of the Issuer, and the principal of any Subordinated Notes will be, (i) upon the commencement and during the continuation of proceedings instituted by or against the Issuer seeking to adjudicate it bankrupt or (ii) upon the commencement of the liquidation of the Issuer, junior in right of payment from the Issuer to the prior payment in full of all other obligations of the Issuer except those

obligations which by their terms rank *pari passu* with or junior to the Subordinated Notes.

**Listing:**

Application has been made to the Luxembourg Stock Exchange for the Notes to be issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be listed on the official list of, and admitted to trading on, the Luxembourg Stock Exchange's regulated market.

Application has been made for the Notes to be admitted to the official list of the United Kingdom Financial Services Authority. Application has also been made for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Application has been made for the Notes to be listed and admitted to trading on the regulated market of the Frankfurt Stock Exchange.

Unlisted Notes may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.

The registration of VP Notes in VP must also comply with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time.

The registration of VPS Notes in VPS must also comply with the applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time.

**Selling Restrictions:**

There are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom, the Republic of France, The Netherlands, the Republic of Italy, Kingdom of Norway, Japan, Commonwealth of Australia, New Zealand and such other restrictions as may be required in connection with the offering and sale of a particular tranche of Notes.

**Transfer Restrictions:**

There are restrictions on the transfer of registered securities sold pursuant to Rule 144A and Regulation S under the U.S. Securities Act.

**Information Relating to the Issuer**

**Description:**

Landwirtschaftliche Rentenbank is a federal public law institution with legal capacity. It was established on 1st June, 1949 by virtue of the Law Governing Landwirtschaftliche Rentenbank of 11th May, 1949 (the "Rentenbank Law"). Pursuant to the Rentenbank Law, the Issuer has the function to act as central refinancing agency for the agriculture and food industries.

The registered office of the Issuer is located at Hochstrasse 2, 60313 Frankfurt am Main, Federal Republic of Germany.

In its capacity as a statutory institution, the Issuer benefits from the "Anstaltslast", or institutional liability, of the Federal Republic of Germany and is exempt from German corporate income tax and trade tax.

**Principal Activities:**

Under the Rentenbank Law, the Issuer is charged with providing loans and other types of financing for the agriculture industry (including forestry, horticulture and fishing) and related upstream and downstream industries and for rural development. The principal purpose of loans granted is the promotion of agriculture and agri-business.

**Selected Consolidated  
Financial Data:**

The selected balance sheet and comprehensive income data presented below are extracted from the Issuer's audited annual consolidated financial statements for the years ending 31st December, 2011 and 31st December, 2010, set out in the Issuer's 2011 Annual Report and 2010 Annual Report, respectively. The Issuer's audited annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

	<i>2011</i>	<i>2010</i>
	<i>EUR</i>	<i>EUR</i>
<b>Consolidated Balance Sheet (in billions)</b>		
Total assets .....	88.9	83.8
Loans and advances to banks .....	51.4	49.3
Financial investments .....	24.7	26.5
Liabilities to banks .....	3.1	2.5
Securitized liabilities .....	68.2	65.1
<b>Consolidated Statement of Comprehensive Income (in millions)</b>		
Net interest income before provisions for loan losses/promotional contribution .....	361.9	350.9
Provision for loan losses/promotional contribution .....	15.6	5.0
Administrative expenses .....	48.0	49.2
Result from fair value measurement and from hedge accounting .....	(352.4)	(144.4)
Changes in the revaluation reserve .....	(359.8)	(230.0)
<b>Group's total comprehensive income .....</b>	<b>(429.1)</b>	<b>(78.2)</b>
<b>Group's net profit.....</b>	<b>12.3</b>	<b>11.8</b>

## GERMAN TRANSLATION OF THE SUMMARY

### ZUSAMMENFASSUNG DES BASISPROSPEKTS

*Diese Zusammenfassung ist als Einführung in diesen Basisprospekt zu verstehen. Jede Entscheidung über eine Anlage in die Schuldverschreibungen sollte auf der Prüfung des gesamten Basisprospekts beruhen, einschließlich der Dokumente, die durch Bezugnahme in diesen Basisprospekt mit einbezogen sind. Diese Zusammenfassung kann den Basisprospekt nicht ersetzen. Für den Fall, dass vor einem Gericht in einem Mitgliedsstaat des Europäischen Wirtschaftsraums ein Anspruch auf Grund der in diesem Basisprospekt enthaltenen Informationen geltend gemacht wird, kann der Kläger in Anwendung der einzelstaatlichen Rechtsvorschriften des Mitgliedsstaates, in dem der Anspruch geltend gemacht wird, verpflichtet sein, die Kosten für die Übersetzung des Basisprospekts vor Klageerhebung zu tragen. Nach Umsetzung der maßgeblichen Bestimmungen der EU-Prospektrichtlinie in jedem Mitgliedsstaat des Europäischen Wirtschaftsraums kann die Landwirtschaftliche Rentenbank als verantwortliche Person für diese Zusammenfassung einschließlich ihrer Übersetzung haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospektes gelesen wird.*

#### **Informationen, die das Programm betreffen**

<b>Emittentin:</b>	Landwirtschaftliche Rentenbank
<b>Beschreibung:</b>	Euro Medium Term Note Programme
<b>Arrangeure:</b>	Merrill Lynch International Landwirtschaftliche Rentenbank
<b>Plazeure:</b>	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc RBC Europe Limited The Royal Bank of Scotland plc The Toronto-Dominion Bank UBS Limited WestLB AG  sowie mögliche weitere Plazeure, die nach Maßgabe des Programme Agreements zu ernennen sind.
<b>Emissions-, Hauptzahl- und Umtauschstelle:</b>	Deutsche Bank AG, London Branch
<b>Registerstelle:</b>	Deutsche Bank Trust Company Americas
<b>VP-Agent:</b>	Danske Bank A/S
<b>VPS-Agent:</b>	Nordea Bank Norge ASA
<b>Risikofaktoren:</b>	Eine Anlage in Schuldverschreibungen bringt gewisse Risiken hinsichtlich der Emittentin und der Schuldverschreibungen mit sich. Während sämtliche dieser Risikofaktoren Sachverhalte beschreiben, die eintreten können oder nicht eintreten können, sollten sich potentielle Anleger

bewusst sein, dass die mit jedem Investment in Schuldverschreibungen verbundenen Risiken (i) die Fähigkeit der Emittentin, ihre Verpflichtungen aus der Begebung von Schuldverschreibungen im Rahmen des Programms zu erfüllen, beeinträchtigen können, und/oder (ii) zu einer Volatilität und/oder Abnahme des Marktwertes der jeweiligen Schuldverschreibungen führen können, so dass der Marktwert hinter den (finanziellen oder sonstigen) Erwartungen des Anlegers im Zeitpunkt seiner Anlageentscheidung für diese Schuldverschreibungen zurückbleibt.

#### **Risiken im Hinblick auf die Emittentin**

Insbesondere ist die Emittentin, deren Geschäftstätigkeit weitestgehend in der Kreditvergabe an andere Finanzinstitute besteht, dem Risiko ausgesetzt, dass ihre Schuldner und sonstigen Vertragspartner nicht in der Lage sind, ihre Verpflichtungen gegenüber der Emittentin zu erfüllen. Zerrüttungen, wie sie jüngst in den internationalen Finanzmärkten infolge der weltweiten Finanzkrise und der Schuldenkrise in der Eurozone zu erleben waren, können zu einer Verringerung des verfügbaren Kapitals führen. Weitere Risiken bestehen im Hinblick auf Zins- und Währungskursveränderungen. Zudem können die Bewertungen der Emittentin durch die jeweiligen Ratingagenturen herabgesetzt oder zurückgenommen werden.

#### **Allgemeine Risiken im Hinblick auf die Schuldverschreibungen**

Potentielle Anleger sind gewissen mit einer Anlage in Schuldverschreibungen verbundenen Risiken ausgesetzt. Dies beinhaltet, dass die Schuldverschreibungen nicht für alle Anleger die geeignete Investitionsform sein könnten. Darüber hinaus kann nicht zugesichert werden, dass es für die Schuldverschreibungen einen Handelsmarkt geben wird. Im Falle des Verzuges stehen den Anlegern nur in begrenztem Umfang Rechtsbehelfe zur Verfügung. Eine Anlage in die Schuldverschreibungen kann Währungskursrisiken bergen. Die Schuldverschreibungen können unter den, für alle Erwerber der Schuldverschreibungen verbindlichen, vorgeschriebenen Bestimmungen zu Mehrheitsbeschlüssen abgeändert oder aufgegeben werden. Die Anlageaktivitäten bestimmter Anleger unterliegen Beschränkungen, die sich aus den geltenden anwendbaren Gesetzen und Vorschriften ergeben. Da in Globalurkunden verbrieft Schuldverschreibungen von oder im Namen bestimmter Clearingsysteme gehalten werden, müssen sich die Anleger auf deren Verfahren für die Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen.

#### **Risiken im Hinblick auf die Spezifikation der jeweils begebenen Schuldverschreibungen**

Des Weiteren sind potentielle Anleger bestimmten Risiken ausgesetzt, die mit den Spezifikationen der jeweils begebenen Schuldverschreibungen verbunden sind. Die Verpflichtungen der Emittentin aus nachrangigen Schuldverschreibungen werden unbesichert und nachrangig sein und im Rang vorrangigen Verbindlichkeiten nachgehen. Die Emittentin kann berechtigt sein bestimmte Schuldverschreibungen vorzeitig zurückzuzahlen. Eine solche Maßnahme verringert wahrscheinlich den Marktwert der betreffenden Schuldverschreibungen und setzt die Anleger bestimmten Risiken hinsichtlich der Wiederanlage aus. Die Höhe von Zahlungen auf das Kapital und/oder Zinsen indexbezogener Schuldverschreibungen sind abhängig von der Entwicklung bestimmter Indizes oder den Ergebnissen von bestimmten Formeln, die ihrerseits erhebliche Kredit-, Zinssatz- oder sonstige Risiken bergen können.

Jeder potentielle Anleger sollte nach eigener unabhängiger Prüfung und, soweit er dies unter den gegebenen Umständen für angebracht hält, unter Hinzuziehung sachverständiger Berater entscheiden, ob ein Erwerb der

Schuldverschreibungen seinen (bzw. im Falle eines treuhänderischen Erwerbs des Begünstigten) finanziellen Bedürfnissen, den Anlagezielen und Voraussetzungen entspricht, ob der Erwerb den Anlagegrundsätzen, Richtlinien und Beschränkungen, die auf den Anleger (bzw. im Falle eines treuhänderischen Erwerbs den Begünstigten) Anwendung finden, genügen, und ob die Schuldverschreibungen ungeachtet der damit verbundenen eindeutigen und erheblichen Risiken eine geeignete und angemessene Anlage für den Anleger (bzw. im Falle eines treuhänderischen Erwerbs den Begünstigten) darstellen.

- Programmvolumen:** Bis zu EUR 60.000.000.000 (oder einen entsprechenden Betrag in einer anderen Währung). Der Emittent kann das Programmvolumen nach Maßgabe des Programme Agreements erhöhen. In dem Falle würde ein neuer Prospekt veröffentlicht.
- Plazierung:** Die Schuldverschreibungen können sowohl im Wege der Privatplazierung als auch über öffentliche Plazierung, jeweils syndiziert oder nicht syndiziert begeben werden.
- Währungen:** Euro, Sterling, U.S.-Dollar, Yen, sowie, unter Einhaltung anwendbarer gesetzlicher oder behördlicher Beschränkungen und anwendbarer Mitteilungspflichten, sonstige Währungen, die zwischen der Emittentin und dem jeweiligen Plazeur vereinbart werden.
- Nennwertumstellung:** Die jeweiligen endgültigen Bedingungen können die Umstellung des Nennwertes bestimmter Schuldverschreibungen auf Euro vorsehen. In einem solchen Fall wird der Wortlaut der Regelung über die Nennwertumstellung vollständig in den jeweiligen endgültigen Bedingungen dargelegt.
- Bestimmte Beschränkungen:** Soweit der Nennwert der Schuldverschreibungen auf Währungen lautet, auf die bestimmte Gesetze, Richtlinien, Verordnungen, Beschränkungen oder Mitteilungspflichten Anwendung finden, werden solche Schuldverschreibungen nur unter Einhaltung solcher Gesetze, Richtlinien, Verordnungen, Beschränkungen oder Mitteilungspflichten begeben.
- Laufzeiten:** Die Laufzeiten können zwischen der Emittentin und dem jeweiligen Plazeur vereinbart werden, vorbehaltlich von Mindest- oder Höchstlaufzeiten, die von der jeweiligen Zentralbank (oder einer entsprechenden Institution), oder wegen auf die Emittentin oder die jeweilige Währung anzuwendender Gesetze oder Verordnungen erlaubt oder gefordert werden. Mit Ausnahme des Vorstehenden ist eine Höchstlaufzeit für die Schuldverschreibungen nicht festgelegt.
- Emissionspreis:** Die Schuldverschreibungen können begeben werden auf Grundlage eines vollständigen oder teilweise zahlbaren Ausgabepreises, mit einem Abschlag, einem Aufschlag oder pari.
- Der Preis und das Volumen der nach dem Programm zu begebenden Schuldverschreibungen werden von der Emittentin und dem jeweiligen Plazeur bei Begebung unter Berücksichtigung der gegebenen Marktverhältnisse festgesetzt.
- Form der Schuldverschreibungen:** Die Schuldverschreibungen können in Form von auf den Inhaber lautenden (“Inhaberschuldverschreibungen”) oder auf den Namen lautenden (“Namenschuldverschreibungen”) Schuldverschreibungen oder in unverbriefter und stückeloser Form (*book entry form*) gemäß den jeweiligen endgültigen Bedingungen sowie im Fall von effektiven Urkunden mit fortlaufender Nummerierung in der jeweiligen Währung und dem/den jeweiligen Nennbetrag/Nennbeträgen begeben werden.



Inhaberschuldverschreibungen sind nach Maßgabe der jeweiligen endgültigen Bedingungen bei Ausgabe entweder in einer vorläufigen oder einer endgültigen Globalurkunde verbrieft. Die vorläufige Globalurkunde kann nach Maßgabe der jeweiligen endgültigen Bedingungen gegen eine dauerhafte Globalurkunde oder gegen effektive Urkunden ausgetauscht werden.

Inhaberschuldverschreibungen können entweder in der bisherigen, als Klassische Globalurkunde (Classical Global Note, "CGN") bezeichneten Form oder durch Euroclear Bank S.A/N.V. und Clearstream Banking, société anonyme, Luxembourg in einer neuen Form, der sogenannten Neuen Globalurkunde (New Global Note, "NGN") ausgegeben werden. Schuldverschreibungen in Form von Inhaberschuldverschreibungen, die nach dem 31. Dezember 2006 begeben werden, sind bei Kreditgeschäften des Eurosystems und bei intra-day Kreditgeschäften nur dann als Sicherheiten zugelassen, wenn sie in NGN-Form begeben werden.

Schuldverschreibungen können auch als Namensschuldverschreibungen in beschränkter und unbeschränkter Form begeben werden. Ab 1. Oktober 2010 können Namensschuldverschreibungen in Form einer Globalurkunde unter der neuen Verwahrungsart (New Safekeeping Structure, "NSS") verwahrt werden.

Namensschuldverschreibungen können nicht gegen Inhaberschuldverschreibungen ausgetauscht werden und umgekehrt. Dauerhafte Globalurkunden können nur bei Eintreten eines "Exchange Events" gegen effektive Urkunden ausgetauscht werden.

Schuldverschreibungen können auch in unverbrieft und stückloser Form (*book entry form*) begeben werden, die dann bei der VP Securities A/S registriert und von ihr abgewickelt werden ("VP-Schuldverschreibungen" bzw. "VP") oder die dann bei der Norwegischen Zentralen Wertpapierverwahrung (*Verdipapirsentralen ASA*) ("VPS-Schuldverschreibungen" bzw. "VPS") registriert und von dieser abgewickelt werden. Unverbrieft Schuldverschreibungen werden nicht durch Schuldurkunde oder Eigentumsnachweis nachgewiesen. Rechte an unverbrieften Schuldverschreibungen werden durch die Gutschrift dieser Schuldverschreibungen auf Konten bei der VP bzw. VPS nachgewiesen. Unverbrieft Schuldverschreibungen können nicht gegen Inhaberschuldverschreibungen oder Namensschuldverschreibungen getauscht werden und umgekehrt.

#### **Clearingsystem:**

Inhaberschuldverschreibungen in CGN-Form werden in der Regel anfänglich verwahrt bei einer gemeinsamen Verwahrstelle für Euroclear Bank S.A/N.V. ("Euroclear") und Clearstream Banking, société anonyme, ("Clearstream, Luxembourg") oder bei einer Depotbank für und in Namen von Cede & Co., als benannter Partei für The Depositary Trust Company ("DTC"). Die Schuldverschreibungen können ebenso für die Clearstream Banking Aktiengesellschaft ("Clearstream, Frankfurt") oder für ein sonstiges Clearingsystem, das von der Emittentin, dem jeweiligen Plazeur und der Hauptzahlstelle gemeinsam festgelegt wurde, bei einer Depotbank verwahrt werden.

In NGN-Form begebene Inhaberschuldverschreibungen werden bei einem Zentralverwahrer (auch als "Common Safekeeper" bezeichnet) hinterlegt und verwahrt. Sie werden von einer zentralen Abwicklungsstelle (auch als "Common Service Provider" bezeichnet) für Euroclear Bank oder Clearstream, Luxembourg betreut.

Inhaberschuldverschreibungen in NGN-Form, die ein Emittent potentiell als Sicherheit für Kreditgeschäfte des Eurosystems und bei intra-day Kreditgeschäften verwenden will, werden bei Euroclear oder Clearstream,

Luxembourg als Zentralverwahrer hinterlegt und dort über ihre gesamte Laufzeit verwahrt.

Unverbriefte Schuldverschreibungen werden bei der VP, der VPS oder jedem anderen Clearingsystem, auf das sich die Emittentin, der jeweilige Plazeur und die Hauptzahlstelle geeinigt haben, registriert und von diesen abgewickelt.

**Festverzinsliche  
Schuldverschreibungen:**

Der Festzins ist zahlbar an dem Tag oder den Tagen, die zwischen der Emittentin und dem jeweiligen Plazeur vereinbart (und in den jeweiligen endgültigen Bedingungen festgelegt) werden, sowie bei Rückzahlung. Die Berechnung des Festzinses erfolgt auf Grundlage des zwischen der Emittentin und dem jeweiligen Plazeur vereinbarten und in den jeweiligen endgültigen Bedingungen festgelegten Zinstagequotienten.

**Variabel verzinsliche  
Schuldverschreibungen:**

Für variabel verzinsliche Schuldverschreibungen wird der Zinssatz auf eine der folgenden Weisen, die in den endgültigen Bedingungen bestimmt wird, festgestellt:

- (i) auf der gleichen Grundlage wie der variable Zinssatz im Rahmen einer fiktiven, auf die jeweilige Währung bezogenen Zinssatz-Swap-Vereinbarung, auf welche die ISDA Definitionen aus dem Jahr 2006 (veröffentlicht von der International Swaps and Derivatives Association, Inc., und in der geänderten und aktualisierten Fassung vom Begebungstag der ersten Tranche der Schuldverschreibungen der jeweiligen Serie) angewendet werden, oder
- (ii) auf Grundlage eines Referenzzinssatzes, der auf der vereinbarten Bildschirmseite eines gewerblichen Kursinformationssystems angezeigt wird, oder
- (iii) auf einer anderen, zwischen der Emittentin und dem jeweiligen Plazeur vereinbarten Grundlage.

In Bezug auf einen solchen variablen Zinssatz wird die Marge (sofern vorgesehen) zwischen der Emittentin und dem jeweiligen Plazeur jeweils für eine Serie von variabel verzinslichen Schuldverschreibungen vereinbart.

**Weitere Regelungen hinsichtlich  
variabel verzinslicher  
Schuldverschreibungen und  
indexbezogener  
Schuldverschreibungen:**

Die variabel verzinslichen Schuldverschreibungen und indexbezogenen Schuldverschreibungen können mit einem Höchstzinssatz, einem Mindestzinssatz oder beidem (jeweils wie in den anwendbaren endgültigen Bedingungen festgelegt) versehen sein. Zinsen auf variabel verzinsliche Schuldverschreibungen und indexbezogene Schuldverschreibungen werden für jede Zinsperiode, wie sie vor Begebung zwischen der Emittentin und dem/den jeweiligen Plazeur(en) vereinbart wurde, an den Zinszahlungstagen gezahlt und auf Grundlage des Zinstagequotienten berechnet (jeweils wie in den endgültigen Bedingungen festgelegt).

**Doppelwährungsschuld-  
verschreibungen:**

Zahlungen (unabhängig davon, ob auf Kapital oder Zinsen, ob bei Fälligkeit oder zu einem anderen Zeitpunkt) auf Doppelwährungsschuldverschreibungen werden in solchen Währungen und auf Grundlage solcher Währungskurse vorgenommen wie sie zwischen der Emittentin und dem/den jeweiligen Plazeur(en) vereinbart (und in den jeweiligen endgültigen Bedingungen dargelegt) werden.

**Indexbezogene  
Schuldverschreibungen:**

Zahlungen auf Zinsen indexbezogener Schuldverschreibungen oder auf das Kapital indexbezogener Schuldverschreibungen werden berechnet durch Bezugnahme auf einen solchen Index und/oder solche Formeln oder Veränderungen im Wert von solchen Wertpapieren oder Rohstoffen oder anderer Parameter, wie sie zwischen der Emittentin und dem/den

	jeweiligen Plazeur(en) vereinbart (und in den jeweiligen endgültigen Bedingungen dargelegt) werden.
<b>Nullkupon-Schuldverschreibungen:</b>	Nullkupon-Schuldverschreibungen werden zu ihrem Nennbetrag oder mit einem Abschlag gegeben. Auf sie werden keine Zinsen gezahlt.
<b>Rückzahlung:</b>	In den endgültigen Bedingungen einer jeden Tranche von Schuldverschreibungen wird festgelegt, dass die jeweiligen Schuldverschreibungen nicht vor ihrer ausgewiesenen Endfälligkeit zurückgezahlt werden können (soweit nicht Teilrückzahlungen vorgesehen sind - siehe unten - oder Rückzahlungen aus steuerlichen Gründen oder in Folge eines Event of Default erfolgen), oder dass die jeweiligen Schuldverschreibungen nach Wahl der Emittentin und/oder (nur im Falle von nicht nachrangigen Schuldverschreibungen) der Anleihegläubiger an einem Tag oder an Tagen, zu einem Betrag oder solchen Beträgen und zu Bedingungen, wie sie in den jeweiligen endgültigen Bedingungen festgelegt werden, zurückgezahlt werden können. Im Falle von nicht nachrangigen Schuldverschreibungen soll eine unwiderrufliche Kündigung gegenüber der Emittentin bzw. den Anleihegläubigern mit einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen und im Falle von nachrangigen Schuldverschreibungen soll eine unwiderrufliche Kündigung gegenüber den Anleihegläubigern mit einer Frist von zwei Jahren erfolgen (soweit nicht in den jeweiligen endgültigen Bedingungen abweichende Fristen vorgesehen sind).
	Die jeweiligen endgültigen Bedingungen können die Rückzahlung der Schuldverschreibungen in zwei oder mehreren Teilzahlungen und an solchen Tagen, wie sie in den jeweiligen endgültigen Bedingungen festgelegt werden, vorsehen.
<b>Nennbetrag der Schuldverschreibungen:</b>	Die Nennbeträge, in denen die Schuldverschreibungen gegeben werden, werden zwischen der Emittentin und dem jeweiligen Plazeur vereinbart und in den jeweiligen endgültigen Bedingungen ausgewiesen, soweit nicht ein Mindestnennbetrag für einzelne Schuldverschreibungen von der jeweiligen Zentralbank (oder einer entsprechenden Institution) verlangt wird oder aufgrund eines auf die jeweilige Währung anzuwendenden Gesetzes oder einer Verordnung erforderlich ist.
<b>Steuern:</b>	Sämtliche Zahlungen auf die Schuldverschreibungen werden vorbehaltlich bestimmter Ausnahmen ohne Einbehalt oder Abzug von in der Bundesrepublik Deutschland erhobener Quellensteuer vorgenommen. Für den Fall, dass ein solcher Einbehalt oder Abzug vorgenommen wird, ist die Emittentin, außer unter bestimmten Umständen, zur Zahlung eines weiteren Betrages in Höhe des einbehaltenen oder abgezogenen Betrages verpflichtet.
<b>Negativerklärung:</b>	Keine Regelung.
<b>Drittverzug:</b>	Keine Regelung.
<b>Status der nicht nachrangigen Schuldverschreibungen:</b>	Soweit die jeweiligen endgültigen Bedingungen nichts anderes vorsehen, begründen die nicht nachrangigen Schuldverschreibungen direkte, unbedingte, nicht nachrangige und unbesicherte Verbindlichkeiten der Emittentin. Sie sind untereinander gleichrangig und haben (soweit sich aus dem Vorstehenden oder dem jeweils anwendbaren Recht der Bundesrepublik Deutschland nichts anderes ergibt) den gleichen Rang wie alle anderen unbesicherten Verbindlichkeiten (soweit diese nicht nachrangig sind) der Emittentin.
<b>Status und Merkmale der nachrangigen Schuldverschreibungen:</b>	Die nachrangigen Schuldverschreibungen begründen direkte, unbesicherte und nachrangige Verbindlichkeiten der Emittentin, sind untereinander gleichrangig und haben, soweit sich ein Nachrang nicht aus gesetzlichen

Vorschriften ergibt, mindestens den gleichen Rang wie alle anderen gegenwärtigen und zukünftigen unbesicherten und nachrangigen Verbindlichkeiten der Emittentin.

Die Verbindlichkeiten der Emittentin hinsichtlich der Zahlung des Kapitalbetrages der nachrangigen Schuldverschreibungen stellen nachrangige Verbindlichkeiten der Emittentin dar und gewähren im Zuge eines Verfahrens über die Insolvenz der Emittentin oder deren Liquidation erst dann ein Recht auf Zahlungen durch die Emittentin, wenn die Emittentin sämtliche anderen Forderungen befriedigt hat, soweit diese nicht gleichrangig mit den nachrangigen Schuldverschreibungen sind, oder diesen im Range nachgehen.

**Börsenzulassung:**

Bei der Luxemburger Börse wurde für die Schuldverschreibungen, die innerhalb eines Zeitraums von zwölf Monaten ab dem Datum der Veröffentlichung dieses Basisprospektes begeben werden, ein Antrag auf Aufnahme in deren "official list" und auf Zulassung zum Handel im geregelten Markt der Luxemburger Börse gestellt.

Es ist ein Antrag auf Zulassung der Schuldverschreibungen zur "official list" der United Kingdom Financial Services Authority gestellt. Außerdem ist die Zulassung dieser Schuldverschreibungen zum Handel im geregelten Markt der London Stock Exchange beantragt.

Es ist ein Antrag auf Zulassung und Einführung der Schuldverschreibungen zum Handel im regulierten Markt der Frankfurter Wertpapierbörse gestellt.

Schuldverschreibungen, die nicht börsennotiert sind, können ebenfalls begeben werden.

Die jeweiligen endgültigen Bedingungen werden eine Aussage dazu enthalten, ob und gegebenenfalls an welcher Börse oder welchen Börsen für die jeweiligen Schuldverschreibungen eine Börsennotierung beantragt werden soll.

**Anwendbares Recht:**

Die Schuldverschreibungen und nicht-vertragliche Ansprüche aus oder im Zusammenhang mit den Schuldverschreibungen unterliegen englischem Recht und sind nach englischem Recht auszulegen.

Die Registrierung der VP-Schuldverschreibungen bei der VP hat außerdem den maßgeblichen dänischen Gesetzen und Bestimmungen sowie dem Verfahren, das für die VP maßgeblich ist und/oder von der VP von Zeit zu Zeit festgelegt wird, zu entsprechen.

Die Registrierung der VPS-Schuldverschreibungen bei der VPS hat außerdem den maßgeblichen norwegischen Gesetzen und Bestimmungen sowie dem Verfahren, das für die VPS maßgeblich ist und/oder von der VPS von Zeit zu Zeit festgelegt wird, zu entsprechen.

**Verkaufsbeschränkungen:**

Es bestehen Verkaufsbeschränkungen in Bezug auf die Vereinigten Staaten von Amerika, den Europäischen Wirtschaftsraum, das Vereinigte Königreich, Frankreich, die Niederlande, Italien, Norwegen, Japan, Australien, Neuseeland und weitere Verkaufsbeschränkungen, die in Zusammenhang mit dem Angebot und Verkauf von bestimmten Tranchen zu beachten sein können.

