



rentenbank

LANDWIRTSCHAFTLICHE RENTENBANK

EUR 60,000,000,000

Euro Medium Term Note Programme

Under its EUR 60,000,000,000 Euro Medium Term Note Programme described in this Simplified Base Prospectus (the “Programme”), Landwirtschaftliche Rentenbank (the “Issuer” or “Rentenbank”) may from time to time issue notes (the “Notes”) denominated in any currency agreed between the Issuer and the relevant Dealer(s). 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.

The Notes may be issued in bearer form (“Bearer Notes”), registered form (“Registered Notes”) or uncertificated and dematerialised book entry form (“Uncertificated Notes”). Notes will be issued on a continuous basis in series (each, a “Series”), the Notes of each Series having one or more issue dates and identical terms (except in respect of the first payment of interest) and intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “Tranche”) on different issue dates. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set forth in a set of final terms (the “Final Terms”). This Simplified Base Prospectus should be read and construed in conjunction with any supplement thereto, any relevant Final Terms and all documents incorporated herein by reference.

Under the Issuer’s governing law, the Notes benefit from an unconditional and irrevocable guarantee of the Federal Republic of Germany (the “Guarantee of the Federal Republic”). For a discussion of the Guarantee of the Federal Republic, see “Description of the Guarantee of the Federal Republic”.

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

Application has been made to the Luxembourg Financial Supervisory Commission (*Commission de Surveillance du Secteur Financier*; “CSSF”) in its capacity as the competent authority under the Luxembourg Prospectus Law to provide a certificate of approval attesting that this Simplified Base Prospectus has been drawn up in accordance with Chapter 1 of Part III of the Luxembourg Law on Prospectuses for Securities dated 10th July, 2005, as amended (*Loi relative aux prospectus pour valeurs mobilières*; the “Luxembourg Prospectus Law”) for purposes of offering the Notes to the public in Luxembourg. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on its official list and admitted to trading on its regulated market. Application has also been made for the Notes to be admitted to the official list of the United Kingdom Financial Conduct Authority and to be admitted to trading on the London Stock Exchange’s regulated market. Application has further been made for the Notes 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.

The Programme and the Issuer have been assigned long-term ratings of (P)Aaa/Aaa, AAA and AAA, and short-term ratings of (P)P-1/P-1, A-1+ and F1+, by Moody’s Deutschland GmbH (“Moody’s”), Standard & Poor’s Credit Market Services Europe Limited (“S&P”) and Fitch Ratings Limited (“Fitch”), respectively. Notes issued under the Programme may be rated or unrated. When a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency.

Arrangers

BofA Merrill Lynch

Landwirtschaftliche Rentenbank

Dealers

**Barclays
Citigroup
Deutsche Bank
HSBC
Nomura
TD Securities**

**BNP PARIBAS
Commerzbank
DZ BANK AG
J.P. Morgan
RBC Capital Markets**

**BofA Merrill Lynch
Credit Suisse
Goldman Sachs International
Morgan Stanley
The Royal Bank of Scotland
UBS Investment Bank**

THIS SIMPLIFIED BASE PROSPECTUS

This Simplified Base Prospectus has been drawn up in order to permit (i) the offer of Notes to the public in Luxembourg and (ii) the admission of Notes to listing on the official list and to trading on the regulated market (within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, as amended (“MiFID”)) of the Luxembourg Stock Exchange.

The Simplified Base Prospectus will be valid for 12 months after its approval for offers to the public in Luxembourg and admissions to trading on the regulated market of the Luxembourg Stock Exchange.

This Simplified Base Prospectus fulfils the requirements for a simplified base prospectus pursuant to Chapters 1 and 2 of Part III of the Luxembourg Prospectus Law. It does not constitute a prospectus for the purposes of Directive 2003/71/EC, as amended (the “Prospectus Directive”) nor does it constitute a prospectus pursuant to Part II of the Luxembourg Prospectus Law transforming the Prospectus Directive into law in Luxembourg, because the Prospectus Directive and Part II of the Luxembourg Prospectus Law do not apply to securities unconditionally and irrevocably guaranteed by a member state of the European Economic Area (each, a “Member State”). Accordingly, this Simplified Base Prospectus does not purport to meet the format and the disclosure requirements of the Prospectus Directive and Commission Regulation (EC) No 809/2004, as amended, implementing the Prospectus Directive, and it has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Directive. Notes issued under the Programme will therefore not qualify for the benefit of the single European passport pursuant to the Prospectus Directive.

RESPONSIBILITY STATEMENT

Landwirtschaftliche Rentenbank assumes sole responsibility for the content of this Simplified Base Prospectus and, in respect of each Tranche of Notes, the applicable Final Terms for such Tranche of Notes and, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Simplified Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

IMPORTANT NOTICES

Each Tranche of Notes will be issued to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis (each a “Dealer” and together the “Dealers”). References in this Simplified 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. References in this Simplified Base Prospectus to the “Manager” or “Managers” shall be to the relevant Dealer or Dealers agreeing to subscribe to an issue of Notes on a syndicated basis.

Each Tranche of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” in conjunction with a document specific to such Tranche containing the final terms applicable thereto (the “Final Terms”). This Simplified Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the applicable Final Terms. (See also “Supplements to Simplified Base Prospectus”)

The Final Terms will be delivered to such competent authority as is 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/or 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 and copies of the applicable Final Terms relating to Notes which are admitted to trading on the London Stock Exchange’s regulated market will also be available on the website of the Regulatory News Service operated by the London Stock Exchange.

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

No person has been authorised to give any information or to make any representation other than those contained in this Simplified Base Prospectus in connection with the issue or sale of the Notes and, if given or

made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or any of the Agents (each as defined below).

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer or any Agent as to the accuracy or completeness of the information contained in this Simplified Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution.

Neither the delivery of this Simplified Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Simplified Base Prospectus is true subsequent to the date hereof or the date upon which this Simplified Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Simplified Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. (See also “Supplements to Simplified Base Prospectus”)

Neither this Simplified 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 or as constituting an invitation or offer by the Issuer, any Dealer or any Agent that any recipient of this Simplified 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 Simplified Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer, any Dealer or any Agent to any person to subscribe for or to purchase any Notes.

This Simplified 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 Simplified 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, 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 Simplified 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 Simplified 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 Simplified Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Simplified Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Simplified Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Simplified Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, the Federative Republic of Brazil, the Republic of Turkey, the United Mexican States, the Republic of South Africa, Swiss Confederation, Hong Kong, Singapore, 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 REALES 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.

Certain Tranches of Notes issued in New Global Note (NGN) form or under the New Safekeeping Structure (NSS) (as defined in ‘Form of the Notes’ below) may be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be delivered to one of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) as common safekeeper 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 satisfaction of the Eurosystem eligibility criteria.

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 may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

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

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.

FORWARD LOOKING STATEMENTS

This Simplified 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. 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.

PRESENTATION OF INFORMATION

In this Simplified Base Prospectus, all references to "U.S. dollars" and "U.S.\$" refer to the currency of the United States of America, those to "Japanese Yen", "yen", "JPY" and "¥" refer to the currency of Japan, those to "Australian dollars", "AUD" and "A\$" refer to the currency of Australia, those to "NZ\$" refer to the currency of New Zealand, those to "sterling" and "£" refer to the currency of the United Kingdom and those to "euro", "EUR" and "€" 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.