**Übertragungsbeschränkungen:**

Es bestehen Beschränkungen hinsichtlich der Übertragung von Namensschuldverschreibungen, die gemäß Rule 144A und Regulation S des U.S. Securities Act verkauft worden sind.

## Informationen über die Emittentin

### Beschreibung:

Die Landwirtschaftliche Rentenbank ist eine bundesunmittelbare rechtsfähige Anstalt des öffentlichen Rechts. Sie wurde mit der Verabschiedung des Gesetzes über die Landwirtschaftliche Rentenbank am 11. Mai 1949 am 1. Juni 1949 gegründet. Nach dem Gesetz über die Landwirtschaftliche Rentenbank ist die Emittentin das zentrale Refinanzierungsinstitut für die Land- und Ernährungswirtschaft.

Sitz der Emittentin ist Hochstraße 2, 60313 Frankfurt am Main, Bundesrepublik Deutschland.

In ihrer Eigenschaft als Anstalt öffentlichen Rechts profitiert die Emittentin von der Anstaltslast der Bundesrepublik Deutschland und ist von der Körperschaftssteuer und der Gewerbesteuer befreit.

### Wesentliche Aktivitäten:

Nach dem Gesetz über die Landwirtschaftliche Rentenbank hat die Emittentin den Auftrag, die Landwirtschaft (einschließlich Forstwirtschaft, Gartenbau und Fischerei) sowie deren vor- und nachgelagerte Bereiche und die Verbesserung der Infrastruktur ländlich geprägter Räume mittels Darlehen und anderer Finanzinstrumente zu fördern. Der wesentliche mit der Vergabe von Darlehen verfolgte Zweck ist die Förderung der Landwirtschaft.

### Ausgewählte konsolidierte Finanzkennzahlen:

Die unten dargestellten ausgewählten Bilanzkennzahlen und die Kennzahlen zum Gesamtergebnis wurden den Konzernabschlüssen des Emittenten für die am 31. Dezember 2011 sowie am 31. Dezember 2010 endenden Geschäftsjahre entnommen, welche im Geschäftsberichte 2011 bzw. 2010 enthalten sind. Die Jahresabschlüsse wurden nach den Vorgaben der IFRS (International Financial Reporting Standards), in der von der Europäischen Union angenommenen Fassung, erstellt.

	<u>2011 EUR</u>	<u>2010 EUR</u>
<b>Aus der Bilanz (in Mrd.)</b>		
Bilanzsumme .....	88,9	83,8
Forderungen an Kreditinstitute.....	51,4	49,3
Finanzanlagen.....	24,7	26,5
Verbindlichkeiten gegenüber Kreditinstituten	3,1	2,5
Verbriefte Verbindlichkeiten .....	68,2	65,1
<b>Aus der Gesamtergebnisrechnung (in Mio.)</b>		
Zinsüberschuss vor Risikoversorge/ Zinsunterdeckung .....	361,9	350,9
Risikoversorge/Zinsunterdeckung.....	15,6	5,0
Verwaltungsaufwendungen .....	48,0	49,2
Ergebnis aus Fair Value- und Hedge-Bewertung .....	(352,4)	(144,4)
Veränderung der Neubewertungsrücklage.....	(359,8)	(230,0)
<b>Konzerngesamtergebnis .....</b>	<b>(429,1)</b>	<b>(78,2)</b>
<b>Konzernbilanzgewinn .....</b>	<b>12,3</b>	<b>11,8</b>

## RISK FACTORS

*In addition to the other information contained in this Base Prospectus, prospective investors should carefully consider the following factors before making any investment decisions with respect to Notes issued under the Programme. Potential investors should be aware that the risks involved with investing in any Notes may (i) affect the ability of the Issuer to fulfil its obligations under Notes issued under the Programme and/or (ii) lead to a volatility and/or decrease in the market value of the relevant Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risks described below are not the only risks that the Issuer and prospective investors face. Additional risks not currently known to the Issuer may also impair the Issuer's business operations and/or its ability to repay any amounts due in respect of any of the Notes.*

*Any person proposing to make an investment decision should read all information contained in this Base Prospectus together with any applicable Final Terms and (if any) supplemental base prospectus and, if required, seek independent professional advice and consult, or review the securities with, (among others) the person's own financial, legal and tax advisers.*

### **Risks Relating to the Issuer**

#### *Credit Exposure and Increased Loan Loss Provisions*

While the Issuer's business consists almost entirely in issuing loans to other financial institutions, it is subject to the risk that borrowers and other contractual partners may become unable to meet their obligations to the Issuer. Defaults may arise from events or circumstances that are difficult to foresee or detect or have not yet been foreseen or detected. In addition, the Issuer may find that any collateral position is insufficient to cover the respective credit exposure due to, for example, market developments reducing the value of such collateral. Any default by a major borrower of the Issuer could have a material adverse effect on the Issuer's business, results of operations or financial condition.

The Issuer may have to increase its loan loss provisions in the future as a result of a rise in the number or amount of non-performing loans in its loan portfolio or as a result of applying uniform provisioning policies to the entire loan portfolio of the Issuer. Any such increases in loan loss provisions in excess of existing provisions could have a material adverse effect on the Issuer's business, results of operations and financial conditions.

#### *Interest Rate and Exchange Rate Market Risk*

There will be risks associated with changes in interest rates and foreign exchange rates. While the Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance and business operations.

#### *Issuer's Credit Ratings, Financial Conditions and Results*

Ratings of the Programme are not a recommendation to buy, hold or sell the Notes. The ratings of the Programme may be lowered or withdrawn entirely at any time by the relevant rating agency. Actual or anticipated changes in the Issuer's credit ratings, financial condition or results may affect the market value of the Notes.

#### *Soundness of other Financial Institutions*

The Issuer's exposure to counterparties in the financial services industry in the normal course of its business is particularly significant. This exposure can arise through trading, lending, clearance and settlement and many other activities and relationships. These counterparties include brokers and dealers, commercial banks, investment banks and other institutional clients. Many of these relationships expose the Issuer to credit risk in the event of default of a counterparty or client. The insolvency of these counterparties may impair the effectiveness of the Issuer's hedging and other risk management strategies.

#### *Risks relating to the Global Financial Crisis and the Euro-zone Debt Crisis*

As a result of the global financial crisis, the international capital markets continue to be volatile and market conditions may further deteriorate. This may impact the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions may result

in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

Furthermore, concerns about credit risk (including that of sovereigns) and the Euro-zone crisis have recently intensified. The large sovereign debts and/or fiscal deficits of a number of European countries and the United States have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries, (ii) that have direct or indirect exposure to these countries, and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally, could be detrimental to the Issuer and could adversely affect its business, operations and profitability and the ability of the Issuer to meet its obligations under the Notes and under its debt obligations more generally.

The Issuer has direct and indirect exposure to European sovereigns and to financial institutions, governmental entities, counterparties, custodians, customers and service providers within the European Union. These exposures may, in the future, be affected by restructuring of their terms, principal, interest and maturity. As a consequence, this may impact on the ability of the Issuer to access the funding it needs, or may increase the cost of such funding, which may cause it to suffer liquidity stress.

### **Risks Relating to Notes Generally**

*The Notes may not be a suitable investment for all investors*

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

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

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

### *Legal Investment Considerations Restricting Investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any

Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### *Limited Liquidity*

The fact that Notes issued under the Programme may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Notes. If any Notes are not traded on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected. The liquidity of Notes may also be affected by restriction on offers and sales of the Notes in some jurisdictions. The Issuer and the Dealers may from time to time make a market in the Notes but are under no obligation to do so and, if a market does develop, it may not continue until the maturity of all Notes.

#### *Remedies in an event of Default*

It should be noted that remedies under default may be limited.

#### *Modification and Waivers*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *Exchange Rate Risk*

Prospective investors of the Notes should be aware that an investment in Notes may involve exchange rate risks. Notes may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or Notes may be denominated in a currency other than the currency in which an investor wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets. Accordingly, only investors who understand and are able to bear the risks associated with movements in foreign exchange rates and how such movements may affect the value of Notes should consider purchasing Notes.

#### *Tax*

There may be changes in the taxation regarding the Notes in the future.

#### *Clearing Systems*

A holder of a coownership participation or a beneficial ownership interest, as the case may be, in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg, DTC or Clearstream, Frankfurt to receive payments under the relevant Notes. A holder of VP Notes must rely on the procedures of VP to receive payments under the relevant Notes, and a holder of VPS Notes must rely on the procedures of VPS to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, the coownership participations or the beneficial ownership interests, as the case may be, in Global Notes, or ownership interest in VP Notes and VPS Notes.

Holders of coownership participations or beneficial ownership interests, as the case may be, in Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg, DTC or Clearstream, Frankfurt to appoint appropriate proxies. Similarly, holders of beneficial ownership interests in Global Notes will not have a direct right under Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

### **Risks Relating to the Structure of a Particular Issue of Notes**

#### *Subordinated Notes*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to unsubordinated obligations. The Subordinated Notes and the relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari*



*passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, except for those that have been accorded by law preferential rights.

The obligations of the Issuer to pay the principal amount of the Subordinated Notes are subordinated obligations of the Issuer, and the principal of the Subordinated Notes is (i) upon the commencement and during the continuation of proceedings instituted by or against the Issuer seeking to adjudicate it a bankrupt or (ii) upon the commencement of the liquidation of the Issuer, junior in right of payment from the Issuer to the prior payment in full of all other obligations of the Issuer except those obligations which by their terms rank *pari passu* with or junior to the Subordinated Notes of this Series.

#### *Notes Subject to Optional Redemption by the Issuer*

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

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

#### *Notes in NGN form or NSS Notes*

The NGN form for Notes in bearer form has been and the NSS for Notes in registered form is being introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “Eurosystem”) and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

#### *Structured Notes*

An investment in Notes, the premium and/or the interest on and/or principal of which is determined by reference to one or more underlying assets (shares, indices (including inflation linked), currencies, interest or swap rates, commodities, bonds, formulae or similar variables or baskets of underlying assets) will always comprise the risk that the interest and/or premium and/or the invested capital may be lost partly or completely. The assets underlying such Notes may be subject to considerable changes, due to their composition or fluctuations in value of their components. An increase or decrease in the value of the underlying assets will have a corresponding direct or inverse effect on the value of such Notes.

A Note referring to more than one underlying asset may have a cumulative or even potentiated risk compared to a Note which is only related to one underlying asset. Noteholders may not be able to secure themselves against these different risks with regard to such Notes. A material market disruption could lead to a substitution of the underlying asset or an early redemption of the Note, so that the risks may be realised prematurely or any original chances are lost and new risks may be incurred.

Furthermore, the value of such Notes, as it is dependent on one or several underlying assets will accordingly also be subject to cumulative risks in the secondary market. The performance of any respective underlying asset is subject to a series of associated factors, including economic, financial and political events beyond the control of the Issuer.

If the formula used to determine the amount of principal, premium and/or interest payable with respect to such Notes contains a multiplier or leverage factor or maximum/minimum interest or repayment limits, the effect of any change in the applicable underlying asset will be increased with regard to the amount payable. The historical performance of the underlying asset may not be regarded as significant for the future performance during the term of such Notes.

#### *Index Linked Notes*

Index Linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index or the result of a formula, which itself may contain substantial credit, interest rate

or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the Issue Price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose its entire investment.

Index Linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of the index has no responsibility for any calculation agency adjustment made for the index.

#### *Partly Paid Notes*

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

#### *Notes Issued with a Minimum Denomination*

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Notes will be tradable in nominal amounts equal to, or integral multiples of, the minimum denomination.

Unless otherwise provided in the applicable Final Terms, Notes in definitive form (“Definitive Notes”) will only be issued upon the occurrence of an Exchange Event. “Exchange Event” means (i) an Event of Default has occurred and is continuing or (ii) in respect of Bearer Notes, the Issuer has been notified that both Euroclear or Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available, and in respect of Registered Notes, (a) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Issuer is available or DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), or (b) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Issuer is available.

In relation to any issue of Notes which have a minimum denomination and are tradable in the clearing systems in any amounts above such minimum denomination if and when Definitive Notes are required to be issued, a holder whose interest in Notes is not held in an integral multiple of the minimum denomination in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in form of Definitive Notes unless and until such time as its holding becomes an integral multiple of the minimum denomination. Any remaining nominal amount of Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

## ABOUT THIS BASE PROSPECTUS

This Base Prospectus comprises a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the Securities Prospectus Act.

Landwirtschaftliche Rentenbank (the “Responsible Person”) accepts responsibility for the information contained in this Base Prospectus. Its registered office is located at Hochstrasse 2, 60313 Frankfurt am Main, Federal Republic of Germany; its telephone number is +49-69-2107-0. To the best knowledge of Landwirtschaftliche Rentenbank, the information contained in this Base Prospectus is in accordance with the facts and no material circumstances are omitted.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable from the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION.

This Base Prospectus has been approved by and filed with the German Financial Supervisory Authority in its capacity as competent authority under the Prospectus Directive and the Securities Prospectus Act for the Notes issued under the Programme up to the expiry of 12 months from the date of publication of this Base Prospectus. The German Financial Supervisory Authority has scrutinised this Base Prospectus only with respect to its completeness, the consistency of the information given and its comprehensibility. The Issuer has applied to the German Financial Supervisory Authority to provide each of the United Kingdom Financial Services Authority, the Luxembourg Financial Supervisory Commission (*Commission de Surveillance du Secteur Financier*), the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*), the Dutch Financial Market Authority (*Autoriteit Financiële Markten*), the Danish Financial Supervisory Authority (*Finanstilsynet*), the Austrian Financial Market Supervisory Authority (*Finanzmarktaufsicht*) and the Italian Financial Regulatory Commission (*Commissione Nazionale per le Società e la Borsa*) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Securities Prospectus Act which implemented the Prospectus Directive (each, a “Certificate of Approval”). The Issuer will apply to the German Financial Supervisory Authority to issue additional Certificates of Approval to the competent authorities of such other Member States as and when it deems it appropriate or necessary.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for 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, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise,

the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any specifications and clarifications of the terms and conditions contained herein which are applicable to each Tranche of Notes will be set forth in a document containing the final terms applicable thereto (the “Final Terms”) which will be delivered to the German Financial Supervisory Authority or such other authority as required by law on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms will be available from the specified offices of the Principal Paying Agent, the Registrar and the other Paying and Transfer Agents. In addition, copies of Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange’s regulated market will be available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

This Base Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” above). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Dealer accordingly disclaims any and all liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same; provided that, the Issuer will, in the event of a significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to the Dealers’ attention. Investors should review, *inter alia*, the most recently published documents, incorporated by reference into this Base Prospectus, if any, of the Issuer when deciding whether or not to purchase any Notes.

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This Base Prospectus contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which the Issuer operates, management’s beliefs and assumptions made by management. Such statements include, in particular, statements about the Issuer’s plans, strategies and prospects. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. Except as required under the applicable securities laws and the rules and regulations promulgated thereunder, the Issuer does not have any intention or obligation to update publicly any forward-looking statements after they are made, whether as a result of new information, future events or otherwise.

## GENERAL DESCRIPTION OF THE PROGRAMME

On 23rd March, 1994 Landwirtschaftliche Rentenbank (the “Issuer” or the “Bank”) entered into a U.S.\$2,000,000,000 Euro Medium Term Note Programme (the “Programme”) and issued a base prospectus on that date describing the Programme. The Programme was updated on each of 23rd March, 1995 and 15th March, 1996 and a further base prospectus describing the Programme as updated was issued on each occasion. The Programme was amended on 13th March, 1997 and a supplemental base prospectus was issued. The Programme was updated on each of 4th September, 1997, 3rd September, 1998 and 2nd September, 1999 and a further base prospectus was issued on each occasion. The Programme was amended on 22nd December, 1999 and a supplemental base prospectus was issued. The Programme was updated on each of 8th August, 2000 and 8th August, 2001 and a further base prospectus describing the Programme was issued on each occasion. The Programme was amended on 28th February, 2002 and a supplemental base prospectus was issued. The Programme was updated on each of 6th August, 2002, 6th August, 2003, 19th May, 2004, 15th July, 2005, 27th July, 2006, 27th July, 2007, 28th May, 2008, 28th May, 2009 and 28th May, 2010 and a further base prospectus describing the Programme was issued on each occasion. The Programme was last updated on 16th May, 2011 and a further base prospectus describing the Programme was issued. This Base Prospectus dated 16th May, 2012 supersedes all previous base prospectuses. Any Notes to be issued after the date hereof under the Programme, which has been amended as at the date hereof as described herein, are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the Programme and the Terms and Conditions of the Notes appears above. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes.

This Base Prospectus and any supplement will only be valid during the period of 12 months from the date of publication of this Base Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 60,000,000,000 or its equivalent in other currencies. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement, in connection with which a new prospectus will be published. For the purpose of calculating the EUR equivalent of the aggregate amount of Notes issued under the Programme from time to time:

- (a) the EUR equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant issue of Notes set out under “Forms of Final Terms”) shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Notes (the “Agreement Date”) or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the EUR against the purchase of such Specified Currency published by the European Central Bank, or, if such spot rate is not available from the European Central Bank, in the London foreign exchange market quoted by any leading bank selected by the Issuer, in each case on the relevant date of calculation;
- (b) the EUR equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant issue of Notes, set out under “Forms of Final Terms”) shall be calculated in the manner specified above by reference to the original nominal amount of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the EUR equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant issue of Notes, set out under “Forms of Final Terms”) and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the original nominal amount of such Notes.

## FORM OF THE NOTES

Each Series of Notes will be in bearer form, with or without interest coupons attached, registered form, without interest coupons attached, or uncertificated and dematerialised book entry form.

Notes in bearer form and notes in uncertificated and dematerialised book entry form will be issued outside the United States in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and Notes in registered form will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A under the U.S. Securities Act.

Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking société anonyme (“Clearstream, Luxembourg”), The Depository Trust Company (“DTC”) or Clearstream Banking Aktiengesellschaft (“Clearstream, Frankfurt”) will maintain records of the coownership participations or the beneficial ownership interests, as the case may be, in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their coownership participations or their beneficial ownership interests, as the case may be, only through Euroclear and Clearstream, Luxembourg, DTC or Clearstream, Frankfurt.

### **Bearer Notes**

Bearer Notes may be issued either in classical global note form (“CGN”) or new global note form (“NGN”) through Euroclear or Clearstream, Luxembourg (Euroclear and Clearstream, Luxembourg together the “International Central Securities Depositories” or “ICSDs”). Under the terms of the NGN, the issue outstanding amount is determined based on the ICSDs’ records. Bearer Notes in CGN form are physically annotated to reflect the issue outstanding amount under the terms of each CGN.

Global Notes issued in CGN form will be deposited with a common depository for Euroclear and Clearstream Luxembourg, DTC, Clearstream, Frankfurt, and/or any other agreed clearing system.

Global Notes issued in NGN form will be deposited and safekept by a common safekeeper (the “Common Safekeeper”) and serviced by a common service provider (the “Common Service Provider”) for Euroclear and Clearstream, Luxembourg.

Global Notes in NGN form that the Issuer wishes to make potentially eligible as collateral for Eurosystem monetary policy or intra-day credit operations will be deposited and safekept throughout their lives by Euroclear or Clearstream, Luxembourg as Common Safekeeper.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes (i) in CGN form by making payments to the common depository for Euroclear and Clearstream, Luxembourg, DTC or to Clearstream, Frankfurt, and (ii) in NGN form by making payments to the Common Service Provider for Euroclear and Clearstream, Luxembourg for distribution to their account holders.

Each Tranche of Bearer Notes will initially be represented by a temporary bearer Global Note (a “Temporary Bearer Global Note”), without receipts, interest coupons or talons, which, in the circumstances described below, will be exchanged for a permanent bearer Global Note (a “Permanent Bearer Global Note” and, together with the Temporary Bearer Global Note, the “Bearer Global Notes”). The Bearer Global Notes will, in either case, (i) if they are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper; and (ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system.

Upon delivery of a Temporary Bearer Global Note, Euroclear and/or Clearstream, Luxembourg and/or such other agreed clearing system will credit purchasers with nominal amounts of Notes of the relevant Tranche equal to the nominal amounts thereof for which they have paid.

Whilst any Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form

to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “Exchange Date”) which is the later of (i) 40 days after the Temporary Bearer Global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the “Distribution Compliance Period”), but, if such Temporary Bearer Global Note is issued in respect of a Tranche of Notes described as Partly Paid Notes in the applicable Final Terms, only if the final instalment on all outstanding such Notes has been paid, interests in the Temporary Bearer Global Note will be exchangeable (free of charge) either for interests in a Permanent Bearer Global Note of the same Series without receipts, interest coupons or talons or, where specified in the applicable Final Terms (subject to such notice period as is specified in the Final Terms), for Bearer Notes in definitive form (“Definitive Bearer Notes”) in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) and any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

Unless otherwise provided in the applicable Final Terms, a Permanent Bearer Global Note will be exchangeable (free of charge), in whole or (subject to the Notes which continue to be represented by the Permanent Bearer Global Note being regarded by Euroclear and Clearstream, Luxembourg as fungible with the Definitive Bearer Notes issued in partial exchange for such Permanent Bearer Global Note) in part, for security printed Definitive Bearer Notes (at the expense of the Issuer, unless otherwise specified in the applicable Final Terms) with, where applicable, receipts, interest coupons and talons attached only (unless otherwise specified in the applicable Final Terms) upon the occurrence of an Exchange Event as described therein. “Exchange Event” means (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear or Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with the Conditions (as defined below) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Temporary Bearer Global Notes, Permanent Bearer Global Notes and Definitive Bearer Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form.

The following legend will appear on all Bearer Notes which have an original maturity (at issue) of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

“ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) 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 above generally provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Bearer Notes are expected to be issued in compliance with requirements then existing which are generally expected to be identical to those contained in the TEFRA C Rules or TEFRA D Rules (as defined below) in effect prior to 18th March, 2012 with the intention that such Notes will constitute “foreign targeted obligations” and will thus be exempt from Section 4701 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”) under the Hiring Incentives to Restore Employment Act of 2010 (the “HIRE Act”). Section 4701 imposes an excise tax on non-US issuers of bearer obligations that do not establish an exemption.

Bearer Notes which are represented by a Temporary Bearer Global Note and/or a Permanent Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Bearer Global Note and the Bearer Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Bearer Global Note then, unless within a period of seven days commencing on the relevant due date payment in full of the amount due in accordance with the terms of such Bearer Global Note, such Bearer Global Note will become void. At the same time, holders of interests in such Bearer Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg (as the case may be) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 16th May, 2012, executed by the Issuer.

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Global Note in registered form (a “Regulation S Global Note”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the U.S. Securities Act (“QIBs”). The Registered Notes of each Tranche sold to QIBs will initially be represented by a global note in registered form (a “Rule 144A Global Note” and, together with a Regulation S Global Note, the “Registered Global Notes”).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with, and registered in the name of a nominee of a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. From 1st October, 2010, Registered Global Notes that are held in Euroclear and/or Clearstream Luxembourg may be held under the New Safekeeping Structure (the “NSS”). Registered Global Notes that are held in Euroclear and Clearstream, Luxembourg, will be registered in the name of a nominee for such system or, as the case may be, for the Common Safekeeper, and the applicable Registered Global Note will be delivered to (1) a Common Depositary in the case of Registered Global Notes not held under the NSS or (2) a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg in the case of Registered Global Notes held under the NSS.

Depositing Notes with a Common Safekeeper does not necessarily mean that the Notes 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.

In the case of a Regulation S Global Note registered in the name of a nominee of DTC, prior to the end of the distribution compliance period (as defined in Regulation S) applicable to the Notes represented by such Regulation S Global Note, interests in such Regulation S Global Note may only be held through accounts with Euroclear and Clearstream, Luxembourg. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form. The Rule 144A Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.



Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register on the relevant Record Date (as defined below) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying and Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached (“Definitive Registered Notes”) only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Issuer is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, or (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Issuer is available. The Issuer will promptly give notice to Noteholders in accordance with the Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Note) or the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Registrar. Regulation S Global Notes, Rule 144A Global Notes and Registered Notes in definitive form will be issued pursuant to the Agency Agreement.

#### **Transfer of Interests**

Interests in a Rule 144A Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in a Regulation S Global Note representing the same series and Tranche of Notes, and *vice versa*. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the Conditions and the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear a legend regarding such restrictions, see “Subscription and Sale” and “Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions.”

#### **Uncertificated Notes**

The Uncertificated Notes will be issued in uncertificated and dematerialised book entry form. No global or definitive Notes will be issued in respect thereof. The Uncertificated Notes may be registered with and cleared through VP Securities A/S (“VP Notes” and “VP”, respectively) or registered with and cleared through the Norwegian Central Securities Depository (*Verdipapirsentralen ASA*) (“VPS Notes” and “VPS”, respectively).

The holder of VP Notes will be the person evidenced as such by book entry in the VP system. Where a nominee is so evidenced, it shall be treated as the holder of the relevant VP Note. VP Notes will be issued pursuant to the Agency Agreement and the VP agency agreement dated 28th May, 2008 (such VP agency agreement as from time to time modified, supplemented and/or restated, the “VP Agreement”) and made between the Issuer and the VP Agent. On the issue of such VP Notes, the Issuer will send a copy of the applicable Final Terms to the VP Agent, with a copy sent to VP. On delivery of the applicable Final Terms to VP and notification to VP of the subscribers and their VP account details by the relevant Dealer, each subscribing account holder with VP will be credited with a nominal amount of VP Notes equal to the nominal amount thereof for which it has subscribed and paid. The VP Notes will not be evidenced by any physical note or document other than statements made by VP or by an issue administrator in accordance with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time

to time. Ownership of the VP Notes will only be recorded and transfers effected through the book entry system and register maintained by VP.

Settlement of sale and purchase transactions in respect of VP Notes and the transfer of interests in VP Notes will take place in accordance with the procedures applicable to and/or issued by VP from time to time.

Legal title to the VPS Notes will be evidenced by book entries in the records of VPS. VPS Notes will be issued pursuant to the Agency Agreement and the registrar agreement dated 25th February, 2008 (such registrar agreement as from time to time modified, supplemented and/or restated, the "VPS Agreement") and made between the Issuer and the VPS Agent. On the issue of such VPS Notes, the Issuer will send a letter to the VPS Agent, with a copy sent to the Principal Paying Agent (the "VPS Letter") which letter will set out the terms of the relevant issue of VPS Notes in the form of Final Terms attached thereto. On delivery of a copy of such VPS Letter including the applicable Final Terms to VPS and notification to VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent will credit each subscribing account holder with VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes and the transfer of interests in VPS Notes will take place in accordance with the procedures applicable to and/or issued by VPS from time to time.

### **General**

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall, to the extent issued after the Issue Date of the original Tranche, be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg and, where applicable, a CUSIP number, that are different from the common code, ISIN, CUSIP assigned to Notes of any other Tranche of the same Series until at least the Exchange Date applicable to the Notes of such first mentioned Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or VP and/or VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (including Clearstream, Frankfurt) approved by the Issuer, the relevant Dealer and the Principal Paying Agent as specified in the applicable Final Terms.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the “Conditions”) of Notes to be issued by the Issuer which will be incorporated by reference into each Global Note and which will be incorporated into (or, if permitted by the relevant stock exchange or other relevant authority and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each Definitive Note. The following Terms and Conditions will be applicable to the Uncertificated Notes. Uncertificated Notes will not be evidenced by any physical note or document of title other than statements of account made by VP or VPS, as the case may be. Ownership of Uncertificated Notes will be recorded and transfer effected through the book entry system and register maintained by VP or VPS, as the case may be. Part A of the applicable Final Terms in relation to any Tranche of Notes (including Uncertificated Notes) may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms will be incorporated into, or attached to, each Global Note and Definitive Note. Reference should be made to “Forms of Final Terms” for the form of the Final Terms which specifies which of certain capitalised terms as defined in the following Terms and Conditions are to apply in relation to the relevant Notes.*

*The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary base prospectus, if appropriate, will be made available which will describe the effect of such agreement reached in relation to such Notes.*

This Note is one of a series of Notes issued by the Issuer (which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the “Notes” shall be references to the Notes of this Series (as defined below) and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest denomination specified in the relevant Final Terms (“Specified Denomination”) in the currency specified in the relevant Final Terms (“Specified Currency”);
- (ii) Definitive Notes issued in exchange (or part exchange) for a Global Note;
- (iii) any Global Note;
- (iv) Uncertificated Notes registered with and cleared through VP Securities A/S (“VP Notes” and “VP”, respectively) in accordance with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time; and
- (v) Uncertificated Notes registered with and cleared through the Norwegian Central Securities Depository (*Verdipapirsentralen ASA*) (“VPS Notes” and “VPS”, respectively) in accordance with applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated agency agreement dated 16th May, 2012 (such amended and restated agency agreement as from time to time modified, supplemented and/or restated, the “Agency Agreement”) and made among the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent, paying and transfer agent and exchange agent (in each such capacity, the “Principal Paying Agent” and “Exchange Agent”, each of which expressions shall include any successor principal paying agent or exchange agent specified in the applicable Final Terms, respectively), Deutsche Bank Trust Company Americas (the “Registrar”, which expression shall include any successor registrar specified in the applicable Final Terms), Danske Bank A/S (the “VP Agent”, which expression shall include any successor VP Agent specified in the applicable Final Terms), Nordea Bank Norge ASA (the “VPS Agent”, which expression shall include any successor VPS Agent specified in the applicable Final Terms) and the other paying and transfer agents named therein (together with the Principal Paying Agent, the “Paying and Transfer Agents”, which expression shall include any additional or successor paying and transfer agents). Determinations with regard to Notes (including, without limitation, Index Linked Notes and Dual Currency Notes) shall be made by the Calculation Agent specified in the applicable Final Terms in the manner specified in the applicable Final Terms.

Each Tranche of VP Notes will be created and held in uncertificated and dematerialised book entry form in accounts with VP. The VP Agent will act as agent of the Issuer in respect of all dealings with VP in

respect of the VP Notes. Each Tranche of VPS Notes will be created and held in uncertificated and dematerialised book entry form in accounts with VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with VPS in respect of the VPS Notes.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to “Noteholders” shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note or in relation to Uncertificated Notes, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue. Uncertificated Notes are in uncertificated and dematerialised form: any reference in these Terms and Conditions to Receipts, Coupons and Talons shall not apply to Uncertificated Notes and no Global or Definitive Notes will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which are (except in the case of Uncertificated Notes) attached to or endorsed on this Note. Part A of the Final Terms (or such relevant provisions thereof) must be read in conjunction with these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) which are (except in the case of Uncertificated Notes) attached to or endorsed on this Note.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders (other than holders of Uncertificated Notes) are entitled to the benefit of the Deed of Covenant made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified offices of each of the Principal Paying Agent, the Registrar, the VP Agent, VPS Agent and the other Paying and Transfer Agents (such agents, together with the Exchange Agent, the “Agents”). Copies of the applicable Final Terms are available for inspection at and copies may be obtained from the specified offices of the Principal Paying Agent, the Registrar and the other Paying and Transfer Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Principal Paying Agent, Registrar and/or the Paying and Transfer Agent as to its holding of such Notes and identity. If this Note is admitted to trading on the Luxembourg Stock Exchange’s regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement and the applicable Final Terms which are binding on them.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## 1. Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”), registered form (“Registered Notes”) or uncertificated and dematerialised book entry form (“Uncertificated Notes”), as specified in the Final Terms and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes may not be exchanged for any other form of Notes and *vice versa*. Registered Notes may not be exchanged for any other form of Notes and *vice versa*. VP Notes may not be exchanged for any other form of Notes and *vice versa*. VPS Notes may not be exchanged for any other form of Notes and *vice versa*.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, a Dual Currency Redemption Note, a Partly Paid Note, an Instalment Note, or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Bearer Notes may be issued in CGN or NGN form. If the applicable Final Terms indicate that the Global Note is not issued in NGN form, the nominal amount of Notes represented by the Global Note shall be determined by means of the annotations to the Global Note. If the applicable Final Terms indicate that the Global Note is issued in NGN form the nominal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of Euroclear and Clearstream, Luxembourg (together, the relevant “Clearing Systems”). The records of the relevant Clearing Systems shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by the relevant Clearing System stating the nominal amount of Notes represented by the Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time. Payments due in respect of Notes for the time being represented by the Global Note shall be made to the bearer of the Global Note and each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge. The Global Note shall not be valid unless authenticated by the Principal Paying Agent. If the applicable Final Terms indicate that the Global Note is intended to be held in a manner which would allow Eurosystem eligibility, the Common Safekeeper must be one of the ICSDs.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Principal Paying Agent, the Registrar and any other Paying and Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note 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 Note, without prejudice to the provisions set out in the next succeeding paragraph, and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. The holder of Uncertificated Notes will be the person evidenced as such by a book entry in the records of VP or VPS, as the case may be. Title to the VP Notes will pass by registration in the registers between the direct or indirect accountholders at VP in accordance with applicable laws and the rules and procedures of VP. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Note. Title to the VPS Notes will pass by registration in the registers between the direct or indirect accountholders at VPS in accordance with applicable law and the rules and procedures of VPS. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or for so long as DTC or its nominee is the registered holder of a Registered Global Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Principal Paying Agent and the

Registrar and any other Paying and Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose, in the case of Notes represented by a Bearer Global Note, the bearer of the relevant Bearer Global Note or, in the case of a Registered Global Note the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Principal Paying Agent, the Registrar and any other Paying and Transfer Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be.

For so long as any of the Notes are VP Notes, each person who is for the time being shown in the book entry system and register maintained by VP as the holder of a VP Note shall be treated by the Issuer, the VP Agent and any other Paying and Transfer Agent as the holder of such Notes for all purposes in accordance with applicable Danish laws and regulations; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. VP Notes will be transferable only in accordance with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time. VP Notes will be issued in uncertificated and dematerialised form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

For so long as any of the Notes are VPS Notes, each person who is for the time being shown in the records of VPS as the holder of a VPS Note shall be treated by the Issuer, the VPS Agent and any other Paying and Transfer Agent as the holder of such Notes for all purposes in accordance with applicable Norwegian laws and regulations; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. VPS Notes will be transferable only in accordance with applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time. VPS Notes will be issued in uncertificated and dematerialised form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

References to Euroclear, Clearstream, Luxembourg and/or DTC and/or VP and/or VPS 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.

Bearer Notes, once issued in definitive form in the Specified Currency and the Specified Denomination(s), may not be exchanged for Bearer Notes of another Specified Denomination.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

In relation to any issue of Bearer Notes which have a minimum denomination and are tradable, so long as the Notes are represented by a temporary Global Note or a permanent Global Note and the relevant Clearing System(s) so permit, in denominations above such minimum denomination which are not integral multiples of the minimum denomination, should Definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant Clearing Systems at the relevant time, may not receive all of his entitlement in the form of Definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

## **2. Provisions Relating to Registered Notes**

### *(a) Transfers of interest in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other 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 Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with these Terms and Conditions. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

*(b) Transfer of Registered Notes in definitive form*

Subject as provided in Conditions 2(e) and (f) below, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer: (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Paying and Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Paying and Transfer Agent; and (ii) the Registrar or, as the case may be, the relevant Paying and Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 to the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Paying and Transfer Agent 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 or, as the case may be, the relevant Paying and Transfer Agent 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) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred.

In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

*(c) Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

*(d) Cost of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

*(e) Transfers of interest in Regulation S Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Paying and Transfer Agent, from the transferor of the Note 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 registration under the U.S. 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 the U.S. Securities Act,

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

In the case of (i) above, such transferee may take delivery by means of a Rule 144A Note in global or definitive form.

After expiry of the applicable Distribution Compliance Period, (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

*(f) Transfers of interest in Rule 144A Notes*

Transfers of Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A (“Rule 144A Notes”) or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, 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 in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Rule 144A Note 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
- (iii) otherwise pursuant to the U.S. 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 the U.S. Securities Act,

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

Upon the transfer, exchange or replacement of Rule 144A Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Rule 144A Notes or refuse to remove the 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 U.S. Securities Act.

### **3. Status of the Senior Notes**

The Senior Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (except for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

### **4. Status and Characteristics of the Subordinated Notes**

The Subordinated Notes of this Series and the relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, except for those that have been accorded by law preferential rights.

The obligations of the Issuer to pay the principal amount of the Subordinated Notes of this Series are subordinated obligations of the Issuer, and the principal of the Subordinated Notes of this Series is (i) upon the commencement and during the continuation of proceedings instituted by or against the Issuer seeking to adjudicate it bankrupt or (ii) upon the commencement of the liquidation of the Issuer, junior in right of payment from the Issuer to the prior payment in full of all other obligations of the Issuer except those obligations which by their terms rank *pari passu* with or junior to the Subordinated Notes of this Series.

The Terms and Conditions of the Subordinated Notes of this Series may not be amended (i) to shorten the maturity of the Subordinated Notes of this Series or the period for prior notice of redemption or (ii) to restrict their subordination, nor may the obligations of the Issuer under the Subordinated Notes of this Series be secured by any security of whatever kind provided by the Issuer or any other person.



Each of the Issuer and the holder of any Subordinated Notes of this Series waives any and all rights it may have to set-off claims under the Subordinated Notes of this Series against any claims it may have against the other.

The Subordinated Notes of this Series are not redeemable or repayable prior to maturity except as expressly provided herein. If the Issuer redeems or repays the Subordinated Notes of this Series other than in accordance with the terms provided herein, German law may require that, notwithstanding any agreements to the contrary, the holder of any Subordinated Notes of this Series shall pay to the Issuer any amounts received by it from the Issuer or any Paying and Transfer Agent in such redemption or repayment of the Subordinated Notes of this Series, unless, at the time of such redemption or repayment, the Issuer shall have, to the extent required by German law, replaced the capital (within the meaning of the German Federal Banking Law (*Kreditwesengesetz*)) created by the Subordinated Notes of this Series with capital of equal or higher ranking.

Except to the extent allowed by applicable law, the Issuer shall not, directly or indirectly, acquire for its own account any of the Subordinated Notes of this Series, finance the acquisition for the account of any other person of any of the Subordinated Notes of this Series or accept a lien, security interest or other encumbrance on any of the Subordinated Notes of this Series to secure any obligations owed to the Issuer.

## 5. Interest

### (a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated per Calculation Amount by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (iii) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (iv) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

In these Terms and Conditions:

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms, and “TARGET” means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19th November, 2007 or any successor thereto.

*(b) Interest on Floating Rate Notes and Index Linked Interest Notes*

*(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, unless otherwise specified in the applicable Final Terms).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions")) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (iii), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the

determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or, in the case of Uncertificated Notes, the Calculation Agent (specified in the applicable Final Terms). If five or more such offered quotations are available on the Relevant Screen Page, 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For determining the Rate of Interest pursuant to this sub-paragraph (iv) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph (each a market disruption event) the following provisions shall apply:

- (1) The Principal Paying Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.
- (2) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying 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, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In this sub-paragraph (iv), the expression “Reference Banks” means, in the case of clause (A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of clause (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(v) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

The Principal Paying Agent, in the case of Floating Rate Notes other than the Floating Rate Notes which are Uncertificated Notes, and the Calculation Agent (specified in the applicable Final Terms), in the case of Index Linked Interest Notes and Floating Rate Notes which are Uncertificated Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes other than Index Linked Notes which are Uncertificated Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or, in the case of either Floating Rate Notes which are Uncertificated Notes or Index Linked Notes which are Uncertificated Notes, the Calculation Agent, will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of the Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(vii) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent or, in the case of Uncertificated Notes, the Calculation Agent (specified in the applicable Final Terms), will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and, in the case of Uncertificated Notes, VP and the VP Agent or VPS and the VPS Agent, as the case may be, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Such notices to VP and the VP Agent or VPS and the VPS Agent shall be delivered not later than the Business Day before the first day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, to the Noteholders in accordance with Condition 14, and, if appropriate, to the Common Service Provider. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), by the Principal Paying Agent or, if applicable, the Calculation Agent (specified in the applicable Final Terms), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the Registrar, the other Paying and Transfer Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

The rate or amount of interest payable in respect of Dual Currency Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent, the VP Agent or the VPS Agent, as applicable, and notice to that effect has been given in accordance with Condition 14 or individually.



## 6. Payments

### (a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8. References to “Specified Currency” will include any successor currency under applicable law.

### (b) Presentation and Payment in respect of Notes, Receipts and Coupons

#### (i) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall be made against presentation and surrender of the relevant:

- (x) Receipts, in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note,
- (y) Notes, in the case of all other payments of principal and, in the case of interest, as specified in the last paragraph of this Condition 6(b)(i), or
- (z) Coupons, in the case of interest save as specified in the last paragraph of this Condition 6(b)(i),

in each case at the specified office of any Paying and Transfer Agent outside of the United States. Payment will be made by cheque or, if requested by the holder, by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent provided, however, that payment will not be made either by mail to an address in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) or by transfer to an account maintained in the United States.

If the due date for redemption is not an Interest Payment Date, accrued interest shall only be payable on redemption of the Note against presentation and surrender of the relevant Note.

#### (ii) Registered Notes

- (x) Payments of principal (which for the purposes of this Condition shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant certificate at the specified office of the Registrar. Such payments will be made by cheque or, if requested by the holder, by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent, (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business day (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) before the relevant due date.
- (y) Payments of interest (and all Instalment Amounts other than final Instalment Amounts) in respect of Registered Notes shall be made to the person shown on the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear

and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (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) (the “Record Date”)) prior to such due date. Payment will be made by cheque and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any of the Paying and Transfer Agents before the Record Date, such payment of interest may be made instead by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent.

If the due date for redemption is not an Interest Payment Date, accrued interest shall only be payable on redemption of the Note against presentation and surrender of the relevant certificate.

(iii) VP Notes

Payment of principal and interest in respect of VP Notes will be made to the persons registered as Noteholders in the book entry system and register maintained by VP in accordance with and subject to the procedures applicable to and/or issued by VP from time to time.

(iv) VPS Notes

Payment of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of VPS in accordance with and subject to the procedures applicable to and/or issued by VPS from time to time.

(c) *Payments subject to fiscal laws*

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Details are set forth in Condition 8 below. Neither the Issuer nor any Paying and Transfer Agent shall be liable to any holder of a Note or other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment.

(d) *Unmatured Coupons and Receipts and unexchanged Talons*

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unexpired Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unexpired Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unexpired Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unexpired Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unexpired Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

(e) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and if necessary

another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

*(f) General Provisions Applicable to Payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, or DTC as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying and Transfer Agent in the United States if:

- (i) the Issuer has appointed Paying and Transfer Agents with specified offices outside the United States with the reasonable expectation that such Paying and Transfer Agents would be able to make payment in U.S. dollars at such specified offices outside of the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

*(g) Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "Payment Day" means any day which (subject to Condition 9) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (a) where the Notes are in global form, any Financial Centre specified in the applicable Final Terms, and (b) where the Notes are in definitive form:

- (i) the relevant place of presentation; and
- (ii) any Financial Centre specified in the applicable Final Terms.

If the date for payment of any amount in respect of VP Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following VP Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For the purposes hereof, unless otherwise specified in the applicable Final Terms, VP Payment Day means any day which (subject to Condition 9) is a day on which commercial banks are open for general business in Denmark.

If the date for payment of any amount in respect of VPS Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following VPS Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For the purposes hereof, unless otherwise specified in the applicable Final Terms, VPS Payment Day means any day which (subject to Condition 9) is a day on which commercial banks are open for general business in Norway.

*(h) Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;

- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

*(i) Settlement Disruption Event and Fallback Provisions*

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. If, in the opinion of the Issuer, a payment of amounts due in respect of the Notes cannot be made by it in the Specified Currency on the due date due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or because the Specified Currency, or a successor currency to the Specified Currency provided for by law, is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, then the Issuer shall be entitled to satisfy its obligations to the holders of the Notes by making such payment in either Euro or U.S. dollars on, or as soon as (in the opinion of the Issuer) reasonably practicable after, the due date (such date, for purposes of this Condition 6(i), the “Payment Date”) on the basis of the Market Exchange Rate. Any payment made under such circumstances in either Euro or U.S. dollars on or after the due date will not constitute a default and holders of the Notes shall not be entitled to further interest or any other payment in respect of such payment.

For purposes of this Condition 6(i), the “Market Exchange Rate” shall (A) in the case of payments in U.S. dollars mean (i) the noon buying rate in New York City for cable transfers of the Specified Currency as certified for customs purposes by the Federal Reserve Bank of New York as of (in the opinion of the Issuer) the most recent practicable date before the Payment Date, or (ii) if (in the opinion of the Issuer) no rate pursuant to item (A)(i) is available as of a date falling within a reasonable period of time prior to the Payment Date, the foreign exchange rate of the Specified Currency against U.S. dollars as determined by the Issuer in its reasonable discretion; or (B) in the case of payments in Euro, mean (i) on the basis of the spot exchange rate at which the Specified Currency was offered in exchange for Euro in the London foreign exchange market as of (in the opinion of the Issuer) the most recent practicable date before the Payment Date, or (ii) if (in the opinion of the Issuer) no rate pursuant to item (B)(i) is available as of a date falling within a reasonable period of time prior to the Payment Date, the foreign exchange rate of the Specified Currency against Euro as determined by the Issuer in its reasonable discretion.

For the avoidance of doubt, the Market Exchange Rate or substitute exchange rate as aforesaid may be such that the resulting U.S. dollar or Euro amount is zero and in such event no amount in the Specified Currency or U.S. dollar or Euro will be payable.

## **7. Redemption and Purchase**

*(a) At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

*(b) Redemption for Tax Reasons*

(i) Senior Notes

Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Index Linked Interest Notes or Dual Currency Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes or Dual

Currency Notes), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent (and, in the case of Uncertificated Notes, the VP Agent or the VPS Agent, as the case may be) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent (and, in the case of Uncertificated Notes, the VP Agent or the VPS Agent, as the case may be) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b)(i) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(ii) Subordinated Notes

If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision of, or any authority in, or of, the Federal Republic of Germany having power to tax, or any change in the interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Subordinated Notes of this Series, the Issuer would be required, for reasons outside its control, to pay additional amounts as provided or referred to in Condition 8, the Issuer may at its option, redeem all the Subordinated Notes of this Series, but not some only, at their Early Redemption Amount referred to in paragraph (e) below together, if appropriate, with interest accrued to (but excluding) the date of redemption (in the case of Subordinated Notes other than Floating Rate Notes or Zero Coupon Notes) and any additional amounts payable under Condition 8, in accordance with the following provisions:

- (x) If the Subordinated Notes are Fixed Rate Notes, the Issuer may at its option, at any time, redeem such Notes upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either (i) the first day of the relevant financial year in which redemption is to occur or (ii) the redemption date, whichever is permitted by the German Federal Banking Law to maintain the allowable proportion of the capital.
- (y) If the Subordinated Notes are Floating Rate Notes, the Issuer may at its option redeem such Notes on any Interest Payment Date upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either (i) the first day of the financial year coinciding with or, as the case may be, immediately preceding the relevant Interest Payment Date or (ii) the redemption date (which must be an Interest Payment Date), whichever is permitted by the German Federal Banking Law to maintain the allowable proportion of the capital.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders (or such other period of notice as is specified in the applicable Final Terms) in accordance with Condition 14; and

- (ii) not less than 2 business days (being days when banks are open for business in the city in which the specified office of the relevant Agent is located) before the giving of the notice referred to in (i), notice to the Principal Paying Agent (and, in the case of a redemption of Registered Notes, the Registrar, and, in the case of Uncertificated Notes, the VP Agent or the VPS Agent, as the case may be),

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s) provided that, in the case of a redemption of Subordinated Notes, (i) the Optional Redemption Date shall not fall before (but may fall after) the first day of the Issuer's financial year which falls seven years after the first day of the Issuer's financial year immediately following the Issue Date of the first Tranche of the Subordinated Notes of such Series provided always that the Issuer may redeem the Subordinated Notes of such Series on such earlier or later date as is permitted at the relevant time by German Federal Banking Law and which does not prejudice the status of the Subordinated Notes of such Series for the purposes of capital adequacy or the proportion which is allowable for such purposes (a "Permitted Redemption Date") and (ii) in each case upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either the first day of the relevant financial year in which redemption is to occur or the Permitted Redemption Date, whichever is permitted by German Federal Banking Law to maintain the allowable proportion of the capital. DTC requires a notice to holders at least 30 days prior to the Optional Redemption Date. A notice period of less than 30 days will be managed on a best effort basis by DTC.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or 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/or DTC, as the case may be, in the case of Redeemed Notes represented by a Global Note and in accordance with the rules of VP, in the case of VP Notes and in accordance with the rules of VPS, in the case of VPS Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

*(d) Redemption of Senior Notes only at the Option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. DTC requires a notice to holders at least 30 days prior to the Optional Redemption Date. A notice period of less than 30 days will be managed on a best effort basis by DTC.

To exercise the right to require redemption of this Senior Note its holder must, if this Note is in definitive form and held outside of Euroclear and Clearstream, Luxembourg or any other agreed clearing system, deliver at the specified office of any Paying and Transfer Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying and

Transfer Agent or, as the case may be, the Registrar, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying and Transfer Agent or the Registrar (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Senior Note is in definitive form, this Senior Note or evidence satisfactory to the Paying and Transfer Agent or the Registrar concerned that this Senior Note will, following delivery of the Put Notice, be held its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or any other agreed clearing system, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC or such other agreed clearing system (which may include notice being given on its instruction by any clearing system or any common depositary or common safekeeper, as the case may be, for such clearing systems to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg, DTC or the additional or alternative clearing system from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or the Registrar for notation accordingly.

If this Note is a VP Note, to exercise the right to require redemption of such Note, the holder thereof must, within the applicable notice period, give notice to the VP Agent of such exercise in accordance with the standard procedures of VP in effect from time to time.

If this Note is a VPS Note, to exercise the right to require redemption of such Note, the holder thereof must, within the applicable notice period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of VPS in effect from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

*(e) Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or

(as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

*(f) Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

*(g) Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

*(h) Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmaturing Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying and Transfer Agent or the Registrar for cancellation.

*(i) Cancellation*

All Notes which are redeemed will (subject to paragraph (h) above) forthwith be cancelled (together with all unmaturing Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmaturing Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) and cannot be re-issued or resold. A notice in respect of any Uncertificated Notes so cancelled and any Uncertificated Notes purchased and cancelled pursuant to paragraph (h) above shall be forwarded to the Principal Paying Agent and the VP Agent or the VPS Agent, as the case may be, indicating such cancellation, and such Notes cannot be re-issued or resold.

*(j) Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 (in the case of a Senior Note) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholder in accordance with Condition 14.

*(k) Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms in respect of the Maturity Date or the Optional Redemption Date and if (x) there is no numerically corresponding day in the calendar month in which the Maturity Date or Optional Redemption Date should occur or (y) the Maturity Date or Optional Redemption Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Maturity Date or Optional Redemption Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Maturity Date or Optional Redemption Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Maturity Date or Optional Redemption Date shall be brought forward to the immediately preceding Business Day; or



- (3) the Preceding Business Day Convention, such Maturity Date or Optional Redemption Date shall be brought forward to the immediately preceding Business Day.

## **8. Withholding Tax**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with the Federal Republic of Germany other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
- (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder, Receiptholder or Couponholder); or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(g)); or
- (iv) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to such deduction or withholding if the payment could have been made by another Paying and Transfer Agent without such withholding or deduction; or
- (v) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder where no such deduction or withholding would have been required were the relevant Notes credited at the time of payment to a securities deposit account with a bank outside the Federal Republic of Germany; or
- (vi) presented for payment in the Federal Republic of Germany; or
- (vii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC (the “Savings Tax Directive”) or any other Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (viii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying and Transfer Agent in a Member State of the European Union.

As used herein, the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar or, in the case of VP Notes, the holders of the VP Notes or, in the case of VPS Notes, the holders of the VPS Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## **9. Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

Claims against the Issuer for the payment of principal and interest payable in respect of the VP Notes shall be void unless made within 10 years (in the case of principal) and 3 years (in the case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such VP Notes shall be forfeited and revert to the Issuer.

Claims against the Issuer for the payment of principal and interest payable in respect of the VPS Notes shall be void unless made within 10 years (in the case of principal) and 3 years (in the case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such VPS Notes shall be forfeited and revert to the Issuer.

#### **10. Events of Default Relating to Senior Notes**

If any one or more of the following events (each an “Event of Default”) shall have occurred and be continuing:

- (i) default is made for more than seven days in the payment of any amount in respect of any of the Senior Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) a default is made by the Issuer in the performance or observance of any obligation, condition or provision under the Senior Notes (other than any obligation for the payment of any amount due in respect of any of the Senior Notes) and either such default is not capable of remedy, or such default continues for a period of 30 days after written notification requiring such default to be remedied has been given to the Issuer by any Senior Noteholder,

then any Senior Noteholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

#### **11. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant 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. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **12. Agents**

The names of the initial Agents and their initial specified offices are set out on page 146 below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (i) there will at all times be a Principal Paying Agent and Registrar and, so long as any Registered Global Notes are registered in the name of a nominee of DTC, an Exchange Agent;
- (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying and Transfer Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (iii) there will at all times be a Paying and Transfer Agent (which may be the Principal Paying Agent) with a specified office in a principal financial centre in continental Europe;
- (iv) there will at all times be a Paying and Transfer Agent with a specified office situated outside Germany;

- (v) it will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the Savings Tax Directive or any law implementing or complying with or introduced to confirm to such Directive;
- (vi) in the case of VP Notes, there will at all times be a VP Agent authorised to act as an account operating institution with VP and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Notes so require; and
- (vii) in the case of VPS Notes, there will at all times be a VPS Agent authorised to act as an account operating institution with VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

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 Noteholders in accordance with Condition 14.

### 13. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Agent or any other Paying and Transfer Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

### 14. Notices

Notices to the holders of Registered Notes in definitive form will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth day after the date of mailing and will also be published in accordance with the requirements for notices to the holders of Bearer Notes and Registered Notes in global form set out below. Notices to holders of Bearer Notes and Registered Notes in global form shall be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety by or on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s), the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as appropriate.

Notices to be given by any holder of the Notes (other than Uncertificated Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

Notices to holders of VP Notes shall be valid if mailed to their registered addresses appearing on the register of VP and, so long as the VP Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Notices to holders of VPS Notes shall be valid if given to VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the fourth day after delivery to VPS.

#### **15. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by extraordinary resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing (or in the case of Uncertificated Notes, holding a certificate (dated no earlier than 14 days prior to the meeting) from either VP or the VP Agent, or VPS or the VPS Agent, as the case may be, stating that the holder is entered into the records of VP or VPS, as the case may be, as a Noteholder) not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders, if applicable.

For the purposes of a meeting of holders of Uncertificated Notes, the person named in the certificate described above shall be treated as the holder of the Uncertificated Notes specified in such certificate provided that such person has given an undertaking not to transfer the Uncertificated Notes so specified (prior to the close of the meeting) and the Principal Paying Agent shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

#### **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects except for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 17. Substitution of the Issuer

(a) The Issuer may, without the consent of the Noteholders or Couponholders, when no payment of principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “Substituted Debtor”) for the Issuer as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:

- (i) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes and the relative Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Noteholder and each holder of the relative Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8) payable in respect of the Notes and the relative Receipts and Coupons and all amounts payable under the Deed of Covenant in respect of Noteholders;
- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Federal Republic of Germany, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 with the substitution for the references to the Federal Republic of Germany of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
- (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent;
- (vi) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the

effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent;

- (vii) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent; and
- (viii) the Substituted Debtor shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes, the relative Receipts or Coupons or the Documents.

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) In respect of any substitution pursuant to this Condition in respect of Subordinated Notes of any Series, substitution shall not take effect unless (a) the Substituted Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer within the meaning of sections 1(7) and 10(5a) (eleventh sentence) of the German Banking Act (*Kreditwesengesetz*) which has been established solely for the purpose of raising funds; (b) the obligations assumed by the Substituted Debtor in respect of the Subordinated Notes and the Coupons and Receipts relating to them are subordinated on terms identical to the terms of the Subordinated Notes; (c) the Substituted Debtor deposits an amount which is equal to the aggregate principal amount of the Subordinated Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Subordinated Notes, and (d) the Issuer guarantees the obligations of the Substituted Debtor in respect of the Subordinated Notes and the Coupons and Receipts relating to them on a subordinated basis on terms equivalent to the terms of the Subordinated Notes regarding subordination.

(d) With respect to Subordinated Notes, the Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 14, at any time to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice shall be irrevocable.

(e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons except that any claims under the Notes and the relative Receipts and Coupons prior to release shall inure for the benefit of Noteholders and Couponholders.

(f) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Deed of Covenant or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.

(g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

## **18. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **19. Governing Law and Submission to Jurisdiction**

The Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law.