SUPPLEMENTS TO SIMPLIFIED BASE PROSPECTUS

If at any time the Issuer is required to prepare a supplement to this Simplified Base Prospectus pursuant to Article 39 or Article 55 of the Luxembourg Prospectus Law, the Issuer will either prepare and make available an appropriate supplement to this Simplified Base Prospectus which, in respect of any subsequent issue of Notes to be offered to the public in Luxembourg or listed on the official list of, and admitted to trading on, the Luxembourg Stock Exchange's regulated market, shall constitute a supplement as required by Articles 39 and 55 of the Luxembourg Prospectus Law, or otherwise prepare and make available a new Simplified Base Prospectus.

The Issuer has undertaken that, if at any time during the duration of the Programme, there is a significant new factor, material mistake or inaccuracy relating to information contained in this Simplified Base Prospectus which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the rights attaching to the Notes or if this Simplified Base Prospectus shall otherwise come to contain an untrue statement of a material fact or omit to state a fact necessary to make the statements contained herein not misleading in any material respect, the Issuer shall prepare a supplement to this Simplified Base Prospectus or publish a replacement Simplified Base Prospectus for use in connection with any subsequent offering of the Notes.

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the Stabilising Managers(s)) (or persons acting on behalf of any Stabilising Manager(s)) 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 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.

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DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has previously been published, shall be deemed to be incorporated by reference in, and to form part of, this Simplified Base Prospectus as follows:

- (a) the Issuer's audited annual consolidated financial statements for the year ending 31st December, 2013, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out at the following pages of the Issuer's 2013 Annual Report in the English language:

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Consolidated Balance Sheet	59
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- (b) the Issuer's audited annual financial statements for the year ended 31st December, 2013, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out at the following pages of the Issuer's 2013 Unconsolidated Financial Report in the English language:

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- (c) the Issuer's audited annual consolidated financial statements for the year ending 31st December, 2012, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, set out at the following pages of the Issuer's 2012 Annual Report in the English language:

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- (d) the Issuer's audited annual financial statements for the year ended 31st December, 2012, prepared in accordance with generally accepted accounting standards in the Federal Republic of Germany, set out at the following pages of the Issuer's 2012 Unconsolidated Financial Report in the English language:

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The following information, which has previously been published, shall be deemed to be incorporated by reference in, and to form part of, this Simplified Base Prospectus as follows:

- (i) the terms and conditions contained in pages 58 to 87 of the Base Prospectus relating to the Programme dated 23rd May, 2013;
- (ii) the terms and conditions contained in pages 35 to 63 of the Base Prospectus relating to the Programme dated 16th May, 2012;
- (iii) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 16th May, 2011;
- (iv) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 28th May, 2010;
- (v) the terms and conditions contained in pages 34 to 62 of the Base Prospectus relating to the Programme dated 28th May, 2009; and
- (vi) the terms and conditions contained in pages 32 to 60 of the Base Prospectus relating to the Programme dated 28th May, 2008.

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 Simplified Base Prospectus is either not relevant to investors or is covered elsewhere in this Simplified Base Prospectus. This Simplified Base Prospectus and the information incorporated herein by reference are published:

- (a) in printed form by making them 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 electronic form on the website of the Issuer at www.rentenbank.de and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Following the publication of this Simplified Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with the Luxembourg Prospectus Law. 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 Simplified Base Prospectus or in a document which is incorporated by reference in this Simplified Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Simplified Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Simplified 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 Simplified Base Prospectus.

SUMMARY

This summary must be read as an introduction to this Simplified Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Simplified Base Prospectus as a whole, including the documents incorporated by reference, and, in relation to any particular Tranche of Notes, the relevant Final Terms. It does not purport to be a complete description of the provisions applicable to the Programme or a particular Tranche of Notes thereunder and is qualified in its entirety by the remainder of this Simplified Base Prospectus, including the documents incorporated by reference, and, in relation to any particular Tranche of Notes, the relevant Final Terms. Capitalised terms which are not defined in this summary will have the meaning ascribed thereto in the sections entitled “Form of the Notes”, “Terms and Conditions of the Notes” and “Description of the Issuer” below.

Information Relating to the Programme

Issuer:	Landwirtschaftliche Rentenbank
Guarantee:	The Notes issued under the Programme benefit from a statutory guarantee of the Federal Republic of Germany.
Description:	Euro Medium Term Note Programme
Arrangers:	Merrill Lynch International Landwirtschaftliche Rentenbank
Dealers:	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 plc 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 and any other Dealers appointed in accordance with the Programme Agreement.
Issuing Agent, Principal Paying Agent and Exchange Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank Trust Company Americas
VP Agent:	Danske Bank A/S
VPS Agent:	Nordea Bank Norge ASA
Risk Factors:	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. See “Risk Factors”.
Programme Size:	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.

- Distribution:** Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
- Currencies:** 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.
- Redenomination:** 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.
- Certain Restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
- Maturities:** 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.
- Method of Issue:** Notes may be issued on a syndicated or non-syndicated basis. The Notes may be issued in several series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.
- Issue 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.
- Form of Notes:** 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 *vice versa*. 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 (*Verdipapirsentralen ASA*) (“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 *vice versa*.

Clearing Systems:

Notes in CGN form and those not held under the NSS will normally be initially deposited with a common depository 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 or held under the NSS 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 or held under the NSS 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.

Type of Notes:

Notes may be Fixed Rate Notes (including Step-up and Step-down Notes), Floating Rate Notes, Fixed-to-Floating Rate Notes, Dual Currency Notes, Alternative Settlement Notes, Index Linked Notes, Zero Coupon Notes or may have any other structure, all upon the terms set out in the applicable Final Terms.

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.

Step-up/step-down Notes:

Step-up and Step-down Notes are Notes which bear fixed interest at varying rates, such rates being, in the case of Step-up Notes, greater or, in the case of Step-down Notes, lesser than the rates applicable to the previous interest periods.

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 in respect of interest on the Notes (such Notes are referred to as “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 the Notes (such Notes are referred to as “Index Linked Interest Notes”) or in respect of principal on the Notes (such Notes are referred to as “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 the Noteholders upon giving not less than 15 nor more than 30 days’ 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 by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, 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 Notes:

The 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 of the Guarantee of the Federal Republic:

The obligation of the Federal Republic of Germany under the Guarantee of the Federal Republic will rank equally, without any preference, with all of its other present and future unsecured and unsubordinated indebtedness. Holders of securities issued by Rentenbank or issued under Rentenbank's guarantee will be able to enforce this obligation directly against the Federal Republic of Germany without first having to take legal action against the Issuer.

Approval, Listing and Admission to Trading:

Application has been made to the CSSF to approve this document as a simplified base prospectus.

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 approval of this Simplified 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 Conduct 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 United Kingdom, Japan, the Federative Republic of Brazil, the Republic of Turkey, the United Mexican States, the Republic of South Africa, Swiss Confederation, Hong Kong, Singapore, the Commonwealth of Australia and 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.

Under the Rentenbank Law, the Notes benefit from a statutory guarantee of the Federal Republic of Germany. See “Description of the Guarantee of the Federal Republic” below.

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, 2013 and 31st December, 2012, set out in the Issuer’s 2013 Annual Report and 2012 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.

Consolidated Balance Sheet (in €billions)	<i>As at 31st December,</i>	
	<u>2013</u>	<u>2012</u>
Total assets	81.9	88.4
Loans and advances to banks.....	49.8	51.2
Financial assets.....	20.9	22.6
Liabilities to banks.....	5.5	2.9
Securitized liabilities	60.9	66.6
Consolidated Statement of Comprehensive Income (in €millions)	<i>For year ending 31st December,</i>	
	<u>2013</u>	<u>2012</u>
Net interest income before allowance for credit losses/promotional contribution.....	333.7	365.9
Allowance for credit losses/promotional contribution ...	34.5	20.7
Administrative expenses.....	55.2	48.9
Operating result before fair value measurement and from hedge accounting.....	221.2	(55.7)
Changes in the revaluation reserve	244.6	565.8
Group’s total comprehensive income	704.6	809.6
Group’s net profit.....	13.3	12.8

RISK FACTORS

In addition to the other information contained in this Simplified 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 in respect of any Notes should read all information contained in this Simplified Base Prospectus together with any amendments or supplements hereto and applicable Final Terms 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

Ratings of the Programme and the Issuer are not a recommendation to buy, hold or sell the Notes. The ratings may be lowered, suspended or withdrawn entirely at any time by the relevant rating agency. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Actual or anticipated changes in the Issuer's credit ratings may affect the market value of the Notes.