The registration of VP Notes in VP must also comply with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time. VP Notes must comply with the Danish Consolidated Act No. 883 of 9th August, 2011 on Trading in Securities, as amended from time to time (the “Danish Securities Trading Act”), and Executive Order No. 369 of 14th May, 2009 on the registration etc. of dematerialised securities in a centralised securities depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*; the “Danish VP Registration Order”). The relationship between Danske Bank A/S as the account holding institute and VP will be governed by the provisions of the Danish Securities Trading Act and Danish VP Registration Order.

The registration of VPS Notes in VPS must also comply with the applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time. VPS Notes must comply with the Norwegian Securities Register Act of 5th July, 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts for all purposes in connection with the Agency Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and in relation thereto the Issuer has appointed Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England for service of process and on its behalf and has agreed that in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the VP Agreement, the VPS Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) may be brought in any other court of competent jurisdiction.

## FORMS OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).*

FINAL TERMS DATED [            ]

### LANDWIRTSCHAFTLICHE RENTENBANK

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the “Notes”)  
under the EUR 60,000,000,000  
Euro Medium Term Note Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for 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, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.<sup>1</sup>

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.<sup>2</sup>

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [            ]] which [together] constitute[s] a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the German Securities Prospectus Act

<sup>1</sup> Consider including this legend where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Consider including this legend where only an exempt offer of Notes is anticipated.



(*Wertpapierprospektgesetz*) (the “Securities Prospectus Act”). This document constitutes the Final Terms of the Notes described herein for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the Securities Prospectus Act, and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [the Base Prospectus Supplement] and the documents incorporated therein by reference are available for viewing at and copies may be obtained from the offices of the principal paying agent, Deutsche Bank AG, London Branch, at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

*[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.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date] [and the Base Prospectus Supplement dated [ ]], which are incorporated by reference in the Base Prospectus dated 16th May, 2012 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the “Securities Prospectus Act”), and must be read in conjunction with the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [ ]] which [together] constitute[s] a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the Securities Prospectus Act. Full information on the Issuer and the offer of Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [ ]]. The Base Prospectus [the Base Prospectus Supplement] and the documents incorporated therein by reference are available for viewing at and copies may be obtained from the offices of the principal paying agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, 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 and Section 16 of the Securities Prospectus Act.]*

- 1. Issuer: Landwirtschaftliche Rentenbank
- 2. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- 3. Specified Currency or Currencies: [ ]
- 4. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
- 5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- 6. (i) Specified Denominations: [ ]  
*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)*
- (ii) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Issue Date: [            ]
- (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8. Maturity Date: [*Fixed Rate Notes – specify date/ Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month]*] [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”*]/not adjusted]
9. Interest Basis: [[            ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [            ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [Other (*specify*)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [Other (*specify*)]  
 (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) will apply.*)
11. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another Interest Basis or Redemption/Payment Basis*]
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. Status of the Notes: [Senior/Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
 (*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/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [            ] in each year up to and including the Maturity Date/[*specify other*] [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”*]/not adjusted] (*N.B. This will need to be amended in the case of long or short coupons*)
- (iii) Fixed Coupon Amount(s): [            ] per Calculation Amount
- (iv) Broken Amount(s): [            ] per Calculation Amount, payable on the Interest Payment date falling [in/on] [            ]

- (v) Day Count Fraction: [Actual/Actual (ICMA) or 30/360 or 30E/360 or 30E/360 (ISDA) or *[specify other]*]
- (vi) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [Condition 5(b)(i) applies/*[specify other (give details)]*]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) First Interest Payment Date: [ ]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*other (give details)*]
- (v) Business Centre(s): [ ]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/*other (give details)*]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): *[Give name and address of Calculation Agent]*
- (viii) Screen Rate Determination:
- Reference Rate: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (ix) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (x) Margin(s): [+/-] [ ] per cent. per annum
- (xi) Minimum Rate of Interest: [ ] per cent. per annum
- (xii) Maximum Rate of Interest: [ ] per cent. per annum

- (xiii) Day Count Fraction: [Actual/Actual (ISDA) or Actual/365 (fixed) or Actual/365 (Sterling) or Actual/360 or 30/360 or 30E/360 or *Other (specify)*]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Amortisation/Accrual] Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(e)(iii) and 7(j) apply/specify other] *(Consider applicable day count fraction if not U.S. dollar denominated)*
18. Index Linked Interest Note/other variable-linked Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index/Formula/other variable: *[give or annex details]*
- (ii) Party responsible for calculating the principal and/or interest due: *[Give name and address of Calculation Agent]*
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Interest or calculation period(s): [ ]
- (vii) Specify Interest Payment Date(s): [ ]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]

- (ix) Business Centre(s): [            ]
- (x) Minimum Rate/Amount of Interest: [            ] per cent. per annum
- (xi) Maximum Rate/Amount of Interest: [            ] per cent. per annum
- (xii) Day Count Fraction: [            ]
19. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due: [Give name and address of Calculation Agent]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [            ]

#### **PROVISIONS RELATING TO REDEMPTION**

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[            ] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [            ]
- (b) Maximum Redemption Amount: [            ]
- (iv) Notice period: [            ]  
*(N.B. If setting notice periods that are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent, Registrar, the VP Agent or the VPS Agent)*

21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[            ] per Calculation Amount/specify other/see Appendix]
- (iii) Notice period: [            ]  
*(N.B. If setting notice periods that are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent, Registrar, the VP Agent or the VPS Agent)*
22. Final Redemption Amount of each Note: [[            ] per Calculation Amount/specify other/see Appendix]
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: *(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount: [Give name and address of Calculation Agent]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [            ]
- (iv) Determination Date(s): [            ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [            ]
- (vi) Payment Date: [            ]
- (vii) Minimum Final Redemption Amount: [            ]
- (viii) Maximum Final Redemption Amount: [            ]
23. Early Redemption Amount
- Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption and/or the [Condition 7(e) applies/[            ] per Calculation Amount/specify other/see Appendix]

method of calculating the same (if required or if different from that set out in the Condition 7(e)):

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Bearer Notes/Registered Notes/VP Notes issued in uncertificated and dematerialised book entry form/VPS Notes issued in uncertificated and dematerialised book entry form]
- (Delete as appropriate)*
- [[Temporary Bearer Global Note which is exchangeable for a] Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event.][Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]
- (Include if Notes are to be issued in definitive form)*
- (Ensure that this is consistent with the wording in the “Form of the Notes” section in the Base Prospectus and the Notes themselves.)*
- [[Rule 144A Global Note] [and Regulation S Global Note][each of] which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- (Include if Notes are to be issued in permanent global form)*
- [Regulation S Global Note ([ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- [Rule 144A Global Note ([ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
25. New Global Note: [Yes/No]
26. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
- (Note that this item relates to the date and place of payment, and not Interest Period end dates to which items 15(ii), 16(v) and 18(ix) relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details] *(N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)*
29. Details relating to Instalment Notes:

- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: [Not Applicable/The provisions [in Condition [ ] apply]
31. Consolidation provisions: [Condition 16 applies/Not Applicable/The provisions [in Condition [ ] apply]
32. Other final terms: [Not Applicable/give details]  
*[When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*  
*(Consider including a term providing for tax certification if required to enable interest to be paid gross by the Issuer.)*

## DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and name and address of entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Date of [Syndication] Agreement: [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
35. Total commissions and concessions: [ ] per cent. of the Aggregate Nominal Amount
36. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in the Federal Republic of Germany, United Kingdom, Grand Duchy of Luxembourg, The Netherlands, Kingdom of Belgium, Kingdom of Denmark, Republic of Austria [,][and] Republic of Italy [specify any additional Relevant Member State(s) where the Base Prospectus and any base prospectus supplements have been notified/passported] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [ ] Business Days thereafter”] (“Offer Period”). See further Paragraph 10 of Part B below.

[Notwithstanding the foregoing, no offer of Notes to the public may be made in any member state of the European Economic Area, which requires the Issuer to undertake any action in addition to the filing of the Final Terms with the



German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and the publication of a notice in the *Börsenzeitung*, unless the Issuer advises such action has been taken.]

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*

37. (i) U.S. Selling Restrictions: [Regulation S; TEFRA D/TEFRA C/TEFRA not applicable/HIRE Act Rules (*i.e.*, successor rules to TEFRA D and TEFRA C in substantially the same form that are applicable for Section 4701 of the Internal Revenue Code)]
- [(ii) Whether Rule 144A and private placement sales in the United States are permitted to be made:] [Yes/No]
38. Additional selling restrictions: [Not Applicable/*give details*]

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list*] of the Notes described herein] pursuant to the EUR 60,000,000,000 Euro Medium Term Note Programme of Landwirtschaftliche Rentenbank.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*(Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components)*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Landwirtschaftliche Rentenbank:

By:.....  
*Duly authorised*

## PART B – OTHER INFORMATION

- 1. LISTING AND ADMISSION TO TRADING:** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list]* with effect from [            ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list]* with effect from [            ].] [Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- 2. RATINGS:** [The Programme has received the ratings set forth in the Base Prospectus. (See “General Information – Ratings” in the Base Prospectus). The Notes to be issued have not yet been rated.] [The Notes have been assigned the following ratings:  
[Moody’s: [            ]]  
[S & P: [            ]]  
[Fitch: [            ]]  
[[Other]: [            ]]]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*  
[The credit ratings included herein will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 (the “CRA Regulation”) as having been issued by [Standard & Poor's Credit Market Services Europe Limited (“S&P”), [Moody's Deutschland GmbH (“Moody’s”)] [and] [Fitch Ratings Limited (“Fitch”)] [and] [other], upon registration pursuant to the CRA Regulation. Each of [S&P], [Moody’s] [and] [Fitch] [and] [other] is established in the European Union and is registered under the CRA Regulation. Reference is made to the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)), which is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation.]  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:**  
[Save as discussed in “Subscription and Sale” in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the Offer.] *[Amend as appropriate if there are other interests, including any conflicts of interest]*  
*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*
- 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:**  
[(i)] Reasons for the offer: [See “Use of Proceeds” in the Base Prospectus] *[(If reasons for the offer different from making profit and/or hedging certain risks, will need to include such 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: [ /Not Applicable] *[Include breakdown of expenses.]*  
*(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. YIELD: (Fixed Rate Notes only)**

Indication of yield: [ ]  
Calculated as *[Indicate details of method of calculation in summary form]* on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. HISTORICAL INTEREST RATES: (Floating Rate Notes only)**

Details of historic (LIBOR/EURIBOR/other) rates can be obtained from [Reuters].

**7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING: (Index-linked or other variable-linked Notes only)**

*[(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)]*

*[(Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.)]*

*[(Where the underlying is a security need to include the name of the issuer of the security and the International Securities Identification Number (ISIN) or equivalent identification number. Where the underlying is a basket of underlyings, need to include the relevant weightings of each underlying in the basket.)]*

*[(Include comprehensive explanation of how the value of the investment is affected by the underlying (shares, indices (including inflation linked), currencies, interest or swap rates, commodities, bonds, formulae or similar variables or baskets of underlying assets) and the circumstances when risks are most evident)]*

*[(Include other information concerning the underlying required by paragraph 4.1.2 of Annex XII of the Prospectus Directive Regulation.)]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer *[intends to provide post-issuance information [specify what information will be reported and where it can be obtained]]* *[does not intend to provide post-issuance information].*

*(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT: (Dual Currency Notes only)**

*[(Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**9. OPERATIONAL INFORMATION:**

ISIN Code: [ ]

Common Code: [ ]

WKN: [ ]

CUSIP: [ ] [CUSIP applicable for Rule 144A issues only]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)/VP Securities A/S. VP identification number : [ ]/Verdipapirsentralen, Norway. VPS identification number: [ ].  
The Issuer shall be entitled to obtain certain information from the register maintained by the [VP][VPS] for the purposes of performing its obligations under the issue of [VP Notes][VPS Notes]]

Delivery: Delivery [against/free of] payment

Name and address of additional Paying and Transfer Agent(s) (if any): [ ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to 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,] (include this text for registered notes)] and does not necessarily mean that the Notes 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 Bearer Notes must be issued in NGN form)

**10. TERMS AND CONDITIONS OF THE OFFER:**

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 Notes:] [Not Applicable/give details]

[Manner in and date on 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 Notes are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable/*give details*]

[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*]

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).*

**FINAL TERMS DATED [            ]**

**LANDWIRTSCHAFTLICHE RENTENBANK**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the “Notes”)  
under the EUR 60,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [            ]] which [together] constitute[s] a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the “Securities Prospectus Act”). This document constitutes the Final Terms of the Notes described herein for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the Securities Prospectus Act, and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [,the Base Prospectus Supplement] and the documents incorporated therein by reference are available for viewing at and copies may be obtained from the offices of the principal paying agent, Deutsche Bank AG, London Branch, at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

*[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.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus dated [*original date*] [and the Base Prospectus Supplement dated [            ]], which are incorporated by reference in the Base Prospectus dated 16th May, 2012 and which are attached hereto This document constitutes the Final Terms of the Notes described herein for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the “Securities Prospectus Act”), and must be read in conjunction with the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [            ]] which [together] constitute[s] a base prospectus for purposes of Article 5(4) of the Prospectus Directive and Section 6 of the Securities Prospectus Act. Full information on the Issuer and the offer of Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 16th May, 2012 [and the Base Prospectus Supplement dated [            ]]. The Base Prospectus [,the Base Prospectus Supplement] and the documents incorporated therein by reference are available for viewing at and copies may be obtained from the offices of the principal paying agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.]

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, 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 and Section 16 of the Securities Prospectus Act.]*

1. Issuer: Landwirtschaftliche Rentenbank
2. (i) Series Number: [            ]  
(ii) Tranche Number: [            ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [            ]
4. Aggregate Nominal Amount:  
(i) Series: [            ]  
(ii) Tranche: [            ]
5. Issue Price: [            ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [            ]  
*(N.B. Where Bearer Notes with multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*  
  
*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)*  
  
(ii) Calculation Amount: [            ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: [            ]  
(ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *[Fixed Rate Notes – specify date/ Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month]]*  
*[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]*
9. Interest Basis: [[            ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [            ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[Other (specify)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[Other (specify)]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative*

*securities for the purposes of the Prospectus Directive and the requirements of Annex XII to Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) will apply.)*

11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(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/other (specify)]] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date/[specify other] [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted] *(N.B. This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment date falling [in/on] [ ]
- (v) Day Count Fraction: [Actual/Actual (ICMA) or 30/360 or 30E/360 or 30E/360 (ISDA) or [specify other]]
- (vi) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [Condition 5(b)(i) applies/[specify other (give details)]]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) First Interest Payment Date: [ ]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day



- Convention/Preceding Business Day Convention/other (*give details*)
- (v) Business Centre(s): [            ]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [*Give name and address of Calculation Agent*]
- (viii) Screen Rate Determination:
- Reference Rate: [            ]
- Interest Determination Date(s): [            ]
- Relevant Screen Page: [            ]
- (ix) ISDA Determination:
- Floating Rate Option: [            ]
- Designated Maturity: [            ]
- Reset Date: [            ]
- (x) Margin(s): [+/-] [            ] per cent. per annum
- (xi) Minimum Rate of Interest: [            ] per cent. per annum
- (xii) Maximum Rate of Interest: [            ] per cent. per annum
- (xiii) Day Count Fraction: [Actual/Actual (ISDA) or Actual/365 (fixed) or Actual/365 (Sterling) or Actual/360 or 30/360 or 30E/360 or *Other (specify)*]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [            ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) [Amortisation/Accrual] Yield: [            ] per cent. per annum
- (ii) Reference Price: [            ]
- (iii) Any other formula/basis of determining amount payable: [            ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(e)(iii) and 7(j) apply/*specify other (Consider applicable day count fraction if not U.S. dollar denominated)*]

18. Index Linked Interest Note/other variable-linked Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the principal and/or interest due: [Give name and address of Calculation Agent]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Interest or calculation period(s): [ ]
- (vii) Specify Interest Payment Date(s): [ ]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (ix) Business Centre(s): [ ]
- (x) Minimum Rate/Amount of Interest: [ ] per cent. per annum
- (xi) Maximum Rate/Amount of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [ ]
19. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due: [Give name and address of Calculation Agent]

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [            ]

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[            ] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [            ]
- (b) Maximum Redemption Amount: [            ]
- (iv) Notice period: [            ]  
*(N.B. If setting notice periods that are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent, Registrar, the VP Agent or the VPS Agent)*
21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [            ] per Calculation Amount/specify other/see Appendix]
- (iii) Notice period: [            ]  
*(N.B. If setting notice periods that are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent, Registrar, the VP Agent or the VPS Agent)*
22. Final Redemption Amount of each Note: [[            ] per Calculation Amount/specify other/see Appendix]
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: *(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal amount, the Notes will constitute derivative securities for the purposes of the Prospectus Directive)*

and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount: [Give name and address of Calculation Agent]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Payment Date: [ ]
- (vii) Minimum Final Redemption Amount: [ ]
- (viii) Maximum Final Redemption Amount: [ ]

23. Early Redemption Amount

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Condition 7(e)): [Condition 7(e) applies/[ ] per Calculation Amount/specify other/see Appendix]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes: [Bearer Notes/Registered Notes/VP Notes issued in uncertificated and dematerialised book entry form/VPS Notes issued in uncertificated and dematerialised book entry form] (Delete as appropriate)
- [[Temporary Bearer Global Note which is exchangeable for a] Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event.][Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] (Include if Notes are to be issued in definitive form)
- (Ensure that this is consistent with the wording in the “Form of the Notes” section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified

*Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes.)*

[[Rule 144A Global Note] [and Regulation S Global Note][each of] which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

*(Include if Notes are to be issued in permanent global form)*

[Regulation S Global Note ([ ] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global Note ([ ] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

25. New Global Note: [Yes/No]
26. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]  
*(Note that this item relates to the date and place of payment, and not Interest Period end dates to which items 15(ii), 16(v) and 18(ix) relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details] *(N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)*
29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: [Not Applicable/The provisions [in Condition [ ] apply]
31. Consolidation provisions: [Condition 16 applies/Not Applicable/The provisions [in Condition [ ] apply]
32. Other final terms: [Not Applicable/give details]  
*[When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*  
*(Consider including a term providing for tax certification if required to enable interest to be paid gross by the Issuer.)*

**DISTRIBUTION**

- 33. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Date of [Syndication] Agreement: [ ] (*derivative securities only*)
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
- 35. (i) U.S. Selling Restrictions: [Regulation S; TEFRA D/TEFRA C/TEFRA not applicable/HIRE Act Rules (*i.e.*, successor rules to TEFRA D and TEFRA C in substantially the same form that are applicable for Section 4701 of the Internal Revenue Code)]
- [(ii) Whether Rule 144A and private placement sales in the United States are permitted to be made:] [Yes/No]
- 36. Additional selling restrictions: [Not Applicable/give details]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list*] of the Notes described herein] pursuant to the EUR 60,000,000,000 Euro Medium Term Note Programme of Landwirtschaftliche Rentenbank.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Landwirtschaftliche Rentenbank:

By:.....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

[(i)] Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list] 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 relating to admission to trading: [ ]

### 2. RATINGS:

[The Programme has received the ratings set forth in the Base Prospectus. (See “General Information – Ratings” in the Base Prospectus). The Notes to be issued have not yet been rated.] [The Notes have been assigned the following ratings:

[Moody’s: [ ]]  
[S & P: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

[The credit ratings included herein will be treated for the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the “CRA Regulation”) as having been issued by [Standard & Poor's Credit Market Services Europe Limited (“S&P”), [Moody's Deutschland GmbH (“Moody’s”) [and] [Fitch Ratings Limited (“Fitch”) [and] [other], upon registration pursuant to the CRA Regulation. Each of [S&P], [Moody’s] [and] [Fitch] [and] [other] is established in the European Union and is registered under the CRA Regulation. Reference is made to the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)), which is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:**

[Save as discussed in “Subscription and Sale” in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the Offer.][*Amend as appropriate if there are other interests, including any conflicts of interest*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:**

[(i)] Reasons for the offer: [See “Use of Proceeds” in the Base Prospectus]

*[(If reasons for the offer different from making profit and/or hedging certain risks, will need to include such 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: [ /Not Applicable] [*Include breakdown of expenses.*]

*(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. YIELD: (Fixed Rate Notes only)**

Indication of yield: [ ]

Calculated as [*Indicate details of method of calculation in summary form*] on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING: (Index-linked or other variable-linked Notes only)**

*[(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)]*

*[(Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.)]*

*[(Where the underlying is a security need to include the name of the issuer of the security and the International Securities Identification Number (ISIN) or equivalent identification number. Where the underlying is a basket of underlyings, need to include the relevant weightings of each underlying in the basket.)]*

*[(Include comprehensive explanation of how the value of the investment is affected by the underlying (shares, indices (including inflation linked), currencies, interest or swap rates, commodities, bonds, formulae or similar variables or baskets of underlying assets) and the circumstances when risks are most evident)]*

*[(Include other information concerning the underlying required by paragraph 4.1.2 of Annex XII of the Prospectus Directive Regulation.)]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*



The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

*(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT: (Dual Currency Notes only)**

*[(Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

*(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**8. OPERATIONAL INFORMATION**

ISIN Code: [            ]

Common Code: [            ]

WKN: [            ]

CUSIP: [            ] [CUSIP applicable for Rule 144A issues only]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)/ VP Securities A/S. VP identification number: [            ]/Verdipapirsentralen, Norway. VPS identification number: [            ]. The Issuer shall be entitled to obtain certain information from the register maintained by the [VP][VPS] for the purposes of performing its obligations under the issue of [VP Notes][VPS Notes]]

Delivery: Delivery [against/free of] payment

Name and address of additional Paying and Transfer Agent(s) (if any): [            ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to 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,] (include this text for registered notes)] and does not necessarily mean that the Notes 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 Bearer Notes must be issued in NGN form)

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### Introduction

Landwirtschaftliche Rentenbank is a federal public law institution with legal capacity (*rechtsfähige Anstalt des öffentlichen Rechts*). It was established on 1st June, 1949 by virtue of the Law Governing Landwirtschaftliche Rentenbank of 11th May, 1949 (*Gesetz über die Landwirtschaftliche Rentenbank*; the “Rentenbank Law”). It is registered with the Commercial Register of the Local Court of Frankfurt am Main under HRA 30636. Pursuant to the Rentenbank Law, the Issuer has the function to act as central refinancing agency for the agriculture and food industries. In its capacity as a statutory institution, the Issuer benefits from the “*Anstaltslast*”, or institutional liability, of the Federal Republic of Germany and is exempt from German corporate income tax (*Körperschaftsteuer*) and trade tax (*Gewerbesteuer*). Its registered office is located at Hochstrasse 2, 60313 Frankfurt am Main, Federal Republic of Germany; its telephone number is +49-69-2107-0. The Issuer does not maintain any branches.

At 31st December, 2011, the Issuer’s consolidated liable capital under the International Financial Reporting Standards amounted to EUR 2,618.1 million.

The Issuer’s subscribed capital of EUR 135 million was raised under the Law on the Rentenbank Land Charge over a period of ten years following its enactment in May 1949, through contributions paid in by the owners and lessees of land permanently used for agricultural, forestry and market garden purposes. Accordingly, any unappropriated annual profits remaining after allocations to reserves may only be used for promoting agriculture whilst protecting the general public interest. Upon the dissolution of the Issuer – which may only be effected by law – its net assets remaining after payment of all outstanding obligations may only be applied toward the support and promotion of agriculture and agricultural research in the interest of the public at large.

The Issuer is neither directly nor indirectly owned or controlled by any entity, including any of the parties to the Programme.

The Issuer’s statutory bodies are the Board of Managing Directors, the Advisory Board and the General Meeting. The business address of each of the members of the Board of Managing Directors and the Advisory Board named below is Hochstrasse 2, 60313 Frankfurt am Main, Federal Republic of Germany.

### Board of Managing Directors

The Board of Managing Directors manages the business of the Issuer. The members of the Board of Managing Directors are:

Mr. Hans Bernhardt  
Dr. Horst Reinhardt

Mr. Bernhardt’s areas of responsibility in the Board of Managing Directors are in respect of financial institutions, collaterals & equity investments, finance, IT and organization, operations and administration. Dr. Reinhardt’s areas of responsibility in the Board of Managing Directors are in respect of promotional business, treasury, legal & human resources and public relations.

There are no conflicts or potential conflicts of interest between the duties of any member of the Board of Managing Directors to the Bank and such member’s private interests or other duties.

### Advisory Board

The Advisory Board oversees business management. It may communicate general or specific directives to the Board of Managing Directors. The Advisory Board’s powers are in general those of the Supervisory Board of an *Aktiengesellschaft* (joint-stock company).

The following is a list of the current members of the Advisory Board as at the date of this Base Prospectus:

Chairman:	Gerd Sonnleitner, Präsident Deutscher Bauernverband e.V., Berlin
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Deputy Chairman:	Ilse Aigner, Bundesministerin für Ernährung, Landwirtschaft und Verbraucherschutz, Berlin
Representatives of the not-for-profit agricultural and food organisations:	Dr. Helmut Born, Generalsekretär Deutscher Bauernverband e.V., Berlin  Franz-Josef Möllers, Präsident Westfälisch-Lippischer Landwirtschaftsverband e.V., Münster  Norbert Schindler, MdB, Präsident Bauern- und Winzerverband Rheinland- Pfalz Süd e.V., Berlin  Brigitte Scherb, Präsidentin Deutscher LandFrauenverband e.V., Berlin  Werner Hilse, Präsident Landvolk Niedersachsen Landesbauernverband e.V., Hannover
Representative of the not-for-profit Farmers’ Mutual Savings Institution:	Manfred Nüssel, Präsident Deutscher Raiffeisenverband e.V., Berlin
Representative of the Food Industry:	Dr. Werner Hildenbrand, Sprecher GF Rich. Hengstenberg GmbH & Co. KG Stellvertretender Vorsitzender der Bundesvereinigung der deutschen Ernährungsindustrie, Esslingen
State Ministers of Agriculture or their permanent official representatives: <sup>(1)</sup>	
Rhineland-Palatinate	Ulrike Höfken, Staatsministerin für Umwelt, Landwirtschaft, Ernährung, Weinbau und Forsten, Mainz
Saxony-Anhalt	Dr. Hermann Onko Aeikens, Minister für Landwirtschaft und Umwelt des Landes Sachsen-Anhalt, Magdeburg
Schleswig-Holstein	Dr. Juliane Rumpf, Ministerin für Landwirtschaft, Umwelt und ländliche Räume des Landes Schleswig-Holstein, Kiel
Representative of the not-for-profit Trade Unions:	Klaus Wiesehügel, Bundesvorsitzender der IG Bauen-Agrar-Umwelt, Frankfurt am Main
Representative of the Ministry of Food, Agriculture and Consumer Protection:	Dr. Robert Kloos, Staatssekretär Bundesministerium für Ernährung, Landwirtschaft und Verbraucherschutz, Berlin

Representative of the Ministry of Finance:	Dr. Klaus Stein, Ministerialdirigent Bundesministerium der Finanzen, Berlin
Elected Specialists:	Klaus-Peter Müller, Vorsitzender des Aufsichtsrats der Commerzbank AG, Frankfurt am Main
	Wolfgang Kirsch, Vorsitzender des Vorstandes der DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
	Heinrich Haasis, Präsident des Deutschen Sparkassen- u. Giroverbands e.V., Berlin

(1) The *Bundesrat*, the upper house of Germany's parliament, has established a rotational system pursuant to which every two years a different set of German states is represented on the Issuer's Advisory Board.

There are no conflicts or potential conflicts of interest between the duties of each member of the Advisory Board to the Issuer and such member's private interests or other duties.

### **General Meeting**

According to the Rentenbank Law, each year a General Meeting must be held. The General Meeting consists of 28 members representing owners and lessees of land subject to the Issuer's land charges. The General Meeting advises the Bank in matters of the promotion of agriculture and rural areas as well as on general agricultural and business policy issues. Furthermore, it decides on the appropriation of the promotional fund in accordance with the Rentenbank Law. The General Meeting receives reports of the Management Board on the Issuer's business activities and of the Advisory Board on resolutions adopted by the Advisory Board.

### **Supervision of the Issuer**

The Issuer is subject to the supervision of the Federal government of Germany through the German Federal Ministry of Food, Agriculture and Consumer Protection, which exercises its supervision in concert with the Federal Ministry of Finance. The statutory function of the supervising authority is to ensure that the operations of the Issuer adhere to public interest in promotion of agriculture and rural areas and are in compliance with German law. The supervising authority may request information regarding the Issuer's operational matters, inspect books and records and participate in all Advisory Board meetings and General Meetings with the authority to issue motions and to comment on topics at such meetings. In addition, the supervising authority has the authority to schedule a meeting of any of the Issuer's three governing bodies and is authorised to prevent the implementation of any resolution that is against public interest or violates German law.