In general, European regulated investors are restricted under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 (the "CRA Regulation") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

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 on-going 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.

There are continued concerns about credit risk (including that of sovereigns) and the Euro-zone crisis. The on-going sovereign debt crisis in the Euro-zone continues to adversely affect the global economy. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro-zone. Furthermore, 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

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.

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 macroeconomic 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.

Exchange Control

Prospective investors of the Notes should be aware that government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Withholding under the EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC (the “Savings Tax Directive”) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State 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). The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1st January, 2015. A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent with a specified office in a Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Tax Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27th November, 2000.

Change in English law or Administrative Practice

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

Denominations Not an Integral Multiple of the Specified Denomination

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks Related to FATCA

The U.S. Foreign Account Tax Compliance Act (“FATCA”) imposes 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. The Issuer intends to take the position that it is exempt from the 30 per cent. withholding tax and from the information reporting and other requirements of FATCA. However, there can be no assurance that the exemption on which the Issuer intends to rely will be available or that the relevant taxing authorities will not take a position contrary to that taken by the Issuer. If an exemption is not available, then the Issuer may be required to report and withhold on a portion of payments under the Notes beginning after a date to be specified under regulations issued pursuant to FATCA. Even if the Issuer is exempt from the requirements of FATCA, Notes held through intermediary non-U.S. financial institutions may be subject to information reporting and withholding requirements under FATCA. The Issuer will not be required to gross-up for any such amounts withheld. Each Noteholder should consult its own tax advisor regarding the potential consequences to it of FATCA.

Clearing Systems

A holder of a co-ownership 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 co-ownership 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 co-ownership 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

Fixed Rate Notes (including Step-up Notes and Step-down Notes)

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Note, the current interest rate on the capital market (“market interest rate”) typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Note is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of a Fixed Rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. Changes in the market interest rate are particularly with relevance to such holder who wants to sell the Notes prior to the maturity date or if the Notes will be redeemed prior to maturity (also by the Issuer as the case may be). The same risk applies to Step-up Notes and Step-down Notes if the Market Interest Rates are higher than the nominal interest rates applicable to such Notes.

Floating Rate Notes

The interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest rates.

Floating Rate Notes may be structured to include Minimum or Maximum Rates of Interest, or a combination of those features. In such case, their market value may be more volatile than the market value for Floating Rate Notes that do not include these features. The effect of a Maximum Rate of Interest is that the amount of interest will never rise above the predetermined Maximum Rate of Interest, so that a Holder will not be able to benefit from any actual favourable development beyond the Maximum Rate of Interest. The profitability could therefore be considerably lower than that of similar Floating Rate Notes without a Maximum Rate of Interest. Neither the current nor the historical value of the relevant floating rate of interest should be taken as an indication of the future development of such floating rate of interest during the term of any Notes.

Zero-Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Hence, zero coupon Notes are a type of investment associated with a particularly high price risk.

Foreign Currency Notes and Dual Currency Notes

A holder of Notes denominated in a foreign currency and Notes with interest payable in one or more currencies that are different from the currency in which the Notes are denominated is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of Notes denominated in a currency other than Euro and a corresponding change in the Euro value of interest and principal payments made in a currency other than in Euro. If on the one hand the exchange rate underlying the Notes falls and on the other hand the value of the

currency of the Notes correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder falls and the redemption amount may be lower than the amount invested.

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.

Index Linked Notes may be structured to include Minimum or Maximum Rates of Interest, or a combination of those features. In such case, their market value may be more volatile than the market value for Index Linked Notes that do not include these features. The effect of a Maximum Rate of Interest is that the amount of interest will never rise above the predetermined Maximum Rate of Interest, so that a Holder will not be able to benefit from any actual favourable development beyond the Maximum Rate of Interest. The profitability could therefore be considerably lower than that of similar Index Linked Notes without a Maximum Rate of Interest.

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 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 risks in light of other investments available at that time.

Notes in NGN form or NSS Notes

The NGN form for Notes in bearer form and the NSS for Notes in registered form has been 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 “Eurosysteem”) and intra-day credit operations by the Eurosysteem 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 Eurosysteem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosysteem eligibility criteria.

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.

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 each year and a base prospectus was prepared in connection with the same that described the Programme. The Programme was last updated on 23rd May, 2013 and a further base prospectus describing the Programme was issued. This Simplified Base Prospectus dated 22nd May, 2014 supersedes all previous base prospectuses in respect of the Programme. Any Notes to be issued after the date hereof under the Programme 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 Simplified Base Prospectus and any supplement will only be valid during the period of 12 months from the date of approval of this Simplified 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 co-ownership 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 co-ownership 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 Terms and 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 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 22nd May, 2014, 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 depository 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 Depository 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 Terms and 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 Terms and 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.

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 Terms and 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 “Terms and Conditions” or “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 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. 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 these Terms and Conditions, replace or modify these 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 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 these Terms and Conditions, in which case a supplementary simplified base prospectus, if appropriate, will be made available which will describe the effect of such agreement reached in relation to such Notes.

Capitalised terms which are not defined in these Terms and Conditions will have the meaning ascribed thereto in the relevant Final Terms.

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 22nd May, 2014 (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, Alternative Settlement 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. 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 and if this Note is admitted to trading on the London Stock Exchange’s regulated market, the applicable Final Terms will also be available on the website of the Regulatory News Service operated by the London Stock Exchange. 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.

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 Fixed Rate Note (including a Step-up Note or a Step-down Note), a Floating Rate Note, a Fixed-to-Floating Rate Note, a Zero Coupon Note, an Index Linked Note, an Alternative Settlement 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 redeemed at par or may be an Index Linked Redemption Note, an Alternative Settlement 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.

A Step-up Note or Step-down Note is a Note which bears fixed interest at varying rates, such rates being, in the case of a Step-up Note, greater or, in the case of a Step-down Note, lesser than the rates applicable to the previous interest periods.

A Fixed-to-Floating Rate Note is a Note that bears interest that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate as indicated in the applicable Final Terms.

An Index Linked Note is a Note in respect of which payments of interest and/or principal 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 may agree.

An Alternative Settlement Note is a Note in respect of which payments of interest and principal are to be settled in such different currency, and at a rate of exchange calculated upon such basis as are indicated in the applicable Final Terms.

A Dual Currency Note is a Fixed Rate Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange indicated in the applicable Final Terms. Principal in respect of Dual Currency Notes will be paid in the currency in which the Notes are denominated.

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 these Terms and 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 these Terms and 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 Notes

The 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. Subordinated Notes

Subordinated Notes will not be issued under the Programme.

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 arrears 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 resulting 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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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: :

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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) “No Adjustment”, such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention; or
- (2) “Following Business Day Convention”, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) “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) “Preceding Business Day Convention”, such Interest Payment Date shall be brought forward to the immediately preceding Business Day;

provided that, in each case, Condition 6(g) shall continue to apply.

In these Terms and Conditions, “Business Day” means a day (other than a Saturday or Sunday) 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, “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, “Brazil (NBR)” means a day that is a business day in any of Sao Paulo, Rio de Janeiro or Brasilia not otherwise declared as a financial market holiday by *Banco Central do Brasil* or *Andima* (see www.andima.com.br) as determined in the Swaps Monitor Brazilian Payments System Holidays (Code: NBR), “BRL12” means the EMTA BRL Industry Survey Rate, which is the BRL/USD specified foreign exchange rate for USD, expressed as the amount of BRL per one USD, for settlement in two Brazil (NBR) and New York Business Days, as published on EMTA’s website (www.emta.org) at around 3.45 p.m. Sao Paulo time, or as soon thereafter as practicable, on the applicable Rate Fixing Date. BRL12 is calculated by EMTA (as defined below) (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Industry Survey Methodology (as defined below), “EMTA” means “Emerging Market Traders Association”, and “EMTA BRL Industry Survey Methodology” is a methodology, dated as of March 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions in Brazil that are active participants in the BRL/USD spot rate markets for the purpose of determining the BRL12.

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

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked 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 arrears 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;

provided that, in each case, Condition 6(g) shall continue to apply.

(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 subparagraph (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), provided, however, that if such interest determination with reference to the last preceding Interest Determination Date had to be applied on two or more consecutive Interest Determination Dates, the Rate of Interest shall instead, from the second of such Interest Determination Dates on, be determined by the Calculation Agent in its reasonable discretion.

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 resulting 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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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 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 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 Alternative Settlement Notes and Dual Currency Notes*

(i) Alternative Settlement Notes

Alternative Settlement Notes are Fixed Rate Notes in respect of which the Issuer pays interest and principal in a Specified Currency (the “Settlement Currency”) that is different from the Specified Currency in which the Notes are denominated (the “Denomination Currency”). The Denomination Currency and the Settlement Currency are specified in the applicable Final Terms under Specified Currency or Currencies.

Interest in respect of Alternative Settlement Notes is calculated in accordance with the provisions of Condition 5(a) as specified in the applicable Final Terms.

The actual amount of interest payable in the Settlement Currency (the “Settlement Interest Amount”) per Calculation Amount on an Interest Payment Date will be calculated by the Calculation Agent by dividing the relevant Broken Amount or Fixed Coupon Amount (calculated in the Denomination Currency) by the Reference Rate on a Reference Fixing Date, provided that each resulting Settlement Interest Amount shall be rounded to the nearest whole cent of Settlement Currency, with 0.005 cent being rounded upwards,

where:

“Rate Fixing Date” means a date that is the number of Settlement Business Days (as defined below) prior to any Interest Payment Date and/or the Maturity Date, and/or the date of early redemption due to an event of default or taxation reasons (subject to adjustment in accordance with the Preceding Business Day Convention) indicated in the applicable Final Terms, provided, however, that if such date is an Unscheduled Holiday (as defined below), the Rate Fixing Date shall be the next following Settlement Business Day, and provided further, that if there is an Unscheduled Holiday between such Rate Fixing Date and such date of payment, there shall be no adjustment to such Rate Fixing Date on account thereof.

“Reference Rate” in respect of a Rate Fixing Date, shall have the meaning specified in the applicable Final Terms.

“Unscheduled Holiday” means a day that is not a Settlement Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information)

until a time later than 9:00 a.m. local time in the principal financial centre of the Specified Currency two Settlement Business Days prior to the relevant Rate Fixing Date. As soon as the Calculation Agent is aware of such an Unscheduled Holiday, they shall inform the Issuer promptly.

“Settlement Business Day” shall mean a day on which commercial banks and foreign exchange market participants settle payments and are open for general business (including dealing in foreign exchange and foreign deposits) in the Business Centres specified in the applicable Final Terms.

(ii) **Dual Currency Notes**

Dual Currency Notes are Fixed Rate Notes in respect of which the Issuer pays the amount of interest in a Specified Currency or Currencies (the “Second Currency or Currencies”) that is different from the Denomination Currency. The Denomination Currency and the Second Currency or Currencies are specified in the applicable Final Terms under Specified Currency or Currencies.

Interest in respect of Dual Currency Notes is calculated in accordance with the provisions of Condition 5(a) as specified in the applicable Final Terms. The Rate of Exchange or method of calculating Rate of Exchange between the Denomination Currency and the Second Currency or Currencies in respect of such Notes is the rate or method 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 unmatured 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 unmatured 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, unmatured 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) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date in the case of each Note which (i) is not an Alternative Settlement Note, the relevant Specified Currency, and (ii) is an Alternative Settlement Note the relevant Settlement Currency.

The actual amount of redemption payable in the Settlement Currency per Calculation Amount (the "Settlement Redemption Amount") on the Maturity Date will be calculated by the Calculation Agent by dividing the relevant Calculation Amount in the Denomination Currency by the Reference Rate (as defined in Condition 5(c)(i)) on the relevant Rate Fixing Date (as defined in Condition 5(c)(i)) prior to the Maturity Date, provided that the resulting Settlement Redemption Amount shall be rounded to the nearest whole cent of Settlement Currency, with 0.005 cent being rounded upwards.

(b) Redemption for Tax Reasons

The 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, Alternative Settlement Notes, Index Linked Notes or Dual Currency Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Alternative Settlement Notes, Index Linked 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) 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.

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

If Call Option 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 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 at the Option of the Noteholders (Put Option)

If Put Option is specified in the applicable Final Terms, upon the holder of any 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 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 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 Note is in definitive form, this Note or evidence satisfactory to the Paying and Transfer Agent or the Registrar concerned that this 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, 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 or when selected in the applicable Final Terms, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

If annual: Early Redemption Amount = $RP \times (1+AY)^y$

If semi-annual: Early Redemption Amount = $RP \times (1+(AY/2))^{2y}$

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.

- (iv) in the case of an Alternative Settlement Note which is payable in the Settlement Currency (as defined in Condition 5(c)(i)) at the amount calculated by the Calculation Agent by dividing the relevant Calculation Amount in the Denomination Currency by the Reference Rate (as defined in Condition 5(c)(i)) on the relevant Rate Fixing Date (as defined in Condition 5(c)(i)) prior to the date of early redemption, provided that the resulting Settlement Redemption Amount shall be rounded to the nearest whole cent of Settlement Currency, with 0.005 cent being rounded upwards.

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 unmatured 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 unmatured 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 unmatured 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 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.

The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Noteholder or beneficial owner of Notes funds for the payment of any tax that it is required to withhold or deduct pursuant to (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance (the "U.S. Provisions"); (b) any treaty, law, regulation or other official guidance enacted in any other country, which facilitates the implementation of the U.S. Provisions (the "Foreign Provisions"); (c) any intergovernmental agreement between the United States and any other country, which facilitates the implementation of the U.S. Provisions (the "Intergovernmental Agreement"); or (d) any agreement regarding the implementation of the U.S. Provisions, the Foreign Provisions and any Intergovernmental Agreement entered into by the Issuer with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other country ("FATCA"). The Issuer will not be required to make any payment of additional amounts for, or on account of, any withholding tax deducted by the Issuer or an intermediary in compliance with FATCA.

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

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 Notes when and as the same ought to be paid in accordance with these Terms and Conditions; or
- (ii) a default is made by the Issuer in the performance or observance of any obligation, condition or provision under the Notes (other than any obligation for the payment of any amount due in respect of any of the 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 Noteholder,

then any 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 109 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.

VP is entitled to provide the Issuer with information concerning the identity of a holder of VP Notes at a specified time following a request by the Issuer. Such information may include the name, address and other contact details of the holder of VP Notes, the date of the registration with VP, the amount of VP Notes held by such holder and any other relevant account information.