As a bank engaged in banking business as defined under the German Banking Act (*Kreditwesengesetz*), the Issuer is also subject to the supervision by the German Federal Financial Supervisory Authority.

### **Institutional Liability (*Anstaltslast*)**

The Issuer benefits from the "*Anstaltslast*", or institutional liability, of the Federal Republic, which means that the Federal Republic will (i) safeguard the economic basis of the Issuer, (ii) keep it in a position to pursue its operations throughout its existence as a statutory body under public law and (iii) in the event of its financial difficulties, enable it by financial contribution or in some other appropriate manner to perform its obligations when due. This duty under public law exists solely as between the Federal Republic and the Issuer and not between the Federal Republic and any third party.

The Federal Republic would not, under *Anstaltslast*, be permitted to wait for the Issuer to default on an obligation; the Federal Republic would be required on its own authority to take steps to enable the Issuer to perform its obligation when due. Moreover, under German law, the Issuer would be required to enforce its rights against the Federal Republic in the event it needed to do so in order to meet its obligations to third

parties, including holders of any of the Issuer's securities. Accordingly, while *Anstaltslast* does not constitute a formal guarantee of the Issuer's obligations by the Federal Republic of Germany and creditors of the Issuer do not have a direct claim against the Federal Republic under *Anstaltslast*, the effect of *Anstaltslast* is that the Issuer's obligations are fully backed by the credit of the Federal Republic of Germany. The obligation of the Federal Republic of Germany under *Anstaltslast* would constitute a charge on public funds that, as a legally established obligation, would be payable without the need for any appropriation or any other action by the German Parliament.

On 1st March, 2002, representatives of the Federal Government and the Commission of the European Union reached an understanding on the treatment of state guarantees for federal development banks such as the Issuer for the purposes of the European Union state aid rules. Pursuant to the agreement, the use of advantages for special credit institutions immanent to *Anstaltslast* and other state guarantees relevant under the state aid rules is permitted for the performance of promotional tasks at the request of the state in areas such as financing of small and medium enterprises ("SMEs"), infrastructure, environmentally-friendly investment, housing and co-operation with developing countries. Activities, which do not fall under the areas specified in the state aid rules, must be either discontinued by the special credit institutions or hived-off to legally independent subsidiaries without state support.

With the adoption of the German Federal Development Banks New Restructuring Law (*Förderbanken-Neustrukturierungsgesetz*), the description of the Issuer's permissible activities in the Rentenbank Law was conformed to the language in respect of which the Federal Republic and the Commission of the European Union reached an understanding on 1st March, 2002.

Based on the foregoing, the Issuer does not currently expect that it will be required to either discontinue or separately incorporate any material portion of its present business activities as a result of the understanding.

### **Principal Activities**

According to the Rentenbank Law, the Issuer's principal business is providing loans and other types of financing for the agriculture industry (including forestry, horticulture and fishing) and related upstream and downstream industries and for rural development. The principal purpose of loans granted is the promotion of agriculture and agri-business.

As a central refinancing agency, the Issuer mainly extends loans via other banks. In principle, the Issuer will refinance any financial institution involved in the Federal Republic of Germany, irrespective of its corporate form or connections, to avoid competitive distortions. Credit is provided by making traditional loans to, and by purchasing the debt securities of, German and European banks as well as German federal states. The volume of new loan commitments (including renewals) on a consolidated basis amounted to EUR 14.5 billion in 2011.

The Issuer provides credit to financial institutions to be loaned to borrowers engaged in the following activities:

- *Agriculture, Forestry, Horticulture and Fishing.* This sector includes borrowers engaged in all types of agriculture production, forestry, horticulture and fishing. It also includes borrowers engaged in related businesses such as manufacturers and distributors of machinery, fertilizers and other goods used in farming, forestry and fishing and commercial and service businesses with close links to agriculture and forestry (for example, those trading in rural products, timber, livestock or agricultural equipment).
- *Food Industry.* Eligible borrowers in this sector include businesses involved in the processing or distribution of food products in all market segments, including businesses in the commodity and luxury food industries and the food trade.
- *Renewable Energy.* This sector includes businesses involved in the production of power, heat or fuel based on biomass, including biogas-production and biomass-fuel-production. It also includes borrowers engaged in related businesses such as manufacturers of machinery used in bioenergy-production. This sector also covers lending for photovoltaic power plants or wind turbines, if borrowers linked to agriculture, forestry, horticulture, fishing or food industry.
- *Rural Infrastructure.* This category covers lending for activities intended to improve rural infrastructure, including drinking water treatment and distribution, sewage and waste treatment, land

consolidation, environmental protection, public transportation, housing and job creation and protection in rural communities as well as broadband internet activities. As a rule, eligible projects must be in communities with populations of fewer than 50,000 persons.

- *Local Government Authorities in Rural Areas.* Loans may also be made to local governments and other public agencies and authorities such as water and sewage treatment boards and other public utilities in communities with populations of fewer than 50,000 persons.

The Issuer obtains funding for its activities both domestically and internationally through interbank loans and issuances in the capital and money markets, the participation in open market transactions with the European Central Bank (“ECB”) and loans and other funding transactions with German and international institutional lenders.

#### **Subsidiaries**

The Issuer draws up consolidated accounts with LR Beteiligungsgesellschaft mbH (“LRB”), a wholly owned subsidiary. LRB has a share capital of EUR 28.6 million and serves as a holding company. In 1998, DSV Silo- und Verwaltungsgesellschaft mbH (“DSV”), which is held entirely by LRB, was included in the Issuer’s consolidated accounts for the first time. The share capital of DSV amounted to EUR 17.9 million as at 31st December, 2011.

#### **Recent Developments (Consolidated Data)**

The financial data in this section is based on preliminary, unaudited results for Landwirtschaftliche Rentenbank’s quarter ended 31st March, 2012, derived from the Issuer’s press release of 23rd April, 2012.

The first quarter of 2012 was characterised by a continuing high demand for the Issuer’s programme loans. These loans granted at particularly favourable interest rates for specific promotional purposes and assistance measures amounted to EUR 1,327.2 million (first quarter 2011: EUR 1,239.6 million).

From the total anticipated medium and long-term issue requirement of prospective EUR 10.0 billion for 2012, the Issuer was already able to raise EUR 4.4 billion in the first quarter (first quarter 2011: EUR 4.6 billion). Issue volume, including short-term issues (except for issuance under the European commercial paper programme), reached a total of EUR 4.4 billion during the first quarter of 2012 (first quarter 2011: EUR 4.7 billion).

## FINANCIAL INFORMATION

### 2010 Annual Financial Statements

Incorporated herein by reference are:

- (a) the Issuer's audited annual consolidated financial statements for the year ending 31st December, 2010, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out in the Issuer's 2010 Annual Report in the English language:
  - (i) Group Management Report,
  - (ii) Consolidated Statement of Comprehensive Income (IFRS),
  - (iii) Consolidated Balance Sheet (IFRS),
  - (iv) Consolidated Statement of Changes in Equity,
  - (v) Consolidated Cash Flow Statement,
  - (vi) Notes to the Consolidated Financial Statements,
  - (vii) Group Auditors' Report, and
  - (viii) Report of the Advisory Board; and
- (b) the Issuer's audited annual financial statements for the year ending 31st December, 2010, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out in the Issuer's 2010 Unconsolidated Financial Report in the English language:
  - (i) Management Report,
  - (ii) Balance Sheet,
  - (iii) Income Statement,
  - (iv) Notes,
  - (v) Independent Auditors' Report, and
  - (vi) Report of the Advisory Board.

### 2011 Annual Financial Statements

Incorporated herein by reference are:

- (a) the Issuer's audited annual consolidated financial statements for the year ending 31st December, 2011, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out in the Issuer's 2011 Annual Report in the English language:
  - (i) Group Management Report,
  - (ii) Consolidated Statement of Comprehensive Income (IFRS),
  - (iii) Consolidated Balance Sheet (IFRS),
  - (iv) Consolidated Statement of Changes in Equity,
  - (v) Consolidated Cash Flow Statement,
  - (vi) Notes to the Consolidated Financial Statements,
  - (vii) Group Auditors' Report, and
  - (viii) Report of the Advisory Board; and
- (b) the Issuer's audited annual financial statements for the year ending 31st December, 2011, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out in the Issuer's 2011 Unconsolidated Financial Report in the English language:
  - (i) Management Report,
  - (ii) Balance Sheet,
  - (iii) Income Statement,
  - (iv) Notes,
  - (v) Independent Auditors' Report, and
  - (vi) Report of the Advisory Board.

### Selected Consolidated Financial Data

The selected balance sheet and comprehensive income data presented below are extracted without material adjustment from the financial statements of the Issuer. In order to facilitate a clear presentation, certain line items in the financial statements have been combined for purposes of the selected financial data as described in the footnotes below. The selected consolidated financial data presented below should be read in conjunction with and are qualified in their entirety by reference to the financial statements and notes



thereto. The financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union.

<b>Balance Sheet Data</b>	<u>2011 EUR</u>	<u>2010 EUR</u>
	<i>(in millions)</i>	<i>(in millions)</i>
<b>Assets</b>		
Cash and balances with central banks.....	778.6	53.5
Loans and advances to banks .....	51,383.0	49,286.5
Loans and advances to customers .....	2,853.9	1,517.4
Fair value changes of hedged items in a portfolio hedge.....	772.5	285.2
Positive fair values of derivative financial instruments .....	7,847.6	6,039.7
Financial investments .....	24,737.7	26,541.7
Other assets <sup>(1)</sup> .....	503.8	59.0
<b>Total assets .....</b>	<b>88,877.1</b>	<b>83,783.0</b>
<b>Liabilities and Equity</b>		
Liabilities to banks .....	3,107.5	2,494.3
Liabilities to customers .....	6,147.6	5,628.9
Securitised liabilities <sup>(2)</sup> .....	68,161.8	65,101.8
Negative fair values of derivative financial instruments .....	4,262.5	3,341.8
Other liabilities <sup>(3)</sup> .....	4,579.6	4,180.1
Subordinated liabilities .....	912.4	889.5
Equity <sup>(4)</sup> .....	1,705.7	2,146.6
<b>Total liabilities and equity .....</b>	<b>88,877.1</b>	<b>83,783.0</b>

(1) Includes investment property, property and equipment, intangible assets, current income tax assets, deferred tax assets and other assets.

(2) Consists of debt securities, bonds and notes issued.

(3) Includes provisions and other liabilities.

(4) Includes subscribed capital, retained earnings, revaluation reserve and Group's net profit.

<b>Comprehensive Income Data</b>	<u>2011 EUR</u>	<u>2010 EUR</u>
	<i>(in millions)</i>	<i>(in millions)</i>
Interest income <sup>(1)</sup> .....	3,906.5	4,019.3
Interest expense.....	3,544.6	3,668.4
<b>Net interest income .....</b>	<b>361.9</b>	<b>350.9</b>
Provision for loan losses/promotional contribution .....	15.6	5.0
thereof recognition for special loan programmes .....	68.5	71.7
thereof amortisation for special loan programmes .....	48.6	44.1
<b>Net interest income after provisions for loan losses/promotional contribution ..</b>	<b>346.3</b>	<b>345.9</b>
Net fee and commission income .....	(2.3)	0.0
<b>Net interest income after provision for loan losses/ promotional contribution and net fee and commission income.....</b>	<b>344.0</b>	<b>345.9</b>
Administrative expenses .....	48.0	49.2
Result from fair value measurement and from hedge accounting .....	(352.4)	(144.4)
Other results <sup>(2)</sup> .....	(12.9)	(0.5)
<b>Net income .....</b>	<b>(69.3)</b>	<b>151.8</b>
Change in revaluation reserve .....	(359.8)	(230.0)
<b>Total comprehensive income .....</b>	<b>(429.1)</b>	<b>(78.2)</b>

(1) Includes interest income from lending and money market operations, fixed-income securities and debt register claims and current income from shares and non-fixed income securities, investment holdings and shares in affiliated companies.

(2) Includes net trading result, net result from financial investments, net other operating result, taxes.

## Capitalisation and Indebtedness Table

The following table shows the liable capital and indebtedness of the Issuer extracted without material adjustment from the consolidated audited financial statements as at 31st December, 2011.

	<u>2011 EUR</u>	<u>2010 EUR</u>
	<i>(in millions)</i>	<i>(in millions)</i>
<b>Liable Capital</b>		
Subscribed capital *	135.0	135.0
Retained Earnings		
Principal Reserve	709.8	651.6
Guarantee Reserve	137.7	159.1
Other Retained Earnings	1,474.3	1,592.7
Revaluation Reserve	(763.4)	(403.6)
Group's net profit	12.3	11.8
Subordinated liabilities	912.4	889.5
	<u>2,618.1</u>	<u>3,036.1</u>
<b>Indebtedness<sup>(1)</sup></b>		
	<u>2011 EUR</u>	<u>2010 EUR</u>
	<i>(in millions)</i>	<i>(in millions)</i>
Liabilities to credit institutions and to other creditors with maturities: <sup>(2)</sup>		
(a) up to twelve months	1,563.6	900.5
(b) exceeding twelve months	7,691.5	7,222.7
Total	<u>9,255.1</u>	<u>8,123.2</u>
Bonds issued:		
Total	<u>68,161.8</u>	<u>65,101.8</u>
Total indebtedness as at 31st December	<u>77,416.9</u>	<u>73,225.0</u>

(1) During the course of 2011 the Bank issued EUR 12.0 billion of debt represented by the following instruments (excluding ECP Programme):

	<u>EUR</u>
	<i>(in billions)</i>
(a) Promissory note loans/international loans	0.3
(b) Registered bonds	0.6
(c) Bearer bonds	11.1
of which – secured	0.0
– unsecured	11.1

During the course of the period from 1st January, 2012 to 31st March, 2012 the Bank issued EUR 4.4 billion of debt (excluding ECP) represented by the following instruments:

	<u>EUR</u>
	<i>(in billions)</i>
(a) Promissory note loans/international loans	0.0
(b) Registered bonds	0.0
(c) Bearer bonds	4.4
of which – secured	0.0
– unsecured	4.4

The foregoing financial data is based on preliminary, unaudited results of the Bank's quarter ended 31st March, 2012, derived from the Bank's press release of 23rd April, 2012.

(2) Combination of the corresponding line items "Liabilities to banks" and "Liabilities to customers" in Note 67 of Issuer's audited annual consolidated financial statements set out in the 2011 Annual Report.

\* Pursuant to the law on the Rentenbank Land Charge, individual German landowners and lessees in the agricultural sector were required to pay in moneys which constituted the capital base of the Issuer (see "Description of the Issuer").

## TAXATION

### Federal Republic of Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of the Federal Republic of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, in some cases with retroactive or retrospective effect.

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of the Federal Republic of Germany and each country of which they are residents.*

### Income Tax

#### Notes Held by Tax Residents as Private Assets

*Taxation of Interest.* Payments of interest on the Notes to holders who are tax residents of Germany (*i.e.*, persons whose residence or habitual abode is located in Germany) are subject to German income tax, and, if applicable, church tax. In each case where German income tax liability arises, a solidarity surcharge (*Solidaritatszuschlag*) is levied in addition to such tax. If coupons or interest claims are disposed of separately (*i.e.*, without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the Notes are disposed of separately.

Payments of interest on the Notes to individual tax residents of Germany are generally subject to a flat income tax at a rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent.).

The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in Germany (the “Disbursing Agent”), or where the Notes are not held in a custodial account and a Disbursing Agent disburses or credits to a Noteholder (other than a non-German bank or a non-German financial services institution) the proceeds from the Notes on delivery of a coupon or Notes, the flat income tax will be levied by way of withholding from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Noteholder is an individual (i) whose Note does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent is involved in the payment process the Noteholder will have to include its income on the Notes in its tax return and the flat income tax of 25 per cent. plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Noteholder in respect of such investment income. Noteholders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent.

*Taxation of Capital Gains.* Capital gains from the disposition or redemption of the Notes will also be subject to the flat income tax on investment income at a rate of 25 per cent. (plus solidarity surcharge in an amount of 5.5 per cent. of such tax, resulting in a total tax charge of 26.375 per cent.), irrespective of any holding period. This also applies to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Noteholder maintains with a Disbursing Agent the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred to the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously held the Notes in its custodial account, or where the Notes are not held in a custodial account and a Disbursing Agent disburses or credits to a Noteholder (other than a non-German bank or a non-German financial services institution) the proceeds from the Notes on delivery of a Note, withholding tax will be levied on 30 per cent. of the proceeds from the disposition or redemption of the Notes.

If no Disbursing Agent is involved in the payment process the Noteholder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25 per cent. plus solidarity surcharge will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Noteholder in respect of such investment income. Noteholders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent.

#### Notes Held by Tax Residents as Business Assets

Payments of interest on the Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge). Interest and capital gains will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Noteholder maintains with a Disbursing Agent, or where the Notes are not held in a custodial account and a Disbursing Agent disburses or credits to a Noteholder (other than a non-German bank or a non-German financial services institution) the proceeds from the Notes on delivery of a coupon or Note, tax at a rate of 25 per cent. (plus a solidarity surcharge of 5.5 per cent. of such tax) will also be withheld from interest payments on Notes and generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases, the withholding tax does not satisfy the income tax liability of the Noteholder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge of the Noteholder.

With regard to capital gains no withholding will generally be required under certain circumstances in the case of Notes held by corporations resident in Germany and upon application in the case of Notes held by individuals or partnerships as business assets.

#### Notes Held by Non-Residents

Interest and capital gains are not subject to German taxation in the case of non-residents, (*i.e.*, persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany), unless the Notes form part of the business property of a permanent establishment maintained in Germany. Interest and capital gains may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German-situs real estate.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent or the Notes are not held in a custodial account and a Disbursing Agent disburses or credits to a non-resident of Germany (other than a non-German bank or a non-German financial services institution) the proceeds from the Notes on delivery of a coupon or Note, withholding tax will be levied as explained above under “— Notes Held by Tax Residents as Private Assets” or under “— Notes Held by Tax Residents as Business Assets,” respectively.

#### *Inheritance and Gift Tax*

No inheritance or gift taxes with respect to any of the Notes 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 Notes 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 citizens who previously maintained a residence in Germany.

#### *Other taxes*

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

#### **United Kingdom**

The following is a general discussion of whether United Kingdom tax will be withheld at source from the payment of interest on the Notes. It is based on laws of the United Kingdom as at the date of this document and is subject to change, possibly with retrospective effect. The comments do not purport to be a complete analysis of all United Kingdom tax considerations relating to the Notes. They relate only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of persons such as dealers. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person.

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any taxation under the laws of the United Kingdom.*

Under current laws of the United Kingdom, provided the Notes are listed on a “recognised stock exchange” as defined for the purposes of sections 882 and 987 of the Income Tax Act 2007 and/or interest paid on the Notes is not treated as having a United Kingdom source, no person by or through whom a payment of interest on the Notes is made will be obliged to deduct from it any amount in respect of taxation in the United Kingdom.

Whilst not conclusive, an important factor in determining whether any payment of interest has a UK source is the residence of the Issuer. On the basis that the Issuer is not resident in the United Kingdom it is unlikely that any payments of interest on the Notes will have a United Kingdom source for United Kingdom tax purposes.

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by the Principal Paying Agent or any other 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 Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a “Collecting Agent”), the Principal Paying Agent, the Paying Agent or the Collecting Agent (as the case may be) may, in certain cases, be required to supply to Her Majesty’s Revenue and Customs (“HMRC”) details of the payment and certain details relating to the Noteholder (including the Noteholder’s name and address). These provisions will apply whether or not the Noteholder is resident in the United Kingdom for United Kingdom tax purposes. In certain circumstances, the details provided to HMRC may be passed by HMRC to the tax authorities of certain other jurisdictions.

#### **Grand Duchy of Luxembourg**

The following summary is of a general nature and is included herein solely for preliminary information purposes. It is a description of the material Luxembourg tax consequences with respect to payments on Notes, Receipts and Coupons through a paying agent established in Luxembourg. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any prospective investor and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Noteholders, Receiptholders or Couponholders. This summary is based on the laws in force in Luxembourg on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes, Receipts and Coupons should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

### *Withholding Tax*

#### Resident Noteholders/Couponholders/Receiptholders

Under the Luxembourg law dated 23rd December, 2005, a 10 per cent. Luxembourg withholding tax is levied on interest payments made by Luxembourg paying agents to Luxembourg individual residents or certain foreign resident entities securing the interest payment for such individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

#### Non-resident Noteholders/Couponholders/Receiptholders

Under the Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21st June, 2005 (the “Luxembourg Laws”) implementing the Savings Tax Directive and several agreements concluded between Luxembourg and certain dependant territories of the European Union, there is no withholding tax on payments of interests (including accrued but unpaid interest) made to a Luxembourg non-resident Noteholder, Couponholder or Receiptholder. See also “—European Union Savings Tax Directive”. There is also no Luxembourg withholding tax, upon repayment of the principal, or subject to the application of the Luxembourg Laws, upon redemption or exchange of the Notes, Coupons or Receipts.

Under the Luxembourg Laws, a Luxembourg based paying agent is required to withhold tax on interest and other similar income (including reimbursement premium received at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity, resident or established in another Member State of the European Union unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or residual entities resident or established in any of the following territories: Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat, Curaçao, St Marteen (Netherlands part), Bonaire, St Eustasius and Saba.

The withholding tax will be levied at a rate of 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

In each case described here above, responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

When used in this section, “interest”, “residual entity” and “paying agent” have the meaning given thereto in the Luxembourg Laws.

### **Kingdom of Belgium**

The following is a general discussion of whether Belgian tax will be withheld at source from the payment of interest on the Notes. It is based on the laws of Belgium as at the date of this document and is subject to change, possibly with retroactive effect.

*This description is not exhaustive of all possible tax considerations and prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any taxation under the laws of Belgium.*

For Belgian income tax purposes, the Notes constitute fixed income securities. In case of sale of a Note before its expiration date, the gain resulting from the accrued interest is taxable income for the period the securities are held.

### *Withholding Tax*

Under Belgian law currently in effect, in principle, a 21 per cent. Belgian withholding tax has to be withheld if and to the extent that a financial intermediary established in Belgium is involved in the payment of interest in respect of the Notes (including capitalized and/or accrued interest included in the sale price of the Notes in case of a disposition) to Belgian residents. No withholding tax applies to the reimbursement of the principal of the Notes.

#### Resident Individuals

Such withholding tax constitutes the final Belgian tax on interest income in the hands of Belgian resident individuals holding the Notes as private investment. The payment of the 21 per cent. withholding

tax fully discharges them from their tax liability with respect to these interest payments. Individuals may nevertheless elect to declare the interest in their personal income tax return. In such a case, interest payments will normally be taxed at a rate of 21 per cent., plus municipal surcharges. If the interest payment is declared, the withholding tax may be credited and possibly refunded in case of excess.

If no withholding tax has been withheld, Belgian resident individuals will have to declare such interest income in their tax returns and pay income tax at a rate of 21 per cent., plus municipal surcharges.

Since 1st January, 2012, an additional contribution of 4 per cent. is due on the part of the interest and dividend income collected by a resident taxpayer that exceeds €20,020. At the time of publication, it was not clear how this will be organised in practice; the bank may have to withhold 25 per cent. (21 + 4 per cent.) with the option for the taxpayer to claim back the additional contribution of 4 per cent. via his tax return, or he may have to give the bank instructions to divulge the total interest income paid to the tax authorities.

It should be noted that other rules may apply in specific situations and more specifically if a Belgian resident individual uses the Notes for business purposes or if he carries out transactions with the Notes that are deemed to be outside the normal management of his private assets.

### Resident Companies

Belgian corporate entities subject to Belgian corporate income tax can obtain an exemption from withholding tax on interest paid in respect of the Notes, provided that the corporate entity provides a certificate to the professional intermediary in which it declares to be a Belgian resident company. Such exemption is not available, however, in case of capitalized interest or for zero coupons.

Belgian resident companies furthermore need to declare the income from the Notes as taxable income but may benefit from a tax credit for any Belgian withholding tax against their corporate income tax. Such tax credit has to be calculated on a *pro rata* basis, taking into account the period during which the company has had full ownership of the Notes compared with the total period to which the interest relates. A full credit will only be available if the company has had the full ownership of the Notes during the whole period to which the interest relates or longer. Belgian companies are fully taxed on gains resulting from the Notes while any loss is in principle tax-deductible.

Belgium furthermore grants a flat-rate tax credit for foreign taxes paid if and to the extent that the Notes are used for a business activity in Belgium. Like the abovementioned tax credit, this foreign tax credit also has to be calculated on a *pro rata* basis, taking into account the actual period during which the beneficiary has had the full ownership of the Notes.

### Resident Legal Entities

The withholding tax constitutes the final Belgian tax on interest income in the hands of Belgian resident legal entities subject to the Belgian legal entity tax (*rechtspersonenbelasting/impôt des personnes morales*) unless they qualify as an Eligible Investor. Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to pay the amount of the Belgian withholding tax themselves.

Capital gains realised on the disposal of the Notes are as a rule tax exempt. Capital losses are in principle not tax deductible.

### Non-resident Individuals

If interest income on the Notes (including capitalized and/or accrued interest included in the sale price of the Notes in case of a disposal) is paid to a non-resident through a Belgian financial intermediary, the latter will, in principle, have to deduct Belgian withholding tax at a rate of 21 per cent., subject to any reductions or exemptions available under a treaty for the avoidance of double taxation which Belgium may have with the country of residence of the Noteholder. No withholding tax applies to the reimbursement of the principal of the Notes.

Since 1st January, 2012, an additional contribution of 4 per cent. may be due on the part of the interest and dividend income collected by a non-resident taxpayer that exceeds €20,020 (see “— Resident Individuals” above).

To the extent that Belgian withholding tax would need to be withheld by a Belgian financial intermediary, non-residents can, provided that the Issuer has not charged the interest expenses to a Belgian permanent establishment which it may have, obtain an exemption from withholding tax if they file a

declaration with the financial intermediary stating that (i) they are not a Belgian resident; (ii) the financial instruments are not used to pursue a business activity in Belgium; and (iii) they have the full legal ownership or usufruct of the Notes.

#### Non-resident corporate entities

Non-resident corporate entities can also obtain an exemption from withholding tax to the extent that they provide a certificate to the financial intermediary in which they declare that they are subject to the Belgian income tax as a non-resident corporate entity and use the Notes for a business activity in Belgium. The latter exemption does not apply, however, in case of capitalized interest and zero coupons. Non-resident companies with a permanent establishment in Belgium which use the Notes to pursue a business activity in Belgium can also benefit from a tax credit, subject to the same conditions as a resident corporate entity.

#### EU Savings Tax Directive

Belgium has implemented the Savings Tax Directive. Under the Savings Tax Directive, an exchange of information system is established between the Member States and certain other territories listed in the Savings Tax Directive (the “Territories”), regarding interest and similar income payments paid by a paying agent established in one Member State or Territory to or for the benefit of an individual resident in another Member State or Territory. Under the Savings Tax Directive, the Member State or Territory in which the paying agent making the payment is a resident has to provide details of such interest or similar income payment to the tax authorities of the Member State or Territory where the individual/beneficial owner is a resident. See also “—European Union Savings Tax Directive”. This means that Belgium will provide details on interest payments within the meaning of the EU Savings Directive made or attributed since 1st January, 2010.

#### **The Netherlands**

The following is a general summary of whether Dutch tax will be withheld at source from the payment of interest on Notes. It is based on the tax law of The Netherlands (unpublished case law not included) as it stands on the date of this Base Prospectus. The law upon which this summary is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Notes is at arm’s length.

*Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the acquisition, ownership and disposition of Notes in their particular circumstances, including the effect of any taxation under the laws of The Netherlands.*

All payments under Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority of or in The Netherlands, except where the Issuer is a tax resident of The Netherlands for Dutch dividend withholding tax purposes and Notes are issued under such terms and conditions that such Notes are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and where Notes are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer.

#### **Kingdom of Denmark**

The following is a general discussion of whether Danish tax will be withheld at source from payments under the Notes. It is based on the tax law of the Kingdom of Denmark as it stands on the date of this Base Prospectus. The laws upon which it is based are subject to change, possibly with retroactive effect.

*Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any taxation under the laws of the Kingdom of Denmark.*

As the Issuer is not resident or domiciled in Denmark, payment of interest or principal on the Notes will not be subject to Danish withholding tax.



## Republic of Austria

The following summarizes the general rules regarding taxation of income in Austria derived from the Notes. It cannot be used as a substitute for individual tax advice and is not intended to be definitive. There can be no guarantee that the Austrian tax authorities will adopt the same interpretation of the matters set out below as the Issuer and due to changes in the settled practice of Austrian tax authorities or Austrian case law, the tax treatment of alternative investments may, even retroactively, vary and lead to different results than those set out herein. There is no specific Austrian case law or other binding legal guideline available on the tax treatment of the Notes.

*Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any taxation under the laws of the Republic of Austria.*

### *Tax Treatment of Austrian Tax Resident Investors*

#### Private Investors

##### Notes Acquired before 1st April, 2012

Interest received by an investor resident in Austria for tax purposes is subject to Austrian income tax.

Pursuant to § 124b(85) of the Austrian Income Tax Act (*Einkommensteuergesetz*; “EStG”), income received from index securities and similarly structured products that are issued on or after 1st March, 2004 is qualified as investment income in the form of interest for Austrian income tax purposes. According to the Austrian Federal Ministry of Finance (*Bundesministerium für Finanzen*; “BMF”), this may as well be applied to securities under which the investor has a right for repayment of the investment and the amount of such repayment depends on the performance of single equities or commodities which, at their entirety, do not amount to an index (BMF, Income Tax Guidelines 2000 (*Einkommensteuerrichtlinien 2000*, “EStR 2000”) para 6198a). Any difference between the issue price and the repurchase price of such security due to the development of the reference underlying is treated as interest (§ 27(2)(2) EStG) for Austrian income tax purposes. Equally, any positive difference due to the development of the underlying that is realised upon the sale of such security is treated as investment income.

Under Notes in the form of zero coupon notes, the difference amount between the issue price and the repurchase price at maturity qualifies as interest pursuant to § 27(2)(2) EStG. If the zero coupon note is sold before maturity, interest income is realised in the amount of the difference between the issue price and the intrinsic value of the Note at the time of the sale (or the repurchase price if repurchased by the issuer) (BMF, EStR 2000 para 6186 et seq).

In case of a private investor, income tax is levied at the time the interest is received. A private investor is not taxed on the increase in value of the Note due to the positive development of the underlying or the price of the security at the stock exchange prior to redemption or sale.

If a security within the meaning of § 93(3)(1) EStG (*Forderungswertpapier*; i.e., a security that securitises a claim in a way that the right under the security follows the right to the security) is held by a private investor resident in Austria for tax purposes and interest is paid by an Austrian coupon-paying agent within the meaning of § 95(3)(2) EStG (credit institution, Austrian branch of a non-Austrian credit institution, Austrian branch of certain investment services providers or Austrian issuer), withholding tax at a rate of 25 per cent. is triggered. For a private individual investor such withholding tax is final (i.e., such income does not have to be included in the income tax return) provided that the security is both legally and actually publicly offered. In the absence of an Austrian coupon-paying agent the investor must file an income tax return and include the interest received. Income tax will be levied at a special rate of 25 per cent. (§ 37(8) EStG; BMF, EStR 2000 para 7377a). If an investor’s applicable average income tax rate is below 25 per cent., the investor may apply for assessment to tax at the applicable (lower) income tax rate. A deduction of expenses that are directly economically connected to the Notes, if the income received thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent, is not available.

Capital gains realised upon the sale of Notes (in case of index or similarly structured products due to increases in value below the nominal amount; in case of zero coupon notes under certain circumstances) should be subject to income tax (regular income tax rates of up to 50 per cent.) only if the sale occurs within one year after the acquisition (so-called speculative transaction) and provided that the aggregate income from speculative transactions in this calendar year exceeds EUR 440. As regards securities that are acquired after 30th September, 2011 and before 1st April, 2012, pursuant to § 124b Z 184 EStG every sale or other

settlement is treated as a speculative transaction. Income from a sale or other settlement after 31st March, 2012 is subject to the special income tax rate of 25 per cent. pursuant to § 27a(1) EStG as amended by the *Budgetbegleitgesetz* 2011 (“BBG 2011”, BGBl I 111/2010; see below).

Notes acquired after 31st March, 2012 and new rules applicable as of 1st April, 2012 (referring to the EStG as amended by the *BBG 2011/Abgabenänderungsgesetz* 2011 (“AbgÄG 2011”, BGBl I 76/2011)/*Budgetbegleitgesetz* 2012 (“BBG 2012”, BGBl I 112/2011))

Interest paid under the Notes (that are not derivative financial instruments for present purposes; see below) is generally income from investment pursuant to § 27(2)(2) EStG. Capital gains from the sale (or redemption) of such Notes may be treated as income from investment in the form of income from realised increases in value of assets generating investment income (§ 27(3) EStG). Pursuant to § 27(4) EStG, the difference payment, the premium, the capital gain and the income from another form of settlement of forward transactions (*Termingeschäfte*; e.g., options) and other derivative financial instruments (e.g., index certificates) are income from investment in the form of income from derivatives. Other derivative financial instruments within the present context are derivative financial instruments irrespective of whether the underlying consists of financial assets, commodities or other assets, so that all types of certificates are covered (consequently, in case of certificates the difference between the acquisition cost and the sales price, settlement amount or redemption amount is income from derivatives that is subject to income tax).

Income from investment derived from securities that securitise a receivable and are legally and actually publicly offered are subject to income tax at the special rate of 25 per cent. pursuant to § 27a(1) EStG. With respect to income from investment in the form of interest, income tax is generally levied by way of final withholding tax (i.e., such income does not have to be included in the income tax return, except in case of an exercise of the option for taxation at regular income tax rates or the option for setting-off of losses; see below) in case of an Austrian paying agent. An Austrian paying agent for these purposes is, in particular, a credit institution, the Austrian issuer or the Austrian branch of certain investment services providers paying the interest to the investor. Income tax on income from investment in the form of realised increases in value of assets generating investment income is levied by way of final withholding tax in case of an Austrian depository or, in its absence, an Austrian paying agent, which has executed the transaction in connection with the depository and is involved in the transaction. For these purposes an Austrian depository or paying agent may be a credit institution, an Austrian branch of a non-Austrian credit institution or an Austrian branch of certain investment services providers. Income tax on income from derivatives, as with income from realised increases in value of assets generating investment income, is levied by way of final withholding tax in case of an Austrian depository or paying agent. In the absence of an Austrian depository or paying agent, the income has to be included in the income tax return and is subject to income tax at the special rate of 25 per cent.

The investor may file an income tax return and apply for assessment of his income tax liability based on his income tax return. Subject to certain restrictions, a set-off (but no carry forward) of losses is available among income from investment. For such setting-off of losses, generally the investor must opt for assessment to income tax (option for setting-off of losses). In case of an Austrian depository, the setting-off of losses has to be effected by the depository. A deduction of expenses that are directly economically connected to the securities, if the income received thereunder is subject to the special income tax rate of 25 per cent. pursuant to § 27a(1) EStG, is not available.

#### Business Investors

Notes Acquired before 1st April, 2012

Income from a security held as a business asset constitutes business income.

A corporation subject to unlimited corporate income tax liability in Austria receiving such income will be subject to Austrian corporate income tax at a rate of 25 per cent.

With respect to interest paid under the Notes to an individual business investor, basically the rules described for individual private investors apply. Withholding tax at a rate of 25 per cent. is triggered if the interest is paid by an Austrian coupon-paying agent. The withholding tax is final (i.e., the income does not have to be included in the income tax return) if the Notes are legally and actually publicly offered. In the absence of an Austrian coupon-paying agent, income tax at a special flat rate of 25 per cent. will be due. A deduction of expenses that are directly economically connected to the Notes, if the income received

thereunder is subject to flat and final withholding tax or to the special income tax rate of 25 per cent. is not available.

Capital gains from the sale of Notes are subject to 25 per cent. corporate income tax in case of a corporate investor and income tax at the regular rates (up to 50 per cent.) in case of an individual business investor, irrespective of any holding period.

Notes acquired after 31st March, 2012 and new rules applicable as of 1st April, 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/ BBG 2012)

In case of a corporation, the current tax regime applies.

If the Notes are held by an individual, income from investment is subject to income tax at the special rate of 25 per cent. which is levied by way of withholding in case of an Austrian depository or paying agent (§ 27a(6) EStG). In case of an individual holding the Notes as business assets, the withholding tax on interest would generally be final (*i.e.*, such income does not have to be included in the income tax return). If capital gains from the sale of the Notes held by an individual business investor are treated as investment income in the form of income from realised increases in value of assets generating investment income, the withholding tax is not final (*i.e.*, the income must be included in the income tax return). Equally, withholding tax on income from investment in the form of income from derivatives is not final. A set-off (and a carry forward) of losses is available under certain rules. A deduction of expenses that are directly economically connected to the Notes, if the income received thereunder is subject to the special income tax rate of 25 per cent. pursuant to § 27a(1) EStG, is not available.

#### *Risk of a Qualification as Units in a Non-Austrian Investment Fund*

According to Austrian tax authorities, the provisions applying to non-Austrian investment funds within the meaning of § 42(1) of the Austrian Investment Fund Act (*Investmentfondsgesetz*; “InvFG”) (as of 1st April, 2012: § 188 of the Austrian Investment Fund Act 2011 (*Investmentfondsgesetz 2011*; “InvFG 2011”)) may equally apply if the repayment of the invested amount exclusively depends on the performance of certain securities (index) and either the issuer, a trustee or a direct or indirect subsidiary of the issuer actually acquires the majority of the securities comprised by the index for the purposes of issuing the securities or the assets comprised by the index are actively managed. However, directly held securities the performance of which depends on an index, irrespective of whether the index is a recognised index or an individually composed fixed or at any time modifiable index are not treated as units in a non-Austrian investment fund (BMF, Investment Fund Guidelines 2008 (*Investmentfondsrichtlinien 2008*; “InvFR 2008”) para 267). The risk of the qualification of a Note as a unit in a non-Austrian investment fund must be assessed on a case-by-case basis.

#### *Tax Treatment of non-Austrian Tax Resident Investors*

##### **Austrian Income Tax Liability**

###### **Notes Acquired before 1st April, 2012**

Pursuant to § 98(1)(5) EStG, interest received under the Notes by a non-resident investor for tax purposes (who does not hold the Notes in an Austrian permanent establishment) are basically not subject to Austrian income tax. If interest is paid by an Austrian coupon-paying agent, 25 per cent. withholding tax is triggered unless the non-Austrian resident individual investor proves his non-resident status for tax purposes to the Austrian coupon-paying agent by presenting an official picture identification card and provides his address. In addition, Austrian citizens or citizens of an Austrian neighbouring state have to provide a written declaration that they neither have a domicile nor their habitual place of abode in Austria. Further, the securities under which the interest is paid must be deposited with an Austrian bank (BMF, EStR 2000 para 7775 et seq). If the investor is not an individual, the coupon-paying agent is discharged from its withholding obligation if the investor proves his non-resident status through presentation of an identification card of an individual acting on behalf of the investor, the security is deposited with an Austrian credit institution and written evidence is provided by declaration of the non-Austrian corporation and the individual acting on behalf of the corporation that the non-Austrian corporation is the beneficial owner of the securities (BMF, Corporate Income Tax Guidelines 2001 (*Körperschaftsteuerrichtlinien 2001*, “KStR 2001”) paras 1463 et seq and EStR 2000 paras 7779 et seq).

Capital gains from speculative transactions with the Notes realised by an investor who is not resident for tax purposes in Austria (and does not hold the Notes in an Austrian permanent establishment) should not be subject to income tax in Austria (§ 98(1)(7) EStG).

Notes acquired after 31st March, 2012 and new rules applicable as of 1st April, 2012 (referring to the EStG as amended by the BBG 2011/AbgÄG 2011/ BBG 2012)

Pursuant to § 98(1)(5) EStG, an investor who is not resident for tax purposes in Austria (and does not hold the Notes in an Austrian permanent establishment) is basically not subject to Austrian income tax or, in case of a corporation that is not resident for tax purposes in Austria, Austrian corporate income tax, with respect to interest received under or realised increases in value of securities that securitise a receivable. Equally, there would generally be no (limited) income tax liability or corporate income tax liability in Austria with respect to investment income in the form of income from derivatives. § 94(13) EStG provides for an exemption from withholding tax with respect to income that is not subject to (limited) income tax in Austria pursuant to § 98(1)(5) EStG (the documentation requirements pursuant to EStR 2000 paras 7775 et seq, presumably, will remain to be considered).

#### *Austrian EU Source Tax Liability*

Directive 2003/48/EC of 3rd June, 2003 was implemented into Austrian domestic law by the enactment of the Austrian EU Source Tax Act (*EU-Quellensteuergesetz*; “EU-QuStG”). Accordingly, interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state may be subject to EU source tax at a rate of currently 35 per cent. Whether interest under the Notes is subject to EU source tax must be determined on a case-by-case basis (see also the information of the BMF dated 1st August, 2005). See also “– European Union Savings Tax Directive”.

#### **Republic of Italy**

The following is a summary of certain material Italian direct tax consequences of an investment in the Notes. It is not intended to be applicable in all respects to all categories of investors and does not purport to be a comprehensive description of all of the tax considerations that may be relevant for any prospective investor particularly where an investor is subject to special treatment under applicable law. This summary is based on the laws and practice in force in the Republic of Italy as of the date of this Base Prospectus which law and practice are subject to changes that may take effect after such date. This summary is not intended to be, nor should it be construed to be, legal or tax advice.

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any taxation under the laws of the Republic of Italy.*

#### *Tax Treatment of the Notes Qualifying as Bonds or Securities Similar to Bonds*

Legislative Decree No. 239 of 1st April, 1996, as amended – at last by Law Decree No. 138 of 13th August, 2011, converted into Law No. 148 of 14th September, 2011 (published on the Official Gazette No. 216 of 16th September, 2011) – (the “Decree 239”), regulates the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (such amounts collectively referred to in this summary as “Interest”) from notes issued, *inter alia*, by non-Italian resident entities, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow a direct or indirect participation in, or control over, the management of the issuer or of the business in connection with which they are issued.

#### Notes with Maturity of at least 18 months

*Italian Resident Noteholders.* Where an Italian resident is the beneficial owner of the Notes and is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership or professional association, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation. Interest payments relating to Notes having a maturity of 18 months or more are subject to tax (referred to as *imposta sostitutiva*), levied at the rate of 12.5 per cent. on interest accrued until 31st December, 2011 (in case of Notes issued before such date) and at the rate of 20 per cent. on Interest accrued starting from 1st January, 2012 (in case of both Notes issued before and after such date) (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes) (investors described in (i) through (iv) above referred to for purposes of this discussion as “Non-commercial Investors”). The *imposta sostitutiva* may not be recovered as a deduction from the income tax due. Such tax will not be imposed where, in any of the cases

described above, the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an Italian authorised intermediary and has opted for the so-called *risparmio gestito* regime according to Article 7 of Legislative Decree No. 461 of 21st November, 1997, as amended – the “Asset Management Option”.

Where Notes are (i) held by an individual, or a non-commercial private or public institution, engaged in a business activity and (ii) effectively connected with such business activity, the Interest will be subject to the *imposta sostitutiva* and will be included in the Noteholder’s income tax return. As a consequence, the Interest will be subject to ordinary Italian income tax and the *imposta sostitutiva* may be recovered as a deduction from such ordinary income tax liability.

Pursuant to Decree 239, *imposta sostitutiva* is generally withheld or collected by banks, *società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *società di gestione del risparmio* (“SGRs”), stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Finance, resident in Italy, or by permanent establishments in Italy of banks or intermediaries resident outside Italy (the “Intermediaries” that are in any way involved in the collection of Interest or the transfer of Notes. Where the Notes and the relevant coupons are not deposited with an authorised Intermediary, the *imposta sostitutiva* is withheld by any Italian bank or Italian intermediary paying Interest to the Noteholders. Where Interest on a Note beneficially owned by a Non-commercial Investor is not collected through the intervention of an Italian resident intermediary (and, as a result, no *imposta sostitutiva* is imposed), the Italian Non-commercial Investor will be required to report the Interest in its annual income tax return and will be subject to tax at a rate of 12.5 per cent. on Interest accrued until 31st December, 2011 and at the rate of 20 per cent. on interest accrued from 1st January, 2012 (provided the Non-commercial Investor is not engaged in a business activity to which the Notes are effectively connected), unless the Non-commercial Investor makes a permissible election for a different tax regime to apply. Italian resident Noteholders that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the graduated rates applicable to them in respect of Interest on Notes: in the event of such an election the Noteholder should generally be entitled to a tax credit for withholding taxes applied outside Italy, if any.

The *imposta sostitutiva* does not apply, *inter alia*, under the following circumstances, to the extent that the Notes and the relevant Coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (i) Corporate investors: Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder’s annual taxable income for corporate income tax purposes (“IRES”) and subject to a tax rate of 27.5 per cent.; and (II) in certain circumstances, depending on the “status” of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities (“IRAP”). Such Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;
- (ii) Investment funds: From 1st, July, 2011, the tax previously imposed on the Italian Investment Funds as well as on the Luxembourg investment funds, has been replaced by a withholding tax imposed on the investors of the funds through collection by the managing company. Such tax will be levied on a distribution basis and no longer on an accrual basis at the rate of 20 per cent. from 1st January, 2012.

From 1st July, 2011, EU harmonised investment funds and non-harmonised EU funds are also subject to the same withholding tax levied on the investors and imposed on the proceeds arising from the investor’s participation in such funds. Such tax treatment is applicable to investors in non-harmonised EU funds only where 1) the fund is subject to supervision in its country of registration; 2) such country is either in the EU or in the European Economic Area, and 3) such country has an adequate exchange of information relationship with Italy.

The 20 per cent. withholding tax must be levied by the Italian resident intermediary collecting the proceeds.

- (iii) Pension funds: Pension funds (subject to the tax regime set forth by articles 17, paragraph 2, of Legislative Decree No. 252 of 5th December, 2005, the “Pension Funds”) are subject to a 11 per

cent. tax on their annual net accrued income. Interest will be included in the calculation of said annual net accrued income.

- (iv) Real estate investment funds: Payments of Interest on Notes to Italian resident real estate investment funds is subject to the tax regime provided for by Law Decree No. 351 of 25th September, 2001, (the “Real Estate Investment Funds”) as amended from time to time and, more recently, by Law Decree No. 78 dated 31st May, 2010 converted into Law 122/2010 and by Decree Law No. 70 of 13th May, 2011 converted into Law 106/2011. Pursuant to such tax regime: (1) starting from 1st January, 2004, beneficial owners of Notes who are Italian resident Real Estate Investment Funds, if established pursuant to Article 37 of Italian Legislative Decree No. 58 of 24th February, 1998 and to Article 14-bis of Law No. 86 of 25th January, 1994 after 26th September, 2001 or, if established before 26th September, 2001, provided that the managing company has opted for the application of the regime provided for by mentioned Law Decree No. 351/2001, are not subject to taxation at the Fund level; whilst (2) the proceeds arising from the participation to the Real Estate Investment Fund are subject to a 20 per cent. withholding tax levied on participants in Italian Real Estate Investment Fund (e.g. in case of institutional investors) or to taxation under transparency principles directly on such investors depending on the specific characteristics of the single investor in the Real Estate Investment Fund (e.g. in case of private investors owning more than 5 per cent. of the net asset value of the fund).
- (v) Italian resident Noteholders who have opted for the Asset Management Option with respect to their investment in the Notes: Such Noteholders are subject to a 12.5 per cent. annual tax (the “Asset Management Tax”) on the annual appreciation of the managed assets accrued until 31.12.2011 and to a 20 per cent. Asset Management Tax on the annual appreciation accrued from 1.1.2012. Interest will be included in the calculation of said annual appreciation. The Asset Management Tax is collected on behalf of the taxpayer by the managing authorised intermediary.

*Non-Italian Resident Noteholders.* Interest on Notes received by non-Italian resident beneficial owners will generally not be subject to tax in Italy, provided that beneficial owners are resident in a country which recognises the Italian fiscal Authorities’ right to an adequate exchange of information (according to Ministerial Decree of 4th September, 1996, as modified by the Ministerial Decree dated 27th July, 2010).

Under certain circumstances, to ensure Interest paid on Notes beneficially owned by a non-Italian resident will not be subject to Italian taxation, such Noteholder may be required to produce to the relevant Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes. This will be the case where (i) the Notes are deposited with an Italian bank or other resident intermediary (or a permanent establishment in Italy of a foreign intermediary), (ii) the Notes are sold through an Italian bank or other resident intermediary (or a permanent establishment in Italy of a foreign intermediary), or (iii) in any case an Italian resident intermediary (or a permanent establishment in Italy of a foreign intermediary) intervenes in the payment of Interest on such Notes.

#### Early Redemption

Without prejudice to the above-described regime, with respect to Notes issued until 31st December, 2011 and having an original maturity exceeding 18 months, in case such Notes are subject to an early redemption within 18 months from their issue date, Italian resident Noteholders will be required to pay an additional tax at a rate of 20 per cent. in respect of Interest accrued thereon up to 31st December, 2011, pursuant to Article 26(3) of Presidential Decree No. 600 of 29 September, 1973, as amended from time to time, which has been recently abolished with effect from 1st January, 2012 by art. 2 of Law Decree no. 138 of 13th August, 2011, converted into Law no. 148 of 14th September, 2011. Where Italian withholding agents intervene in the collection of Interest on the Notes or in the redemption of the Notes, this additional amount will be levied by such withholding agents by way of withholding. According to one interpretation of Italian tax law, the above 20 per cent. additional tax may also be due (limitedly to Interest accrued until 31st December, 2011) in the event that the Issuer purchases the Notes and subsequently cancels them prior to the aforementioned 18-month period.

#### Notes with a Maturity of less than 18 Months

Pursuant to Decree 239, Interest payments relating to Notes with a maturity of less than 18 months are subject to *imposta sostitutiva*, levied at a rate of 27 per cent. on Interest accrued until 31st December, 2011 and at a rate of 20 per cent. on Interest accrued from 1st January, 2012, if made to the following Italian

resident Noteholders: (i) individuals, (ii) non-commercial partnerships and professional associations, (iii) non-commercial private or public institutions, (iv) investors exempt from Italian corporate income tax, (v) Pension Funds and (vi) Funds.

If Notes are held by an individual or a non-commercial private or public institution engaged in a business activity and are effectively connected with same business activity, the Interest will be subject to the *imposta sostitutiva* and will be included in the Noteholder's income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is generally collected by Intermediaries that are in any way involved in the collection of Interest or the transfer of the Notes. Where the Notes and the relevant coupons are not deposited with an authorised Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to the Noteholders. Where Interest on Notes beneficially owned by Non-commercial Investors is not collected through by an Italian resident intermediary (and, as a result, no *imposta sostitutiva* is applied), the Non-commercial Investor will be required to declare Interest in their annual income tax return and be subject to tax at a rate of 20 per cent. on interest accrued until 31st December, 2011 and at a rate of 20 per cent. on interest accrued from 1st January, 2012 (provided the Non-commercial Investor is not engaged in a business activity to which the Notes are effectively connected), unless the Non-commercial Investor makes a permissible election to be subject to a different tax regime. Italian resident Noteholders that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income tax at the graduated rates applicable to them in respect of Interest on such Notes: if such an election is made, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Interest on Notes paid to Italian resident Noteholders which are companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) or commercial partnerships are not subject to the mentioned *imposta sostitutiva* to the extent that the Notes and relevant Coupons are deposited in a timely manner, directly or indirectly, with an Intermediary, but the Interest will be included in their gross income and be subject to ordinary income tax. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes.

Interest payments relating to Notes received by non-Italian resident beneficial owners are generally not subject to tax in Italy. Under certain circumstances, to ensure Interest paid on Notes beneficially owned by a non-Italian resident will not be subject to Italian taxation, such Noteholder may be required to produce to the relevant Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes. This will be the case where: (i) the Notes are deposited with an Italian bank or other resident intermediary (or a permanent establishment in Italy of a foreign intermediary); (ii) the Notes are sold through an Italian bank or other resident intermediary (or a permanent establishment in Italy of a foreign intermediary); or (iii) in any case an Italian resident intermediary (or a permanent establishment in Italy of a foreign intermediary) intervenes in the payment of Interest on such Notes.

#### *Tax Treatment of the Notes Qualifying as Atypical Securities*

Interest payments relating to Notes that are not deemed to fall within the category of (a) bonds or securities similar to bonds (*obbligazioni o titoli similari alle obbligazioni*) or (b) shares or securities similar to shares (*azioni o titoli similari alle azioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes and are placed (*collocati*) in Italy are subject to an Italian "entrance" withholding tax, levied at the rate of 20 per cent., if collected through an Italian bank or other qualified financial intermediary and made to the following Italian resident Noteholders: (i) individuals, (ii) non-commercial partnerships; (iii) Real Estate Investment Funds, (iv) Pension Funds, (v) Funds and (vi) entities exempt from Italian corporate income tax.

For these purposes, securities issued by a non-Italian entity are deemed to be "similar" to shares if in the issuer's country of residence, payments made with respect to such securities are fully non-deductible from the issuer's taxable basis. The issuer must make a declaration as to such non-deductibility or it must be otherwise established based on specific and reliable evidence.

If Interest payments on the Notes are not collected through an Italian resident bank or other qualified financial intermediary, and as such no "entrance" withholding tax is required to be levied, Non-commercial Investors will be required to report the payments in their annual income tax return and be subject to a tax at a rate of 20 per cent. (provided the Non-commercial Investors are not engaged in a

business activity to which the Notes are effectively connected). Individual beneficial owners holding Notes not in connection with a business activity may elect instead to pay ordinary personal income tax at the graduated rates applicable to them in respect of Interest payments: if so, the beneficial owners should generally benefit a tax credit for withholding taxes applied outside Italy, if any.

If Notes are held by an individual engaged in a business activity and are effectively connected with such business activity, the Interest will be subject to the 20 per cent. withholding tax and will be included in the Noteholder's income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

Interest on Notes paid to Italian resident Noteholders which are companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) or commercial partnerships are not subject to the 20 per cent. withholding tax, but will include Interest in their gross income subject to IRES or IRPEF, as the case may be. A tax credit for withholding taxes applied outside Italy, if any, should be generally available. In certain cases, such Interest may also be included in the taxable net value of production for IRAP purpose.

Interest payments relating to Notes received by non-Italian resident beneficial owners are generally not subject to tax in Italy. If Notes beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of the Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes.

### *Capital Gains*

#### Italian Resident Noteholders

Assuming that for Italian tax purposes the Notes qualify as (a) bonds or securities similar to bonds (*obbligazioni o titoli similari alle obbligazioni*) or as (b) atypical securities (*titoli atipici*), pursuant to Legislative Decree No. 461 of 21st November, 1997, as amended, a 20 per cent. capital gains tax (the "CGT") is applicable to capital gains realised since 1st January, 2012 on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

In the case of Notes that qualify as atypical securities, based on a very conservative interpretation, capital gains realized on redemption or transfer of the Notes could be treated as proceeds derived under the Notes, and thereby subject to the 20 per cent. withholding tax mentioned under paragraph "Tax treatment of the Notes qualifying as atypical securities", above.

Taxpayers can opt for certain alternative regimes in order to pay the CGT.

The aforementioned regime does not apply to the following subjects:

(A) Corporate investors (including banks and insurance companies): capital gains realised by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) on the disposal or redemption of the Notes will form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years for IRES purposes.

(B) Funds: From 1st July 2011, any capital gains realised by Noteholders who are Italian resident collective investment funds will be subject to a tax imposed on the investors in the fund upon distributions by the fund (or at the time the fund is closed or the Units redeemed). From 1st July, 2011, EU harmonised investment funds and non-harmonised EU funds will be subject to a withholding tax levied on the investors



at the rate of 20 per cent. imposed on the proceeds arising from the investor's participation in the fund. Such withholding is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds.

(C) Pension Funds: Capital gains on Notes held by Pension Funds will be included in the calculation of the Pension Fund's annual net accrued income, which is subject to an 11 per cent. substitutive tax (see “— Tax Treatment of the Notes Qualifying as Bonds or Securities Similar to Bonds — Notes with Maturities of at least 18 Months — Italian Resident Noteholders”, above).

(D) Real Estate Investment Funds: Capital gains on Notes held by Italian Real Estate Investment Funds are not taxable at the level of the Real Estate Investment Fund (see “— Tax Treatment of the Notes Qualifying as Bonds or Securities Similar to Bonds — Notes with Maturities of at least 18 Months — Italian Resident Noteholders”, above).