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 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) 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.

(d) 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.

(e) 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. 227 of 11th March, 2014 on Trading in Securities, as amended from time to time (the “Danish Securities Trading Act”), and Executive Order No. 819 of 26th June, 2013 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, to the extent allowed by law, be brought in any other court of competent jurisdiction.

FORM OF FINAL TERMS

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 set forth in the Simplified Base Prospectus dated 22nd May, 2014 [and the Simplified Base Prospectus Supplement dated []] which [together] constitute[s] a simplified base prospectus for purposes of Chapters 1 and 2 of Part III of the Luxembourg Law on Prospectuses for Securities dated 10th July, 2005, as amended (*Loi relative aux prospectus pour valeurs mobilières*) ([together,] the “Simplified Base Prospectus”). This document constitutes the Final Terms of the Notes (these “Final Terms”) described herein and must be read in conjunction with the Simplified Base Prospectus. 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 Simplified Base Prospectus. The Simplified Base Prospectus (including the documents incorporated therein by reference) is published on the Issuer’s website at www.rentenbank.de.

[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 set forth in the Base Prospectus dated [] [and the Base Prospectus Supplement dated []] (the “Original Terms and Conditions”) which are incorporated by reference in the Simplified Base Prospectus dated 22nd May, 2014 [and the Simplified Base Prospectus Supplement dated []] which [together] constitute[s] a simplified base prospectus for purposes of Chapters 1 and 2 of Part III of the Luxembourg Law on Prospectuses for Securities dated 10th July, 2005, as amended (*Loi relative aux prospectus pour valeurs mobilières*) ([together,] the “Simplified Base Prospectus”). This document constitutes the Final Terms of the Notes (these “Final Terms”) described herein and must be read in conjunction with the Simplified Base Prospectus, save in respect of the Original Terms and Conditions, a copy of which is annexed hereto. 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 Simplified Base Prospectus. The Simplified Base Prospectus (including the documents incorporated therein by reference) is published on the Issuer’s website at www.rentenbank.de.

[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 (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1. (i) Series Number: []
(ii) Tranche Number: []
(iii) Date on which the Notes become fungible [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the *[insert description of the Series]* on *[insert date]*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about *[insert date]*]].]
2. Specified Currency or Currencies: []
[Denomination Currency: []]
[Settlement Currency: []]
[Second Currency: []]
3. Aggregate Nominal Amount:
(i) Series: []

- (ii) Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from and including [insert date] up to and excluding [insert date] ([] days of accrued interest) (if applicable)]
5. (i) Specified Denominations: []
(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.)
6. (i) Issue Date: []
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable – the Notes will not bear interest]
7. Maturity Date: *[Fixed Rate Notes – specify date/ Floating Rate Notes – Interest Payment Date falling in or nearest to [specify relevant month and year]] [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]*
8. Interest Basis: [[] per cent. Fixed Rate] [and [] per cent. Fixed Rate]][and] [[] month [LIBOR] [EURIBOR] [] +/- [] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Alternative Settlement] [Dual Currency] [Other (specify)] (further particulars specified in paragraph [12][13][14][15][16][17] below)
9. Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Alternative Settlement] [Partly Paid] [Instalment] [Other(specify)] [(further particulars specified in paragraph [20][21] below)]
10. Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable] *[Specify the date when any fixed-to-floating rate change occurs or refer to paragraphs 12 and 13 below and identify there]*
11. Put/Call Options: [Call Option] [Put Option] [(further particulars specified in paragraph [18][19] below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. 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/monthly/other (*specify*)] in arrears]
- (ii) Interest Payment Date(s): [] in each year [up to and including the Maturity Date][, subject to adjustment in accordance with the Business Day Convention set out in (vi) below]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount[, [irrespective of/subject to] adjustment in accordance with the Business Day Convention set out in (vi) below]
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment date falling [in/on] [][, [irrespective of/subject to] adjustment in accordance with the Business Day Convention set out in (vi) below]
- (v) Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (vi) Business Day Convention: [No Adjustment/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (vii) Business Centre(s): [Not Applicable/]
- (viii) Determination Date(s): []
- [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)]*
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

13. 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: [] in each year [up to and including the Maturity Date][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
- (iii) First Interest Payment Date: []
- (iv) Business Day Convention: [Not Applicable/Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (v) Business Centre(s): [Not Applicable/]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (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)] [Actual/365 (fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
 - (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 Terms and Conditions: []
14. 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)] Day Count Fraction in relation to Early Redemption: [Conditions 7(e)(iii) and 7(j) apply]
15. Index Linked Note/other variable-linked Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (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) Coupon 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: []
16. Alternative Settlement Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Number of Settlement Business Days prior to any payment date in respect of Rate Fixing Date: []
- (ii) Reference Rate: []
- (iii) Party, if any, responsible for calculating the Reference Rate and amount of principal and/or interest due: [give name and address of Calculation Agent]
- (iv) Business Centre(s): []
- (v) Other terms: []
17. Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange / method of calculating Rate of Exchange: []
- (ii) Party, if any, responsible for calculating the interest due: [Not Applicable] [Give name and address of Calculation Agent]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)*

PROVISIONS RELATING TO REDEMPTION

18. Call Option: [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): [[] on [] [and [] on []] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period: []
- (N.B. If setting notice periods that are different to those provided in the Terms and 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)*

19. Put Option: [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): [[] on [] [and [] on []]] per Calculation Amount/*specify other/see Appendix*
- (iii) Notice period: []

(N.B. If setting notice periods that are different to those provided in the Terms and 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)

20. Final Redemption Amount of each Note: [] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (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) Final Redemption 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: []

21. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Condition 7(e)][(iii)][(iv)] applies] [[] on [] and []] [] per Calculation Amount] [[annual][semi-annual] formula applies] [RP= ; AY=] [*specify other/see Appendix*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. 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)*

[[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]]

23. New Global Note: [Yes/No/Not Applicable] *[Note that this paragraph relates only to Bearer Notes]*
24. New Safekeeping Structure: [Yes/No/Not Applicable] *[Note that this paragraph relates only to Registered Notes]*
25. Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which paragraph 13(v) relates]
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes]
27. 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)*
28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
 - (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: [Not Applicable/The provisions [in Condition []]] apply]
30. Consolidation provisions: [Condition 16 applies/Not Applicable]
31. Other final terms: [Not Applicable/give details]

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 Notes have not been assigned a rating.] [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 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.)

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), which is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation.]

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

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below):

[Not Applicable][Save for any fees payable to the [Dealer][Managers] and [], as [Stabilising Manager], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[(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 Simplified Base Prospectus under the Article 39 of the Luxembourg Prospectus Law.)]

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

(i) Reasons for the offer:

[The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes.][The Issuer will use its best efforts to direct an amount equal to the net proceeds of the

Notes (or an equivalent thereof in Euro) to lending projects within the renewable energy sector (such as solar energy and biogas), subject to and in accordance with the Issuer's lending standards of the respective loan programmes. [To the extent any amount of such net proceeds cannot be directed to lending projects within the renewable energy sector, such amount will be used for the general operations of the Issuer in accordance with the Rentenbank Law and its principal purpose of granting promotional loans.]]*[specify other]*

[(ii)] Estimated net proceeds: []
 [(iii)] Estimated total expenses: []

5. YIELD: (Fixed Rate Notes only) – [Not Applicable]

[Indication of yield: []

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

As set out above, 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) – [Not Applicable]

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

7. PERFORMANCE OF INDEX/FORMULA/RATE[S] OF EXCHANGE/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING: (Index-Linked Notes, other variable-linked Notes and Dual Currency Notes only) – [Not Applicable]

[Index Linked Notes and other variable-linked Notes – *(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 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 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, 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)]

[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].]