#### Non-Italian Resident Noteholders

Assuming that for Italian tax purposes the Notes qualify as (a) bonds or securities similar to bonds (*obbligazioni o titoli similari alle obbligazioni*) or as (b) atypical securities (*titoli atipici*), capital gains realised by non-resident Noteholders (which do not maintain a permanent establishment in Italy to which the Notes are effectively connected) on the disposition or redemption of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market (*e.g.*, the Luxembourg Stock Exchange's regulated market).

In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders (which do not maintain a permanent establishment in Italy to which the Notes are effectively connected) who hold the Notes through an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the so-called *risparmio amministrato* regime according to Article 6 of the Italian Legislative Decree No. 461 of 21st November, 1997, as amended, may be required to provide in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

#### Tax Monitoring

Pursuant to Law Decree No. 167 of 28th June, 1990, converted by Law No. 227 of 4th August, 1990, as amended (“Decree 167”), individuals, non commercial institutions and non-commercial partnerships resident in Italy who, at the end of the fiscal year, hold investments abroad or have foreign financial assets (including Notes) must, under certain circumstances, disclose both the holding of such foreign investments and financial assets and any transfers related to the same to the Italian Tax Authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return). This obligation does not apply where (i) the aggregate value of such foreign investments or financial assets at the end of the fiscal year does not exceed €10,000, (ii) the aggregate value of such foreign investments or financial assets that were transferred during the relevant fiscal year does not exceed €10,000, or (iii) such financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Moreover, Decree Law No. 78/2009, converted into Law No. 102/2009, set out that foreign investments and financial assets held in one of the so-called “Black list countries”, as indicated in the Ministerial Decree of 21st September, 2001, shall be deemed to arise from income not duly subjected to Italian taxation in case the taxpayer failed to report them in the annual tax returns. In such instances, the penalty is twice that involving the failure to properly report the relevant income in the tax return.

#### European Union Savings Tax Directive

Under the Savings Tax Directive, Member States of the European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a Paying Agent within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) unless the beneficiary opts for the exchange of information. A number of non-European Union countries and territories, including Switzerland, have adopted similar measures (a withholding system in

case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

### **United States of America**

Pursuant to Internal Revenue Service (“IRS”) Circular 230, we hereby inform potential investors 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 taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the Internal Revenue Code. Such description was written in connection with the marketing of the Notes. Taxpayers should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

This section describes the material United States federal income tax consequences of owning Notes. It applies to holders of Notes who hold such Notes as capital assets for tax purposes. This description does not apply to a holder who is a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a regulated investment company,
- a person that owns Notes that are a hedge or that are hedged against interest rate or currency risks,
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes,
- a person liable for alternative minimum tax,
- a United States expatriate, or
- a U.S. holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section deals only with Notes that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning Notes that are due to mature more than 30 years from their date of issue will be discussed in an applicable prospectus supplement. This section is based on the Internal Revenue Code, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Notes.

*Prospective purchasers of Notes are advised to consult their own tax advisor concerning the consequences of owning these Notes in their particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.*

### *United States Holders*

This subsection describes the tax consequences to a U.S. holder. A Noteholder is a U.S. holder if such holder is a beneficial owner of a Note and is for United States federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation,

- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This subsection does not apply to a holder who is not a U.S. holder. Such holder should refer to “— United States Alien Holders” below.

#### *Payments of Interest*

Except as described below in the case of interest on a discount Note that is not qualified stated interest, each as defined below under “— Original Issue Discount — General”, a U.S. holder will be taxed on any interest on its Note, whether payable in U.S. dollars or a foreign currency, including a composite currency or basket of currencies other than U.S. dollars, as ordinary income at the time such U.S. holder receives the interest or when it accrues, depending on such U.S. holder’s method of accounting for tax purposes.

Interest paid by the Issuer on the Notes and original issue discount, if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) constitutes income from sources outside the United States, subject to the rules regarding the foreign tax credit allowable to a U.S. holder. Under the foreign tax credit rules, interest paid and original issue discount will, depending on the U.S. holder’s circumstances, be either “passive” or “general” income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit.

#### Cash Basis Taxpayers

If a U.S. holder is a taxpayer that uses the cash receipts and disbursements method of accounting for tax purposes and receives an interest payment that is denominated in, or determined by reference to, a foreign currency, such U.S. holder must recognize income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether such U.S. holder actually converts the payment into U.S. dollars.

#### Accrual Basis Taxpayers

If a U.S. holder is a taxpayer that uses an accrual method of accounting for tax purposes, such U.S. holder may determine the amount of income that it recognizes with respect to an interest payment denominated in, or determined by reference to, a foreign currency by using one of two methods. Under the first method, the U.S. holder will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If the U.S. holder elects the second method, the U.S. holder will determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if the U.S. holder receives a payment of interest within five business days of the last day of the U.S. holder’s accrual period or taxable year, such U.S. holder may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that such U.S. holder actually receives the interest payment. If such U.S. holder elects the second method it will apply to all debt instruments that the U.S. holder holds at the beginning of the first taxable year to which the election applies and to all debt instruments that such U.S. holder subsequently acquires. U.S. holders may not revoke this election without the consent of the Internal Revenue Service.

When a U.S. holder actually receives an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of such U.S. holder’s Note, denominated in, or determined by reference to, a foreign currency for which such U.S. holder accrued an amount of income, such U.S. holder will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that such U.S. holder used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether such U.S. holder actually converts the payment into U.S. dollars.

## Original Issue Discount

### General

A Note, other than a Note with a term of one year or less, will be treated as a discount Note issued at an original issue discount or “OID” if the amount by which the Note’s stated redemption price at maturity exceeds its issue price is more than a *de minimis* amount. Generally, a Note’s issue price will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Note’s stated redemption price at maturity is the total of all payments provided by the Note that are not payments of qualified stated interest. Generally, an interest payment on a Note is qualified stated interest if it is one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Note. There are special rules for variable rate Notes that are discussed under “— Variable Rate Notes”.

On Notes with annual interest payments, where at least one due date for an interest payment is not a business day, interest on the Notes may, as a technical matter, not be “qualified stated interest” within the meaning of the Treasury Regulations. It is, therefore, possible that the Notes will be treated as discount Notes issued with original issue discount. Proposed Treasury Regulations provide that if the due date for a scheduled interest payment falls on a Saturday, Sunday or a U.S. Federal holiday, and such interest is payable on the first business day that immediately follows the scheduled interest payment date, then such interest is treated as payable on the scheduled interest payment date, provided that no additional interest is payable as a result of the deferral. The Issuer, therefore, intends to treat interest on notes where at least one of the intervals between interest payments will exceed one year solely because an interest payment date falls on a Saturday, Sunday or a U.S. Federal holiday as issued without original issue discount for United States federal income tax reporting purposes.

In general, a Note is not a discount Note if the amount by which its stated redemption price at maturity exceeds its issue price is less than the *de minimis* amount of 1/4 of 1 per cent. of its stated redemption price at maturity multiplied by the number of complete years to its maturity. A Note will have *de minimis* original issue discount if the amount of the excess is less than the *de minimis* amount. If the Note has *de minimis* original issue discount, the U.S. holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless the U.S. holder makes the election described below under “— Election to Treat All Interest as Original Issue Discount”. A U.S. holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s *de minimis* original issue discount by a fraction equal to:

- the amount of the principal payment made

divided by:

- the stated principal amount of the Note.

Generally, if the discount Note matures more than one year from its date of issue, the U.S. holder must include OID in income before such U.S. holder receives cash attributable to that income. The amount of OID that the U.S. holder must include in income is calculated using a constant-yield method, and generally such U.S. holder will include increasingly greater amounts of OID in income over the life of the Note. More specifically, the U.S. holder calculates the amount of OID that such U.S. holder must include in income by adding the daily portions of OID with respect to such U.S. holder’s discount Note for each day during the taxable year or portion of the taxable year that such U.S. holder holds the discount Note. 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. A U.S. holder may select an accrual period of any length with respect to such U.S. holder’s discount Note and may vary the length of each accrual period over the term of the discount Note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Note must occur on either the first or the final day of an accrual period.

- The amount of OID allocable to an accrual period is determined by:
- multiplying the discount Note’s adjusted issue price at the beginning of the accrual period by such Note’s yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on such Note allocable to the accrual period.

The discount Note's yield to maturity must be determined on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, the discount Note's adjusted issue price at the beginning of any accrual period is determined by:

- adding the discount Note's issue price and any accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition or bond premium, as described below), and then
- subtracting any payments previously made on such discount Note that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on a discount Note contains more than one accrual period, then, when determining the amount of OID allocable to an accrual period, the U.S. holder must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, the U.S. holder must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. The U.S. holder may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of the Note, other than any payment of qualified stated interest, and
- the Note's adjusted issue price as of the beginning of the final accrual period.

#### Acquisition Premium

If the Note is purchased for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on such Note after the purchase date but is greater than the amount of such Note's adjusted issue price prior to the purchase, as determined above under "—General", the excess is acquisition premium. If a U.S. holder does not make the election described below under "— Election to Treat All Interest as Original Issue Discount", then such U.S. holder must reduce the daily portions of OID by a fraction equal to:

- the excess of such U.S. holder's adjusted basis in the Note immediately after purchase over the adjusted issue price of the Note prior to the purchase

divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the Note after the purchase date over the Note's adjusted issue price.

#### Pre-Issuance Accrued Interest

An election may be made to decrease the issue price of the Note by the amount of pre-issuance accrued interest if:

- a portion of the initial purchase price of the Note is attributable to pre-issuance accrued interest,
- the first stated interest payment on the Note is to be made within one year of the Note's issue date, and
- the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note.

#### Notes Subject to Contingencies Including Optional Redemption

A Note is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental

contingency, whether such contingency relates to payments of interest or of principal. In such a case, the U.S. holder must determine the yield and maturity of the Note by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date; and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, the U.S. holder must include income on the Note in accordance with the general rules that govern contingent payment obligations. These rules will be discussed in the applicable prospectus supplement and/or final terms.

Notwithstanding the general rules for determining yield and maturity, if the Note is subject to contingencies, and either the U.S. holder or the Issuer has an unconditional option or options that, if exercised, would require payments to be made on the Note under an alternative payment schedule or schedules, then:

- in the case of an option or options that we may exercise, we will be deemed to exercise or not to exercise an option or combination of options in the manner that minimizes the yield on the Note, and
- in the case of an option or options that the U.S. holder may exercise, such U.S. holder will be deemed to exercise or not to exercise an option or combination of options in the manner that maximizes the yield on the Note.

If both the U.S. holder and the Issuer hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. A U.S. holder may determine the yield on its Note for the purposes of those calculations by using any date on which such Note may be redeemed or repurchased as the maturity date and the amount payable on the date that the U.S. holder chooses in accordance with the terms of the Note as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of the Note is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, the U.S. holder must redetermine the yield and maturity of its Note by treating the Note as having been retired and reissued on the date of the change in circumstances for an amount equal to the Note's adjusted issue price on that date.

#### Election to Treat All Interest as Original Issue Discount

A U.S. holder may elect to include in gross income all interest that accrues on its Note using the constant-yield method described above under “— General”, with the modifications described below. For purposes of this election, interest will include stated interest, OID, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium, described below under “— Notes Purchased at a Premium”, or acquisition premium.

If a U.S. holder makes this election for its Note, then, when such U.S. holder applies the constant-yield method:

- the issue price of the Note will equal the U.S. holder's cost,
- the issue date of the Note will be the date the U.S. holder acquired it, and
- no payments on the Note will be treated as payments of qualified stated interest.

Generally, this election will apply only to the Note for which the U.S. holder makes it; however, if the Note for which this election is made has amortizable bond premium, the U.S. holder will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that the U.S. holder owns as of the beginning of the taxable year in which such U.S. holder acquires the Note for which the U.S. holder made this election or which such U.S. holder acquires thereafter. Additionally, if a U.S. holder makes this election for a market discount Note, such U.S. holder will be treated

as having made the election discussed below under “Market Discount” to include market discount in income currently over the life of all debt instruments that such U.S. holder currently owns or later acquires. A U.S. holder may not revoke any election to apply the constant-yield method to all interest on a Note or the deemed elections with respect to amortizable bond premium or market discount Notes without the consent of the Internal Revenue Service.

#### Variable Rate Notes

A Note will be a variable rate Note if:

- the Note’s issue price does not exceed the total noncontingent principal payments by more than the lesser of:
  - 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date, or
  - 15 per cent. of the total noncontingent principal payments; and
- the Note provides for stated interest, compounded or paid at least annually, only at:
  - one or more qualified floating rates,
  - a single fixed rate and one or more qualified floating rates,
  - a single objective rate, or
  - a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A Note will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated; or
- the rate is equal to such a rate multiplied by either:
  - a fixed multiple that is greater than 0.65 but not more than 1.35, or
  - a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and
- the value of the rate on any date during the term of the Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If the Note provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate.

A Note will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

A Note will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate,
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party, and
- the value of the rate on any date during the term of the Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A Note will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate, and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

A Note will also have a single qualified floating rate or an objective rate if interest on the Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percentage points, or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

In general, if a variable rate Note provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period, all stated interest on the Note is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for the Note.

If a variable rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, the U.S. holder generally must determine the interest and OID accruals on the Note by:

- determining a fixed rate substitute for each variable rate provided under the variable rate Note,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and
- adjusting for actual variable rates during the applicable accrual period.

When a U.S. holder determines the fixed rate substitute for each variable rate provided under the variable rate Note, such U.S. holder generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Note.

If a variable rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, the U.S. holder generally must determine interest and OID accruals by using the method described in the previous paragraph. However, a variable rate Note will be treated, for purposes of the first three steps of the determination, as if the Note had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of the variable rate Note as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

#### Short-Term Notes

In general, if a U.S. holder is an individual or other cash basis U.S. holder of a short-term Note (a Note having a term of one year or less), such U.S. holder is not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless such U.S. holder elects to do so. However, a U.S. holder may be required to include any stated interest in income as such U.S. holder receives it. If a U.S. holder is an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a common trust fund, or a certain type of pass-through entity, or a cash basis



taxpayer who so elects, such U.S. holder will be required to accrue OID on short-term Notes on either a straight-line basis or under the constant-yield method, based on daily compounding. If a U.S. holder is not required and does not elect to include OID in income currently, any gain such U.S. holder realizes on the sale or retirement of the short-term Note will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless such U.S. holder makes an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if a U.S. holder is not required and does not elect to accrue OID on the short-term Notes, such U.S. holder will be required to defer deductions for interest on borrowings allocable to the short-term Notes in an amount not exceeding the deferred income until the deferred income is realized.

When a U.S. holder determines the amount of OID subject to these rules, such U.S. holder must include all interest payments on the short-term Note, including stated interest, in the short-term Note's stated redemption price at maturity.

#### Foreign Currency Discount Notes

If a discount Note is denominated in, or determined by reference to, a foreign currency, the U.S. holder must determine OID for any accrual period on such discount Note in the foreign currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. holder, as described under “— United States Holders Payments of Interest”. A U.S. holder may recognize ordinary income or loss when such U.S. holder receives an amount attributable to OID in connection with a payment of interest or the sale or retirement of the Note.

#### Market Discount

A U.S. holder will be treated as if such U.S. holder purchased a Note, other than a short-term Note, at a market discount, and the Note will be a market discount Note if:

- in the case of an initial purchaser, the Note is purchased for less than its issue price as determined above under “— General” and
- in the case of all purchasers, the difference between the Note's stated redemption price at maturity or, in the case of a discount Note, the Note's revised issue price, and the price such U.S. holder paid for the Note is equal to or greater than 1/4 of 1 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity. To determine the revised issue price of the Note for these purposes, the U.S. holder generally adds any OID that has accrued and that has not been paid on the Note to its issue price.

If the Note's stated redemption price at maturity or, in the case of a discount Note, its revised issue price, exceeds the price the U.S. holder paid for the Note by less than 1/4 of 1 per cent. multiplied by the number of complete years to the Note's maturity, the excess constitutes *de minimis* market discount, and the rules discussed below are not applicable to such U.S. holder.

A U.S. holder must treat any gain recognized on the maturity or disposition of such U.S. holder's market discount Note as ordinary income to the extent of the accrued market discount on such Note. The U.S. holder will accrue market discount on the market discount Note on a straight-line basis unless such U.S. holder elects to accrue market discount using a constant-yield method. If the U.S. holder makes this election, it will apply only to the Note with respect to which it is made and such election may not be revoked.

Alternatively, the U.S. holder may elect to include market discount in income currently over the life of the Note. If the U.S. holder makes this election, it will apply to all debt instruments with market discount that such U.S. holder acquires on or after the first day of the first taxable year to which the election applies. The U.S. holder may not revoke this election without the consent of the Internal Revenue Service. If the U.S. holder owns a market discount Note and does not make this election, such U.S. holder will generally be required to defer deductions for interest on borrowings allocable to the Note in an amount not exceeding the accrued market discount on the Note until the maturity or disposition of the Note.

#### Notes Purchased at a Premium

If a U.S. holder purchases a Note for an amount in excess of its principal amount, such U.S. holder may elect to treat the excess as amortizable bond premium. If such U.S. holder makes this election, the amount required to be included in such U.S. holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable to that year, based on the Note's yield

to maturity. If the Note is denominated in, or determined by reference to, a foreign currency, the U.S. holder will compute the amortizable bond premium in units of the foreign currency and the amortizable bond premium will reduce such U.S. holder's interest income in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time the amortized bond premium offsets interest income and the time of the acquisition of the Note is generally taxable as ordinary income or loss. If a U.S. holder makes an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that such U.S. holder holds at the beginning of the first taxable year to which the election applies or that such U.S. holder thereafter acquires, and may not be revoked without the consent of the Internal Revenue Service. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

#### *Purchase, Sale and Retirement of Notes*

The tax basis in a Note will generally be the U.S. dollar cost, as defined below, of such Note, adjusted by:

- adding any OID or market discount, *de minimis* original issue discount and *de minimis* market discount previously included in income with respect to the Note, and then
- subtracting any payments on the Note that are not qualified stated interest payments and any amortizable bond premium applied to reduce interest on the Note.

If the Note is purchased with foreign currency, the U.S. dollar cost of the Note will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if a U.S. holder is a cash basis taxpayer, or an accrual basis taxpayer if such U.S. holder so elects, and the Note is traded on an established securities market, as defined in the applicable Treasury regulations, the U.S. dollar cost of the Note will be the U.S. dollar value of the purchase price on the settlement date of the purchase.

A U.S. holder will generally recognize gain or loss on the sale or retirement of such U.S. holder's Note equal to the difference between the amount such U.S. holder realizes on the sale or retirement and the tax basis in the Note. Such gain or loss will generally be treated as United States source gain or loss. If the Note is sold or retired for an amount in foreign currency, the amount the U.S. holder realizes will be the U.S. dollar value of such amount on the date the Note is disposed of or retired, except that in the case of a note that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis U.S. holder, or an accrual basis U.S. holder, that so elects, will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale.

A U.S. holder will recognize capital gain or loss when such U.S. holder sells or retires a Note, except to the extent:

- described above under "Original Issue Discount — Short-Term Notes" or "Market Discount",
- attributable to accrued but unpaid interest that has not previously been included in the U.S. holder's taxable income,
- the rules governing contingent payment obligations apply, or
- attributable to changes in exchange rates as described below.

Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the U.S. holder has a holding period greater than one year. The deductibility of capital losses is subject to limitations.

A U.S. holder must treat any portion of the gain or loss that such U.S. holder recognizes on the sale or retirement of a Note that is not denominated in U.S. dollars as ordinary income or loss to the extent attributable to changes in exchange rates. However, the U.S. holder takes exchange gain or loss into account only to the extent of the total gain or loss such U.S. holder realizes on the transaction.

#### *Medicare Tax*

For taxable years beginning after 31st December, 2012, a United States person 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, will be subject to a 3.8 per cent. tax on the lesser of (1) such person's "net investment income" for the relevant taxable year and (2) the excess of such person's modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.\$125,000 and U.S.\$250,000, depending on the individual's circumstances). A U.S. holder's net investment income will generally include its interest income and its net

gains from the disposition of notes, unless such interest payments 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 a holder is a United States person that is an individual, estate or trust, such holder is urged to consult tax advisors regarding the applicability of the Medicare tax to such holder's income and gains in respect of investment in the Notes.

#### *Exchange of Amounts in Other Than U.S. Dollars*

If a U.S. holder receives foreign currency as interest on a Note or on the sale or retirement of a Note, such U.S. holder's tax basis in the foreign currency will equal its U.S. dollar value when the interest is received or at the time of the sale or retirement (or the settlement date if a Note is traded on an established securities market and the U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer that so elects). Such gain or loss will generally be treated as United States source gain or loss. If a U.S. holder sells or disposes of a foreign currency, including using it to purchase Notes or exchange it for U.S. dollars, any gain or loss recognized generally will be ordinary income or loss from sources within the United States.

#### *Indexed Notes, Amortizing Notes and Notes Convertible or Exchangeable Into Other Securities*

The applicable prospectus supplement and/or final terms will discuss any special United States federal income tax rules with respect to Notes the payments on which are determined by reference to any index and other Notes that are subject to the rules governing contingent payment obligations and that are not subject to the rules governing variable rate Notes, and with respect to any amortizing Notes that may not be treated as debt for tax purposes, amortization Notes and Notes that are convertible or exchangeable into other securities.

#### *Non-United States Holders*

This section describes the tax consequences to a "non-U.S. holder" of Notes described in this Base Prospectus. A holder is a non-U.S. holder if such holder is the beneficial owner of a Note and is, for United States federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a note.

Subject to the discussion of backup withholding below, interest on a Note paid to a non-U.S. holder is exempt from United States federal income tax, including withholding tax, whether or not such non-U.S. holder is engaged in a trade or business in the United States, unless such non-U.S. holder both:

- has an office or other fixed place of business in the United States to which the interest is attributable, and
- derives the interest in the active conduct of a banking, financing or similar business within the United States.

#### *Purchase, Sale, Retirement and Other Disposition of Notes*

A non-U.S. holder generally will not be subject to United States federal income tax on gain realized on the sale, exchange or retirement of a Note unless:

- the gain is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States or
- such non-U.S. holder is an individual present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

For purposes of the United States federal estate tax, Notes will be treated as situated outside the United States and will not be includible in the gross estate of a holder who is neither a citizen nor a resident of the United States at the time of death.

#### *Reportable Losses*

A U.S. holder (and a non-U.S. holder that holds Notes in connection with a United States trade or business) will be required to report a foreign currency exchange loss recognized with respect to the foreign

currency denominated Notes (under any of the rules discussed above) on Internal Revenue Service Form 8886 (Reportable Transaction Statement) if the loss exceeds certain thresholds. For individuals or trusts, this loss threshold is U.S.\$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. Noteholders should consult with their tax advisors regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Notes.

#### *The Foreign Account Tax Compliance Act*

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“FATCA”) impose a 30 per cent. withholding tax on certain payments to non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. It is not yet clear whether the Issuer would qualify for an exemption from these requirements. To avoid becoming subject to the 30 per cent. withholding tax on payments to them, non-U.S. financial institutions may be required to report information to the U.S. Internal Revenue Service regarding the holders of the Notes and, in the case of holders who (i) fail to provide the relevant information, (ii) are non-U.S. financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold Notes directly or indirectly through such a non-compliant non-U.S. financial institution, withhold on a portion of payments under the Notes. Under proposed regulations, such withholding would not apply to payments on instruments such as the Notes made before 1st January, 2017. Moreover, under proposed regulations, these requirements would only apply to Notes issued on or after 1st January, 2013. However, the rules for the implementation of this legislation have not yet been finalized, so it is impossible to determine at this time what impact, if any, this legislation will have on holders of the Notes.

#### *Foreign Financial Assets Reporting*

Under recently enacted legislation, individuals that own “specified foreign financial assets” (which will generally include the notes) with an aggregate value in excess of U.S.\$50,000 in taxable years beginning after 18th March, 2010 will generally be required to file an information report with respect to such assets with their tax returns. Guidance subsequently issued by the United States Internal Revenue Service prescribes higher reporting thresholds for certain individuals and exempts “specified foreign financial assets” held in a financial account from reporting under this provision (although the financial account itself, if maintained by a foreign financial institution, may remain subject to this reporting requirement). In addition, proposed regulations extend this reporting requirement to certain United States entities. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts held for investment that have non-United States issuers or counterparties and (iii) interests in foreign entities. The Notes may be subject to these rules. U.S. holders that are individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of the Notes.

#### *Information Reporting and Backup Withholding*

This section describes the backup information reporting and backup withholding requirements regarding holders of the Notes described in this Base Prospectus.

If a holder is a non-corporate U.S. holder, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to:

- payments of principal, any premium or interest (including OID) on a Note within the United States, including payments made by wire transfer from outside the United States to an account such U.S. holder maintains in the United States, and
- the payment of the proceeds from the sale of a Note effected at a United States office of a broker (and for sales of Notes acquired on or after January 1, 2013, or such later date determined by the Secretary of the Treasury, the basis of such Notes).

Additionally, backup withholding will apply to such payments if the U.S. holder is a non-corporate U.S. holder that:

- fails to provide an accurate taxpayer identification number,
- is notified by the Internal Revenue Service that such U.S. holder has failed to report all interest and dividends required to be shown on such U.S. holder’s federal income tax returns, or

- in certain circumstances, fails to comply with applicable certification requirements.

Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against the holder's United States federal income tax liability provided the required information is furnished to the Internal Revenue Service.

If a holder is a non-U.S. holder, such non-U.S. holder is generally exempt from backup withholding and information reporting requirements with respect to:

- payments of principal, any premium or interest (including OID) made to such non-U.S. holder outside the United States by the Issuer or another non-United States payor and
- other payments of principal, any premium or interest (including OID) and the payment of the proceeds from the sale of a Note effected at a United States office of a broker, as long as the income associated with such payments is otherwise exempt from United States federal income tax, and:
  - the payor or broker does not have actual knowledge or reason to know that such holder is a United States person and such non-U.S. holder has furnished to the payor or broker:
    - an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which such non-U.S. holder certifies, under penalties of perjury, that such non-U.S. holder is (or, in the case of a non-U.S. holder that is a partnership or an estate or trust, such forms certifying that each partner in the partnership or beneficiary of the estate or trust is) a non-United States person, or
    - other documentation upon which it may rely to treat the payments as made to a non-United States person that is for United States federal income tax purposes, the beneficial owner of the payment or Notes in accordance with U.S. Treasury regulations, or
  - such non-U.S. holder otherwise establishes an exemption.

If the holder fails to establish an exemption and the broker does not possess adequate documentation of such holder's status as a non-United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by such holder unless the broker has actual knowledge that such holder is a United States person.

Payment of the proceeds from the sale of a Note effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of a Note that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by a holder in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to such holder at a United States address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that such holder is a United States person and the documentation requirements described above are met or such holder otherwise establishes an exemption.

In addition, a payment of the proceeds from the sale of Notes effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person,
- a controlled foreign corporation for United States tax purposes,
- a foreign person 50 per cent. or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:

- one or more of its partners are “U.S. persons”, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership, or
- such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that such holder is a United States person and the documentation requirements described above (relating to a sale of Notes effected at a United States office of a broker) are met or such holder otherwise establishes an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that such holder is a United States person.

## BOOK-ENTRY CLEARING SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the clearing systems currently in effect. The information in this section concerning the clearing systems has been obtained from sources that the Issuer believes to be reliable but neither the Issuer nor any Dealer takes any responsibility for the accuracy thereof. 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. None of the Issuer, the Principal Paying Agent, the VP Agent, the VPS Agent nor any other party to the Agency Agreement 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 Notes held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### **Book-Entry Systems**

#### *DTC*

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the 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 and provides asset servicing for securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC 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. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. The foregoing information about DTC has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by DTC, no facts have been omitted which would render the reproduced information inaccurate or misleading. The foregoing information about DTC was derived from, and additional information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system (“DTC Notes”) must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct Participants’ and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct 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.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

To the extent applicable, redemption proceeds on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

Under certain circumstances, DTC will exchange the DTC Notes for Definitive Registered Notes, which it will distribute to its participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions".

Because DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge the DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to the DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

#### *Book-entry Ownership of and Payments in respect of DTC Notes*

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct



Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal, interest and any other amount in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, interest and any other amount on Notes to DTC is the responsibility of the Issuer.

#### *Transfers of Notes Represented by Registered Global Notes*

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or an Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Subscription and Sale", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian with whom the relevant Registered Global Notes have been deposited (the "Custodian").

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective Direct Participant or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payment made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

#### *VP*

VP Securities A/S is the central securities depository and clearing organisation for Denmark. VP was originally set up as a private self-governing institution responsible for the computer book-entry of issues of dematerialised securities and rights thereto, as well as the clearing and settlement of securities transactions. VP Securities A/S is today a limited liability company and is subject to the Danish Securities Trading Act.

Settlement of sale and purchase transactions in respect of VP Notes and the transfer of interests in VP Notes will take place in accordance with the procedures applicable to and/or issued by VP.

Secondary market clearance and settlement through Euroclear is possible through depository links established between VP and Euroclear. Transfers of securities held in VP through Clearstream, Luxembourg are only possible via an account holding institute linked to VP.

#### *VPS*

The Norwegian Central Securities Depository (*Verdipapirsentralen ASA*) is a Norwegian public limited liability company which in 2003 was granted a license to conduct the business of registering financial instruments in Norway in accordance with the Norwegian Securities Register Act of 5th July, 2002 no. 64 (the “Securities Register Act”). The Securities Register Act requires that, among other things, all notes and bonds issued in Norway shall be registered in VPS (the “VPS Securities”), except notes and bonds issued by Norwegian issuers outside Norway and (i) denominated in Norwegian Kroner with subscription limited to non-Norwegians and (ii) issued outside Norway in a currency other than Norwegian Kroner.

VPS is a paperless securities registry and registration of ownership, transfer and other rights to financial instruments are evidenced by book entries in the registry. Any issuer of VPS Securities will be required to have an account (issuer’s account) where all the VPS Securities are registered in the name of the holder and each holder is required to have her/his own account (investor’s account) showing such person’s holding of VPS Securities at any time. Both the issuer and the VPS Noteholder will, for the purposes of registration in VPS, have to appoint an account operator which will normally be a Norwegian bank or Norwegian investment firm.

Settlement of sale and purchase transactions in respect of VPS Notes and the transfer of interests in VPS Notes will take place in accordance with the procedures applicable to and/or issued by VPS.

It is possible to register a holding of VPS Securities through a nominee.

#### **Ownership of Beneficial Interests in any Rule 144A Global Note or Regulation S Global Note**

Ownership of beneficial interests in any Rule 144A Global Note or Regulation S Global Note will be limited to persons that have accounts with DTC or its nominee, Euroclear or Clearstream, Luxembourg (“Participants”) or persons that may hold interests through Participants. Individual certificates will not be issued except in the limited circumstances set out in the global notes. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg (with respect to interests of Participants) and other direct and indirect Participants (with respect to interests of persons other than Participants). Owners of beneficial interests in the Global Note (other than Participants) will not receive written confirmation from DTC, Euroclear or Clearstream, Luxembourg of their purchases. Each beneficial owner is entitled to receive upon request written confirmation providing details of the transaction as well as periodic statements of its holdings from DTC, Euroclear or Clearstream, Luxembourg as the case may be (if such beneficial owner is a Participant) or such other direct or indirect participant through which such beneficial owner entered into the transaction (if such beneficial owner is not a Participant). The laws of some States of the United States require

that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in the Rule 144A Global Note.

### **Payments of Interest and Payments at Maturity**

Any payment of principal or interest due on any interest payment date or at maturity will be made available by the Issuer to any Paying and Transfer Agent on or before that date on which the holder of a Registered Note could claim the relevant payment. On the respective payment date, any Paying and Transfer Agent will make such payments to DTC or its nominee and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, in accordance with arrangements between any Paying and Transfer Agent and DTC or its nominee, Euroclear and Clearstream, Luxembourg. DTC or its nominee, Euroclear and Clearstream, Luxembourg, upon receipt of any payment of principal or interest, will credit their Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global notes as shown on their records, and such payments will be the responsibility of such clearing systems. Payments by Participants to owners of beneficial interests in the global notes held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants.

### **Arrangements for Initial Settlement and Trading**

Initial settlement for the Notes will be made in immediately available funds (*i.e.*, for value on the date of delivery of the Notes). Investors electing to hold their Notes through DTC will follow the settlement practices applicable to U.S. corporate debt obligations. The securities custody accounts of investors will be credited with their holdings on the settlement date against payment in same-day funds within DTC. Investors electing to hold their Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds.

#### *Trading between Euroclear and/or Clearstream, Luxembourg Accountholders*

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes 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 Notes 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 Same Day Funds Settlement System.

#### *Trading between DTC Participants and Euroclear/Clearstream, Luxembourg Accountholders*

Secondary market sales of book-entry interests in the Notes between DTC participants on one hand and Euroclear/Clearstream, Luxembourg accountholders on the other will be conducted in accordance with the rules and procedures established for such sales by DTC, Euroclear and Clearstream, Luxembourg, as applicable, and will be settled using the procedures established for such sales by DTC, Euroclear and Clearstream, Luxembourg, as applicable.

### **Changes in Clearing and Settlement Procedures**

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time. None of the Issuer, any agent or dealer or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the U.S. Securities Act, will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective direct or indirect participants or accountholders or their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

### **Additional or Alternative Clearing Systems**

The Issuer, the relevant Dealer and the Principal Paying Agent may decide to issue a Series of Notes through an additional or alternative clearing system as specified in the applicable Final Terms. Information concerning such additional or alternative clearing system will be provided in the applicable Final Terms.

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated Programme Agreement dated 16th May, 2012 (such Agreement as amended, supplemented or restated from time to time, the “Programme Agreement”), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. The Issuer may pay the Dealers commissions from time to time in connection with the sale of any Notes. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

### General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

### United States of America

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Until the termination of the 40 day distribution compliance period (as defined in Regulation S), an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

Notwithstanding the foregoing, each Dealer may arrange for the offer and sale of Notes in the United States pursuant to Rule 144A under the U.S. Securities Act. Each purchaser of Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. See “Notice to Purchasers and Holders of Rule 144A Notes and Transfer Restrictions”.

In addition, with respect to Bearer Notes, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (a) except to the extent permitted under U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code (the “TEFRA D Rules”) (i) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and (ii) it has not delivered and will not deliver within the United States or its possessions Definitive Notes in bearer form that are sold during the restricted period; (b) 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 Notes in bearer form are aware that such Notes 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 TEFRA D Rules; (c) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(6) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code; and (d) with respect to each affiliate (if any) that acquires from such Dealer Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations contained in sub-clauses (a), (b) and (c) on behalf of such affiliate or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations contained in sub-clauses (a), (b) and (c). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

Alternatively, under U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code (the “TEFRA C Rules”), Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such issue, each relevant dealer will be required to represent and agree that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

Each Note in bearer form and any Receipt, Coupon and Talon relating thereto will bear a legend to the following effect: THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES (EACH AS DEFINED IN REGULATION S OF THE SECURITIES ACT) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S OF THE SECURITIES ACT), EXCEPT IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

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.

Bearer Notes are expected to be issued in compliance with requirements then existing which are generally expected to be identical to those contained in the TEFRA C Rules or TEFRA D Rules in effect prior to 18th March, 2012, described above, with the intention that such Notes will constitute “foreign targeted obligations” and will thus be exempt from Section 4701 of the Internal Revenue Code under the Hiring Act. Section 4701 imposes an excise tax on non-U.S. issuers of bearer obligations that do not establish an exemption. Bearer Notes issued after such date may include a legend similar to the legend

described above depending on then existing requirements. Details regarding the applicable conditions and the tax consequences attaching thereto will be described in the applicable Final Terms.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes 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 that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes 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 Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 Notes 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 Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year,
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **The Republic of France**

The Notes will not be offered by way of an offer to the public in France as defined in, and in accordance with, Article L.411-1 *et seq.* of the French Monetary and Financial Code. As a result, this Base Prospectus has not been submitted to the clearance procedure of the French Financial Authority (*Autorité des Marchés Financiers*). Accordingly, neither this Base Prospectus nor any offering information or information contained herein relating to the Notes may be used, released, issued or distributed or caused to be released, issued or distributed in connection with any offer or sale to the public to purchase or subscribe any Notes in France.

Each Dealer and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, and will not offer by way of an offer to the public in France as defined in, and in accordance with, Article L.411-1 *et seq.* of the French Monetary and Financial Code and, consequently, has not sold or offered and will not sell or offer, directly or indirectly, Notes to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 to D.411-3, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code.

This Base Prospectus is not to be further distributed or reproduced (in whole or in part) in France by the recipients of the Base Prospectus. This Base Prospectus has been distributed on the understanding that such recipients will only participate in the issue or sale of the Notes for their own account and undertake not to transfer, directly or indirectly, the Notes to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

### **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 complies with the provisions of the Savings Certificates Act (*Wet op de spaarbewijzen*) in connection with any transfer or acceptance of Zero Coupon Notes which fall within the definition of savings certificates (*spaarbewijzen*) in the Savings Certificates Act. Zero Coupon Notes in definitive form or other Notes that qualify as savings certificates as defined in the Savings Certificates Act in definitive form may only be transferred and accepted through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in accordance with the Savings Certificates Act. Such restrictions do not apply (i) to a transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, (ii) to the transfer and acceptance of Zero Coupon Notes in definitive form within The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Instruments in global form) are issued outside The Netherlands and are not distributed within The Netherlands in the course of primary trading or immediately thereafter or (iii) to the initial issue of such Notes to the first holders thereof. If the Savings

Certificates Act is applicable, certain identification requirements in relation to the issue, transfer of or payment on the Zero Coupon Notes will have to be complied with. For the purposes of this paragraph “Zero Coupon Notes” are Notes 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 prior to maturity or on which no interest is due whatsoever.

### **Republic of Italy**

Unless it is specified within the relevant Final Terms that a non-exempt offer may be made in the Republic of Italy, the offering of the Notes has not been registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or “CONSOB”) pursuant to 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 no Notes may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of the Base Prospectus, any Final Terms or any other document relating to the Notes be distributed, made available or advertised in the Republic of Italy except:

- (a) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to the Notes, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, in an offer of financial products to the public in the period commencing on the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, on the date of the approval of such prospectus, all in accordance with the Prospectus Directive, as implemented in the Republic of Italy under the Italian Legislative Decree No. 58 of 24th February, 1998 as amended from time to time (“Italian Financial Services Act”) and CONSOB Regulation No. 11971 of 14th May, 1999, as amended from time to time (“CONSOB Regulation No. 11971”), until 12 months after the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, after the date of the approval of such prospectus;
- (b) to “Qualified Investors” (*investitori qualificati*), as defined pursuant to article 100, first paragraph, letter a) of the Italian Financial Services Act and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971; or
- (c) in any other circumstances where an express exemption from compliance with offering restrictions applies, as provided under the Italian Financial Services Act and/or CONSOB Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, the Italian legislative decree No. 385 of 1st September, 1993, as amended from time to time (the “Italian Banking Act”) and CONSOB Regulation No. 16190 of 29th October, 2007 (as amended from time to time);
- (ii) in compliance with article 129 of the Italian Banking Act 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; and
- (iii) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

### *Provisions relating to the secondary markets in Republic of Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of the Italian Financial Services Act affects the transferability of the Notes to the extent that any placing of the Notes is made solely with Qualified Investors and such Notes are then systematically resold to non-Qualified Investors on the secondary market at any time in the 12 months following such placing and no exemption under (c) applies. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase null and void



and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Italian Financial Services Act applies.

### **Kingdom of Norway**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) the Notes shall not be offered in any form or manner which will trigger an obligation to issue a prospectus in Norway. No document or any other offering material relating to the Notes will constitute, or will be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007;
- (b) any indicative terms provided to a potential investor are provided for the potential investor's information and do not constitute an offer, a solicitation of an offer, or any advice or recommendation to conclude any transaction (whether on the indicative terms or otherwise); and
- (c) any offer of the Notes made in Norway will be subject to a minimum purchase of the equivalent of EUR 50,000 in accordance with the Norwegian Securities Trading Act of 2007 section 7-4 regarding exemption from the obligation to publish a prospectus (subject to an expected change in legislation which will increase this minimum amount to EUR 100,000) and will only be made to eligible counterparties as defined in the Norwegian Securities Trading Act of 2007 section 10-14.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes it purchased in the offering occurs in compliance with any applicable Norwegian laws and regulations.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (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 others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Commonwealth of Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "Corporations Act")) in relation to the Programme or the Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Final Terms (or relevant supplement to this Base Prospectus) provides otherwise, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Base Prospectus or other offering material or advertisement relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act, (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act, (iii) such action complies with all applicable laws, regulations and directives, and (iv) such action does not require any document to be lodged with ASIC.

### **New Zealand**

No investment statement has been prepared and no prospectus in respect of the Notes has been or will be registered under the New Zealand Securities Act 1978 (the "New Zealand Securities Act").

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes shall not be directly or indirectly offered for sale or transferred to any member of the public in New Zealand in breach of the New Zealand Securities Act or the New Zealand Securities Regulations 2009. In particular, but without limitation, Notes may only be offered or transferred either:

- (a) to persons whose principal business is the investment of money or to persons who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act; or
- (b) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Notes (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) before the allotment of those Notes and who have a minimum holding of the Notes of at least NZ\$500,000; or
- (c) to any other persons in circumstances where there is no contravention of the New Zealand Securities Act, provided that Notes shall not be offered or sold to any “eligible person” (as defined in section 5(2CC) of the New Zealand Securities Act) unless that person also satisfies the criteria in paragraphs (a) or (b) above.

In addition, each Dealer is deemed to, represent and agree that it will not distribute, publish, deliver or disseminate any Base Prospectus, any applicable Final Terms or any other material that may constitute an advertisement (as defined in the New Zealand Securities Act) in relation to any offer of the Notes in New Zealand other than to any such persons as referred to in paragraphs (a) to (c) above.

## **NOTICE TO PURCHASERS AND HOLDERS OF RULE 144A NOTES AND TRANSFER RESTRICTIONS**

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Notes issued under the Programme may, in certain cases, be offered and sold in the United States to QIB in reliance on Rule 144A under the U.S. Securities Act. The applicable Final Terms relating to such an issue (a “Rule 144A Issue”) will state that the issue (or a portion thereof) is a Rule 144A Issue.

In relation to Rule 144A Issues the following provisions will apply. Where these provisions are inconsistent with provisions contained elsewhere in this offering circular, these provisions will prevail. The applicable Final Terms may set forth provisions which differ in certain respects from those set forth below. Because of the following provisions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

### **Initial Issue of the Notes**

The Notes in registered form offered and sold pursuant to Rule 144A will initially be represented by a Rule 144A Global Note registered in the name of a nominee for DTC and the Notes in registered form offered and sold pursuant to Regulation S will initially be represented by a Regulation S Global Note. The Rule 144A Global Note will be deposited with a custodian for DTC as note depository. Any Regulation S Global Note will be deposited with a custodian for Euroclear and/or Clearstream, Luxembourg as note depository. Beneficial interests in any global note will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC and/or Euroclear and/or Clearstream, Luxembourg. If an issuance of Notes includes a Rule 144A Issue, all such Notes will be required to be in registered form, represented initially by a Rule 144A Global Note (or, if applicable, by a Regulation S Global Note).

Upon the issuance of a global note, the Issuer expects that each of DTC or its nominee and/or Euroclear and/or Clearstream, Luxembourg will credit on its book-entry registration and transfer system the respective principal amounts of the Notes represented by the global note to the accounts of persons that have accounts with them. The accounts to be credited shall be designated by the relevant dealer(s).

### **Transfer Restrictions**

Each prospective purchaser of Registered Notes offered in the United States in reliance on Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged with respect to such Notes that:

- (A) It 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 Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. 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, and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of its contents, without the prior written consent of the Issuer, is prohibited; and
- (B) It agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

Each purchaser of an interest in Registered Notes will be deemed to have represented and agreed that (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (A) It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (B) It understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that such Notes have not been and will not be registered under the U.S. Securities Act or any other applicable securities law and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably

believes is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to any other available exemption from registration under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. It also understands that the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in this section (B).

- (C) It understands that such Notes (and Rule 144A Global Notes evidencing the Notes and each certificate issued in exchange for a beneficial interest in a Rule 144A Global Note), unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THE NOTES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE OR OF ANY BENEFICIAL INTEREST OR PARTICIPATION THEREIN, THE HOLDER ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING SUCH NOTES OR ANY BENEFICIAL INTEREST OR PARTICIPATION THEREIN (A) REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (A "QUALIFIED INSTITUTIONAL BUYER") PURCHASING THE NOTES REPRESENTED BY THIS GLOBAL NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES REPRESENTED HEREBY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE OF THE MOST RECENTLY ISSUED TRANCHE OF THIS SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH NOTES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE NOTES REPRESENTED BY THIS GLOBAL NOTE ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THE NOTES REPRESENTED BY THIS GLOBAL NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE REGISTERED HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF SUCH NOTES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE OR OF ANY BENEFICIAL INTEREST OR

PARTICIPATION THEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE THEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON SUCH HOLDER AND ALL FUTURE HOLDERS OF THE NOTES REPRESENTED HEREBY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

- (D) It is aware that the Issuer, the Registrar, the Paying and Transfer Agents, the Exchange Agent and the dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIB, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- (E) It understands that the Notes offered in reliance on Rule 144A will be initially represented by one or more Rule 144A Global Notes. Before any interest in a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, it will be required to provide the Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with the transfer restrictions referred to above.

The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act and within the United States to QIB in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

The Notes 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, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy of the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

**Provision of information under Rule 144A(d)(4)**

The Issuer has agreed that, for so long as any Notes issued by it are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, nor treated by the U.S. Securities and Exchange Commission as a foreign government as defined in Rule 405 under the U.S. Securities Act eligible to register securities under Schedule B of the U.S. Securities Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

## GENERAL INFORMATION

### Responsibility

Landwirtschaftliche Rentenbank (the “Responsible Person”) accepts responsibility for the information contained in this Base Prospectus. Its registered office is located at Hochstrasse 2, 60313 Frankfurt am Main, Federal Republic of Germany; its telephone number is +49-69-2107-0. To the best knowledge of Landwirtschaftliche Rentenbank, the information contained in this Base Prospectus is in accordance with the facts and no material circumstances are omitted.

### Authorisation

The Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the Board of Managing Directors of the Issuer dated 21st March, 1994, 13th March, 1995, 6th March, 1996, 17th July, 1997, 22nd November, 1999, 26th July, 2000, 1st August, 2001, 8th January, 2002, 22nd April, 2004, 13th May, 2005, 29th June, 2006, 12th June, 2007, 11th April, 2008, 24th April, 2009, 12th April, 2010 and 17th March, 2011. The update of the Programme was authorised by the resolution of the Board of Managing Directors of the Issuer on 27th March, 2012. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Federal Republic of Germany and the United Kingdom have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Notes.

### Ratings

The Programme and the Issuer have received the following ratings:

	<u>Short-Term Issues/ Short-Term Rating</u>	<u>Long-Term Issues/ Long-Term Rating</u>
Moody’s Investors Services	(P)P-1/P-1	(P)Aaa/Aaa
Standard & Poor’s	A-1+	AAA
Fitch Ratings	F1+	AAA

Short-term issues are obligations with an original maturity of less than 365 days. Long-term issues are obligations with an original maturity of one year or more.

According to Moody’s Deutschland GmbH (“Moody’s”) issuers (or supporting institutions) rated “Prime-1” or “P-1” have a superior ability to repay short-term debt obligations. According to Moody’s Investors Services, a long-term issue rated “Aaa” is judged to be of the highest quality, with minimal credit risk. According to Moody’s, Moody’s will assign a provisional rating (denoted by (P) in front of the rating) when the assignment of a final rating is subject to the fulfilment of contingencies but it is highly likely that the rating will become definitive after an obligation is issued into the market. Such ratings are typically assigned to debt issuance programmes or transaction-based structures that require investor education.

According to Standard & Poor’s Credit Market Services Europe Limited (“S&P”), a short-term obligation rated “A-1” is rated in the highest category by S&P, and the obligor’s capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong. According to S&P, a long-term obligation rated “AAA” has the highest rating assigned by S&P, and the obligor’s capacity to meet its financial commitment on the obligation is extremely strong.

According to Fitch Ratings Limited (“Fitch”), “F1” indicates the strongest intrinsic capacity for timely payment of financial commitments. The rating may have an added “+” to denote any exceptionally strong credit feature. According to Fitch, “AAA” ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

The foregoing are ratings in respect of the Programme in general. The ratings of the Programme address the ability of the Issuer to make payments due in respect of Notes in the event that an Event of Default occurs. They do not address the probability of an Event of Default actually occurring. The ratings of the Programme may be lowered or withdrawn entirely at any time by the relevant rating agency.

The credit ratings included herein will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 (the “CRA Regulation”) as having been issued by S&P, Moody's and Fitch, upon registration pursuant to the CRA Regulation. Each of S&P, Moody's and Fitch is established in the European Union and is registered under the CRA Regulation. A list of credit rating agencies registered in accordance with the CRA Regulation is published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)), which is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the Programme's or Issuer's rating. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

### **Listing**

Application has been made to the Luxembourg Stock Exchange for the Notes to be issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be listed on its official list and admitted to trading on its regulated market. The regulated market of the Luxembourg Stock Exchange constitutes a regulated market for the purposes of the European Union Directive 2004/39/EC on markets in financial instruments (the “Markets in Financial Instruments Directive”). Such Notes may, at the election of the Issuer and the relevant Dealer, be admitted to trading on an alternative market at the Luxembourg Stock Exchange, which is not a regulated market for the purposes of the Markets in Financial Instruments Directive, if and when such a market is in existence. A legal notice relating to the Programme and the constitutional documents of the Issuer are being lodged with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated the number 12619 to the Programme for listing purposes.

Application has been made to the United Kingdom Financial Services Authority in its capacity as competent authority under Part VI of the United Kingdom Financial Services and Markets Act 2000 for the Notes to be issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be admitted to the official list of the United Kingdom Financial Services Authority maintained under Section 74 of the Financial Services and Markets Act 2000 (the “Official List”). Application has also been made to the London Stock Exchange plc (the “London Stock Exchange”) for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive. Such Notes may, at the election of the Issuer and the relevant Dealer, be admitted to trading on the London Stock Exchange's Professional Securities Market, which is not a regulated market for the purposes of the Markets in Financial Instruments Directive. The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of that Tranche.

Application has been made for the Notes to be issued under the Programme to be listed and admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The admission to listing will be applied for, if a stock exchange listing has been provided in the Final Terms. The Frankfurt Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been listed on the Official List and admitted to trading on the London Stock Exchange's regulated market or other market operated by the London Stock Exchange and/or listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange or such other market operated by the Luxembourg Stock Exchange and/or listed and admitted to trading on the regulated market of the Frankfurt Stock Exchange. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes.

## Documents on Display

For the period of 12 months following the date of publication of this Base Prospectus, copies of the following documents will, when published, be available for inspection during normal business hours from the registered office of the Issuer and from the specified offices of the Principal Paying Agent, the Registrar and the other Paying and Transfer Agents for the time being in London, New York and Luxembourg:

- (i) the Articles of Incorporation (Satzung) and the Rentenbank Law (*Gesetz über die Landwirtschaftliche Rentenbank*) of the Issuer (in German and English);
- (ii) the 2010 Annual Report, the 2010 Unconsolidated Financial Report, the 2011 Annual Report and the 2011 Unconsolidated Financial Report;
- (iii) the Programme Agreement, the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons), the VP Agreement, the VPS Agreement and the Deed of Covenant;
- (iv) a copy of this Base Prospectus;
- (v) the terms and conditions contained in the Base Prospectuses relating to the Programme dated 16th May, 2011, 28th May, 2010, 28th May, 2009, 28th May, 2008, 27th July, 2007 and 27th July, 2006 and the Prospectus relating to the Programme dated 15th July, 2005, as supplemented by the Prospectus Supplement dated 27th July, 2005, respectively;
- (vi) any future base prospectuses, offering circulars, supplementary listing particulars, information memoranda and supplements including the Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (vii) in the case of a syndicated issue of listed Notes, the syndication agreement (or equivalent document).

## No Delivery of Bearer Notes Inside the United States

No Bearer Notes can be delivered to any address in the United States or its possessions. Paying and Transfer Agents for the Bearer Notes will have their specified office outside of the United States and no payment in respect of the Bearer Notes can be made either by mail to an address in the United States or its possessions or by transfer to an account maintained in the United States. The Bearer Notes can only be delivered to a custodian or depository outside the United States for Euroclear and Clearstream, Luxembourg (or any other clearing system outside the United States agreed by the Issuer).

## Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping records). The appropriate common code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. In addition, application will be made for any Rule 144A Global Notes and Regulation S Global Notes to be accepted for trading in book-entry form by DTC. Acceptance of each Series of Registered Notes will be confirmed in the relevant Final Terms related thereto. The CUSIP and/or ISIN numbers for each Series of Registered Notes will be contained in the Final Terms relating thereto. Transactions will normally be effected for settlement not earlier than 3 days after the date of the transaction. If the Notes are to clear through an additional or alternative clearing system (including Clearstream, Frankfurt, VP and VPS), the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of the DTC is 55 Water Street, 22nd Floor, New York, NY 10041-0099, United States of America; the address of VP is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark; and the address of VPS is Biskop Gunnerusgate, 14A (Post girobygget), N-0185 Oslo, Norway.

## Conditions for Determining Price

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



**No Significant or Material Adverse Change in the Issuer's Financial Position**

There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiary and no material adverse change in the financial position or prospects of the Issuer and its consolidated subsidiary since 31st December, 2011 being the date of the last published audited accounts.

**Litigation**

The Issuer and its consolidated subsidiary are not and have not been engaged in any governmental, legal, arbitration, administrative or other proceedings, the results of which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiary, nor is the Issuer aware of any such proceedings being threatened or pending.

**Auditors**

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft are certified public accountants and have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Federal Republic of Germany for the financial period ending 31st December, 2010. KPMG AG Wirtschaftsprüfungsgesellschaft are certified public accountants and have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Federal Republic of Germany for the financial period ending 31st December, 2011. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft and KPMG AG Wirtschaftsprüfungsgesellschaft are members of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin.

**THE ISSUER**

**Landwirtschaftliche Rentenbank**  
Hochstrasse 2  
60313 Frankfurt am Main  
Germany

**ISSUING AGENT,  
PRINCIPAL PAYING AGENT,  
PAYING AND TRANSFER AGENT  
AND EXCHANGE AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**REGISTRAR**

**Deutsche Bank Trust Company Americas**  
c/o Deutsche Bank National Trust Company  
100 Plaza One, 6th Floor  
Jersey City, New Jersey 07311  
United States of America

**VP AGENT  
AND PAYING AND TRANSFER AGENT**

**Danske Bank A/S**  
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Denmark

**VPS AGENT  
AND PAYING AND TRANSFER AGENT**

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0368 Oslo  
Norway

**PAYING AND TRANSFER AGENTS**

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1115 Luxembourg  
Luxembourg

**Credit Suisse**  
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Switzerland

**Deutsche Bank Aktiengesellschaft**  
Große Gallusstr. 10-14  
60272 Frankfurt am Main  
Germany

**LEGAL ADVISERS**

*To the Dealers as to English, U.S. and German law*

**Hogan Lovells International LLP**  
Untermainanlage 1  
60329 Frankfurt am Main  
Germany

*To the Issuer as to German law*

**Internal Legal Department**  
Landwirtschaftliche Rentenbank  
Hochstrasse 2  
60313 Frankfurt am Main  
Germany

**AUDITORS**

**KPMG AG**  
**Wirtschaftsprüfungsgesellschaft**  
THE SQUAIRE  
Am Flughafen  
60549 Frankfurt am Main  
Germany

**ARRANGER**

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
England

**LUXEMBOURG LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
2 boulevard Konrad Adenauer  
L-1115 Luxembourg

## DEALERS

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
England

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
England

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
England

**DZ BANK AG**  
Deutsche Zentral-Genossenschaftsbank,  
Frankfurt am Main  
Platz der Republik  
60265 Frankfurt am Main  
Germany

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
England

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
England

**Nomura International plc**  
Nomura House  
1 St Martin's-le-Grand  
London EC1A 4NP  
England

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
England

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
England

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
England

**Commerzbank Aktiengesellschaft**  
Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
England

**J.P. Morgan Securities Ltd.**  
125 London Wall  
London EC2Y 5AJ  
England

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
England

**RBC Europe Limited**  
Riverbank House  
2 Swan Lane  
London EC4R 3BF  
England

**The Toronto-Dominion Bank**  
60 Threadneedle Street  
London EC2R 8AP  
England

**WestLB AG**  
Herzogstrasse 15  
40217 Düsseldorf  
Germany

Frankfurt am Main, Federal Republic of Germany  
16th May, 2012

## **Landwirtschaftliche Rentenbank**

*Signed by*

/s/ Hans Bernhardt

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Hans Bernhardt  
Member of the  
Board of Managing Directors

/s/ Martin Middendorf

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Martin Middendorf  
Director