[Dual Currency Notes – Details of historic rates of exchange in respect of [*Second Currency or Currencies*] can be obtained from [Reuters].]

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. 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 intraday 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.]

[No. [Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

9. DISTRIBUTION

(i) Method of distribution:

[Syndicated/Non-Syndicated]

(ii) If syndicated:

(A) Name 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.)

(B) Date of [Syndication] Agreement:

[]

(C) Stabilising Manager(s) if any:

[Not Applicable/*give name*]

(iii) If non-syndicated, name and address of Dealer:

[Not Applicable/*give name and address*]

(iv) Total commissions and concessions:

[] per cent. of the Aggregate Nominal Amount

(v) U.S. Selling Restrictions:

[Regulation S][Rule 144A][TEFRA C/TEFRA D/TEFRA not applicable]

(vi) Additional Selling Restrictions:

[Not Applicable/*give details*]

(vii) Additional U.S. Federal Income Tax Considerations:

[Not Applicable/*give details*]

[10. TERMS AND CONDITIONS OF THE OFFER: (Public offer in Luxembourg only)

Offer Price: []

Offer Period: []
[Insert time period, including any possible amendments, during which the offer to the public will be open for subscription]

Conditions to which the offer is subject: [Not Applicable/(give details)]

Description of subscription process: []

Description of possibility to reduce the subscription amount and the manner for refunding the excess amount paid by subscribers: [Not Applicable/(give details)]

Minimum subscription amount: [Not Applicable/(give details)]

Maximum subscription amount: [Not Applicable/(give details)]

Method and time limits for payment for and delivery of the Notes: []

Publication of results of offer: []
[Insert manner in which the results of the offer are to be made public and date of such publication]

Amount allotted and trading of Notes: []
[Insert process for notification to subscribers of the amount allotted and indication whether trading in the Notes may begin before notification is made]

Name and address of the [Manager(s)] [Dealer(s)]: []
[Insert name and address of the Manager(s) or Dealer(s) coordinating the global offer to the public or of single parts thereof and to the extent known to the Issuer or the offeror(s), the placing banks in the various countries where the offer to the public shall take place, as well as, if the offer is being made simultaneously in the markets of two or more countries and if certain tranches have been or are being reserved for certain of these markets, details of these tranches]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) 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

By: _____
Duly authorised

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other purposes provided in the applicable Final Terms. The estimated net proceeds and estimated total expenses in connection with each issue of Notes will be provided 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 / Main under HRA 30636. The Issuer’s activities and governance structure are regulated by the Rentenbank Law and its Articles of Incorporation (*Satzung*). Under the Section 3 of the Rentenbank Law, the Issuer is charged with the public task of promoting the agriculture industry (including forestry, horticulture and fishing) and the development of rural areas through the extension of credit for:

- the agriculture industry, including forestry, horticulture and fishing and the upstream and downstream areas;
- the sale and warehousing of agricultural and food products;
- agriculture-related environmental protection, the promotion of renewable energies and renewable raw materials from agriculture, the expansion of ecological farming and the protection of animals within the agricultural industry;
- the improvement of infrastructure in predominantly rural areas; and
- agriculture-related consumer protection.

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*). With effect from 1st January, 2014 the Federal Republic of Germany guarantees all existing and future obligations of the Issuer in respect of money borrowed, bonds and notes issued and derivative transactions entered into by the Issuer, as well as obligations of third parties that are expressly guaranteed by the Issuer (Section 1a of the Rentenbank Law).

The Issuer’s registered office is located at Hochstrasse 2, 60313 Frankfurt / Main, Federal Republic of Germany; its telephone number is +49-69-2107-0. The Issuer does not maintain any branches.

At 31st December, 2013, the Issuer’s consolidated liable capital under the International Financial Reporting Standards amounted to EUR 3,881.1 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 Board of Supervisory Directors and the General Meeting. The business address of each of the members of the Board of Managing Directors and the Board of Supervisory Directors named below is Hochstrasse 2, 60313 Frankfurt / 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:

Hans Bernhardt

Dr. Horst Reinhardt (Speaker of the Board of Managing Directors)

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.

At its meeting on September 13, 2012, the Board of Supervisory Directors of Landwirtschaftliche Rentenbank appointed Ms. Imke Etori as a new member of the Board of Managing Directors. Since January 1, 2013, she has been responsible for Rentenbank's credit risk management and operations financial markets as a divisional board member and will serve as a full member of the Board of Managing Directors as of September 1, 2014.

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.

Board of Supervisory Directors

The Board of Supervisory Directors oversees business management. It may communicate general or specific directives to the Board of Managing Directors. The Board of Supervisory Directors' 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 Board of Supervisory Directors as at the date of this Simplified Base Prospectus:

Chairman:	Joachim Rukwied, Präsident, Deutscher Bauernverband e.V., Berlin
Deputy Chairman:	Christian Schmidt, MdB, Bundesminister für Ernährung und Landwirtschaft Berlin
Representatives of the not-for-profit agricultural and food organisations:	Bernhard Krüsken, Generalsekretär, Deutscher Bauernverband e.V., Berlin
	Udo Folgart Präsident, Landesbauernverband Brandenburg, Teltow/Ruhlsdorf
	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
	Manfred Nüssel, Präsident, Deutscher Raiffeisenverband e.V., Berlin
Representative of the not-for-profit Farmers' Mutual Savings Institution:	
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.⁽¹⁾

Bavaria	Helmut Brunner Staatsminister für Ernährung, Landwirtschaft und Forsten, München
Brandenburg	Jörg Vogelsänger Minister für Infrastruktur und Landwirtschaft, Potsdam
Bremen	Professor Matthias Stauch Staatsrat beim Senator für Wirtschaft, Arbeit und Häfen, Bremen
Representative of the not-for-profit Trade Unions:	Harald Schaum, Stellvertretender Bundesvorsitzender, IG Bauen-Agrar-Umwelt, Frankfurt / Main
Representative of the Ministry of Food, Agriculture and Consumer Protection:	Dr. Robert Kloos, Staatssekretär, Bundesministerium für Ernährung und Landwirtschaft , Berlin
Representative of the Ministry of Finance:	Dr. Klaus Stein, Ministerialdirigent, Bundesministerium der Finanzen, Berlin
Elected Specialists:	Klaus-Peter Müller, Vorsitzender des Aufsichtsrats, Commerzbank AG, Frankfurt / Main Wolfgang Kirsch, Vorsitzender des Vorstandes, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Georg Fahrenschon, Präsident, Deutscher Sparkassen- u. Giroverband 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 Board of Supervisory Directors.

There are no conflicts or potential conflicts of interest between the duties of each member of the Board of Supervisory Directors 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 Board of Managing Directors on the Issuer's business activities and of the Board of Supervisory Directors on resolutions adopted by the Board of Supervisory Directors.

Supervision of the Issuer

The Issuer is subject to the supervision of the Federal government of Germany through the German Federal Ministry of Food and Agriculture, 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 Board of Supervisory Directors 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.

Effective 1st January, 2014, the Europe Union Capital Requirement Regulation (the "CRR") regulates areas such as own funds, capital requirements, liquidity requirements and large exposures restrictions that were governed by the German Banking Act and regulations issued by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or *BaFin*) prior to 1st January, 2014.

As of 4th November, 2014, system-relevant-banks will be supervised and regulated by the European Central Bank within the framework of the Single Supervision Mechanism (the "SSM"). The Issuer is classified as a system-relevant-bank because of its balance sheet total. The European Central Bank has the authority to supervise a system-relevant-bank directly or indirectly. In case of indirect supervision, the European Central Bank can delegate the supervision to the relevant national authorities. Currently, it is not certain if the Issuer will be supervised by the European Central Bank directly or indirectly.

Relationship with the Federal Government

Guarantee of the Federal Republic

The Rentenbank Law was amended with effect from 1st January, 2014 to provide expressly that the Federal Republic of Germany guarantees all existing and future obligations of the Issuer in respect of money borrowed, bonds and notes issued and derivative transactions entered into by the Issuer, as well as obligations of third parties that are expressly guaranteed by the Issuer (Section 1a of Rentenbank Law). Under this statutory guarantee (the "Guarantee of the Federal Republic"), if the Issuer fails to make any payment of principal or interest or any other amount required to be paid with respect to securities issued by the Issuer, or if the Issuer fails to make any payment required to be made under the Issuer's guarantee when that payment is due and payable, the Federal Republic of Germany will be liable at all times for that payment as and when it becomes due and payable. The Federal Republic of Germany's obligation under the Guarantee of the Federal Republic will rank equally, without any preference, with all of its other present and future unsecured and unsubordinated indebtedness. Holders of securities issued by the Issuer or issued under the Issuer's guarantee will be able to enforce this obligation directly against the Federal Republic of Germany without first having to take legal action against the Issuer. The Guarantee of the Federal Republic is unconditional and irrevocable. It is strictly a matter of statutory law and is not evidenced by any contract or instrument. It may be subject to defenses available to the Issuer with respect to the obligations covered. See also "Description of the Guarantee of the Federal Republic" below.

The Guarantee of the Federal Republic does not affect the obligations of the Federal Republic of Germany towards Rentenbank pursuant to the existing institutional liability (*Anstaltslast*). See "— Institutional Liability (*Anstaltslast*)" below).

Institutional Liability (Anstaltslast)

The Issuer benefits from the "*Anstaltslast*", or institutional liability, of the Federal Republic of Germany, which means that the Federal Republic of Germany 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 of Germany and the Issuer and not between the Federal Republic of Germany and any third party.

The Federal Republic of Germany would not, under *Anstaltslast*, be permitted to wait for the Issuer to default on an obligation; the Federal Republic of Germany 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 of Germany 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 of Germany under *Anstaltslast*, the effect of *Anstaltslast* is that the Issuer's obligations, including the Issuer's debt securities, 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 understanding, 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, 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 German agricultural and forestry sectors, wine growing and horticulture sectors as well as in aquaculture and fish farming. Funds are also provided for projects in the food industry and other upstream and downstream companies as well as investments in renewable energies and projects 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 provide any financial institution involved in the Federal Republic of Germany with promotional loans, irrespective of its corporate form or connections, to avoid competitive distortions. Credit is also provided by making 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 (excluding renewals) amounted to EUR 11.6 billion in 2013.

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 as well as 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 food wholesale.
- *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. This sector also covers lending for photovoltaic power plants or wind farms, if borrowers linked to agriculture, forestry, horticulture, fishing or food industry. Since March 2012 this moreover includes civic engagement in the production of wind power.
- *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.

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, 2013.

Recent Developments

The financial data in this section is based on preliminary, unaudited results for Landwirtschaftliche Rentenbank’s quarter ended 31st March, 2014, derived from the Issuer’s press release of 28th April, 2014.

The first quarter of 2014 was characterised by a continuing high demand for the Issuer’s special promotional loans. These loans granted at particularly favourable interest rates for specific promotional purposes and assistance measures amounted to EUR 1,458.6 million (first quarter 2013: EUR 1,286.8 million).

From the total anticipated medium and long-term issue requirement of prospective EUR 10.0 billion for 2014, the Issuer was already able to raise EUR 4.4 billion in the first quarter (first quarter 2013: EUR 4.5 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 2014 (first quarter 2013: EUR 4.5 billion).

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.

Balance Sheet Data	<i>As at 31st December,</i>	
	<u>2013</u>	<u>2012</u>
	<i>(in € millions)</i>	<i>(in € millions)</i>
Assets		
Cash and balances with central banks	32.5	204.4
Loans and advances to banks.....	49,750.9	51,164.0
Loans and advances to customers.....	5,570.6	4,652.4
Fair value changes of hedged items in a portfolio hedge.....	677.3	1,210.7
Positive fair values of derivative financial instruments.....	3,236.1	7,486.4
Financial assets.....	20,894.4	22,588.7
Other assets ⁽¹⁾	1,770.6	1,090.9
Total assets	81,932.4	88,397.5
Liabilities and Equity		
Liabilities to banks.....	5,549.9	2,868.0
Liabilities to customers.....	5,148.8	5,802.6
Securitised liabilities ⁽²⁾	60,860.9	66,632.3
Negative fair values of derivative financial instruments	5,796.6	5,832.2
Other liabilities ⁽³⁾	695.1	3,835.5
Subordinated liabilities	686.8	924.4
Equity ⁽⁴⁾	3,194.3	2,502.5
Total liabilities and equity	81,932.4	88,397.5

⁽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.

Comprehensive Income Data	<i>For year ending 31st December,</i>	
	<u>2013</u>	<u>2012</u>
	<i>(in € millions)</i>	<i>(in € millions)</i>
Interest income ⁽¹⁾	3,678.3	3,959.5
Interest expense	3,344.6	3,593.6
Net interest income	333.7	365.9
Allowance for credit losses/promotional contribution.....	34.5	20.7
thereof additions to promotional contribution	81.6	74.9
thereof utilization of promotional contribution	58.7	54.1
Net interest income after provisions for loan losses/ promotional contribution	299.2	345.2
Net fee and commission income.....	(1.7)	(2.2)
Net interest income after provision for loan losses/ promotional contribution and net fee and commission income	297.5	343.0
Administrative expenses.....	55.2	48.9
Result from fair value measurement and from hedge accounting.....	221.2	(55.7)
Other results ⁽²⁾	(3.5)	5.4
Net income	460.0	243.8
Change in revaluation reserve	244.6	565.8
Total comprehensive income	704.6	809.6

⁽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 result from financial investments, net other operating result and 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, 2013.

Liable Capital

	As at 31st December,	
	2013	2012
	<i>(in € millions)</i>	<i>(in € millions)</i>
Subscribed capital *	135.0	135.0
Retained Earnings		
Principal Reserve	858.2	769.9
Guarantee Reserve	67.4	115.9
Other Retained Earnings	2,073.9	1,667.0
Revaluation Reserve	46.5	(198.1)
Group's net profit	13.3	12.8
Subordinated liabilities	686.8	924.4
	<u>3,881.1</u>	<u>3,426.9</u>

Indebtedness⁽¹⁾

	As at 31st December,	
	2013	2012
	<i>(in € millions)</i>	<i>(in € millions)</i>
Liabilities to credit institutions and to other creditors with maturities: ⁽²⁾		
(a) up to twelve months	3,713.8	1,418.6
(b) exceeding twelve months	6,984.9	7,252.0
Total	<u>10,698.7</u>	<u>8,670.6</u>
Bonds issued:		
Total	<u>60,860.9</u>	<u>66,632.3</u>
Total indebtedness as at 31st December	<u>71,559.6</u>	<u>75,302.9</u>

⁽¹⁾ During the course of 2013 the Bank issued EUR 10.2 billion of debt represented by the following instruments (excluding ECP Programme):

	<i>(in € billions)</i>
(a) Promissory note loans/international loans	0.0
(b) Registered bonds	0.0
(c) Bearer bonds	10.2
of which — secured	0.0
— unsecured	10.2

During the course of the period from 1st January, 2014 to 31st March, 2014 the Bank issued EUR 4.4 billion of debt (excluding ECP) represented by the following instruments:

	<i>(in € billions)</i>
<i>Unaudited figures</i>	
(a) Promissory note loans/international loans	0.0
(b) Registered bonds	0.3
(c) Bearer bonds	4.1
of which — secured	0.0
— unsecured	4.1

The foregoing financial data is based on preliminary, unaudited results of the Bank's quarter ended 31st March, 2014, derived from the Bank's press release of 28th April, 2014.

⁽²⁾ Combination of the corresponding sub line items in Note 49 "Liabilities to banks" and Note 50 "Liabilities to customer" of Issuer's audited annual consolidated financial statements set out in the 2013 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").

DESCRIPTION OF THE GUARANTEE OF THE FEDERAL REPUBLIC

The Rentenbank Law as amended with effect from 1st January, 2014 provides expressly that the Federal Republic of Germany guarantees all existing and future obligations of the Issuer in respect of money borrowed, bonds and notes issued and derivative transactions entered into by the Issuer, as well as obligations of third parties that are expressly guaranteed by the Issuer (Law Governing Landwirtschaftliche Rentenbank, Section 1a). Under the Guarantee of the Federal Republic, if the Issuer fails to make any payment of principal or interest or any other amount required to be paid with respect to securities issued by the Issuer (including the Notes), or if the Issuer fails to make any payment required to be made under the Issuer's guarantee, when that payment is due and payable, the Federal Republic of Germany will be liable at all times for that payment as and when it becomes due and payable. The obligation of the Federal Republic of Germany under the Guarantee of the Federal Republic will rank equally, without any preference, with all of its other present and future unsecured and unsubordinated indebtedness. Holders of securities issued by the Issuer or issued under the Issuer's guarantee will be able to enforce this obligation directly against the Federal Republic of Germany without first having to take legal action against the Issuer. The Guarantee of the Federal Republic is unconditional and irrevocable. It is strictly a matter of statutory law and is not evidenced by any contract or instrument. It may be subject to defenses available to the issuer with respect to the obligations covered. See also "Description of the Issuer — Relationship with the Federal Government — Guarantee of the Federal Republic".

The Guarantee of the Federal Republic does not affect the obligations of the Federal Republic of Germany towards Rentenbank pursuant to the existing institutional liability (*Anstaltslast*). See also "Description of the Issuer — Relationship with the Federal Government — Institutional Liability (*Anstaltslast*)".

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 Simplified 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 (*Einkommensteuer*). In each case where German income tax liability arises, a solidarity surcharge (*Solidaritatzuschlag*) is levied in addition to such tax. Furthermore, Church tax may be levied, where applicable. 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., and, if applicable, church tax).

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 credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) or with a securities trading business (*Wertpapierhandelsunternehmen*) or with a securities trading bank (*Wertpapierhandelsbank*) (each within the meaning of the German Banking Act (*Kreditwesengesetz*)) 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 at the aforementioned rate 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 (*Nichtveranlagungsbescheinigung*) 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 the solidarity surcharge and, if applicable church tax) will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including the solidarity surcharge and, if applicable, church tax) 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. and, if applicable, church tax), 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 and, if applicable, church tax) will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (plus the solidarity surcharge and, if applicable, church tax) 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 the solidarity surcharge and, if applicable, church tax in case of individuals). 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. The trade tax rate depends on the municipal multiplier of the respective municipality.

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 (plus the solidarity surcharge and, if applicable, church tax in case of individuals) of the Noteholder.

With regard to capital gains no withholding will generally be required for Notes held by corporations resident in Germany, provided that, regarding corporations of certain legal forms, the status of the corporation has been evidenced by a certificate of the competent tax authority. The same also applies 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 (*Betriebsstätte*) including a permanent representative (*ständiger Vertreter*) maintained in Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes taxable income 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.

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 Simplified 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.

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.

European Union Savings Tax Directive

Under the Savings Tax Directive, each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of the state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may instead opt to withhold tax from interest payments within the meaning of the Savings Tax Directive at a rate of 35% from 1st July, 2011. Since 1st January, 2010, Belgium has applied the information procedure described above. The Luxembourg government has announced its intention to opt out of the withholding system in favor of an automatic exchange of information with effect from 1st January, 2015.

Conforming with the prerequisites for the application of the Savings Tax Directive, a number of non-EU countries and territories, including Switzerland and Liechtenstein, agreed to apply measures equivalent to those contained in such directive (a withholding system in Switzerland’s case).

European Union Financial Transaction Tax

In September 2011, the European Commission tabled a proposal for a common system of financial transactions taxes (“EU Financial Transaction Tax”). Despite intense discussions on this proposal there was no unanimity amongst the 27 Member States. Certain Member States (“Participating Member States”) requested enhanced cooperation on a EU Financial Transaction Tax based upon the European Commission’s original proposal. The European Commission presented a decision to this effect and this decision was adopted by the EU’s Council of Finance Ministers at its committee meeting on 22nd January, 2013. The proposal for a Directive was published on 14th February, 2013, under which Participating Member States may charge a EU Financial Transaction Tax on all financial transactions with effect from 1st January, 2014 where (i) at least one party to the transaction is established in the territory of a Participating Member State and (ii) a financial institution established in the territory of a Participating Member State is a party to the transaction acting either for its own account or for the account of another person, or is acting in the name of a party to the transaction. The EU Financial Transaction Tax imposes a charge on financial transactions including purchases and sales of financial instruments; this charge will be levied at not less than 0.1 per cent. of the sale price. The EU Financial Transaction Tax also imposes a charge on the conclusion of, and a purchase and sale of a derivative contract; this charge will be levied at not less than 0.01 per cent. of the nominal amount of the derivative. Whilst primary market transactions are exempt from the scope of the proposed Directive, the Directive proposals in general are

broad and as such may impact secondary market transactions completed by financial institutions operating in non-Participating Member States. Notwithstanding that the proposed Directive does not provide for the Noteholder to be subject to financial transaction tax as implemented under the laws of a Participating Member State, it cannot be ruled out that an emerging tax burden would be commercially passed on to the respective Noteholder. It is currently unclear whether the proposed Directive will eventually be adopted and whether the required implementation acts by the Participating Member States will enter into force as of 1st January, 2014 or later.

United States of America

Pursuant to Internal Revenue Service 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 issued under the Programme. 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,
- an 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 that purchases or sells securities as part of a wash sale 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 of 1986, as amended, 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, 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 United States holder. Under the foreign tax credit rules, interest and original issue discount will, depending on the U.S. holder’s circumstances, be either “passive” or “general” income for purposes of calculating 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”.

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 amount of such *de minimis* original issue discount 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.

Inclusion of Original Issue Discount in Income

Generally, if the discount Note matures more than one year from its date of issue, the U.S. holder must include original issue discount, or 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 discount 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 in any prior accrual period 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 re-determine 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 having market discount that the U.S. holder acquires on or after the first day of the first taxable year to which the election applies. 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 non-contingent principal payments by more than the lesser of:
 - 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date, or
 - 15 per cent. of the total non-contingent 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, 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:

- the Note is purchased for less than its issue price as determined above under “— Original Issue Discount — General” and
- the Note's stated redemption price at maturity or, in the case of a discount Note, the Note's revised issue price, exceeds the price such U.S. holder paid for the Note by at least 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, does not exceed the price the U.S. holder paid for the Note by 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.

If a U.S. holder owns a market discount Note, the market discount would accrue on a straight-line basis unless such U.S. holder elects to accrue market discount using a constant-yield method. If such U.S. holder makes this election to accrue market discount using a constant-yield method, it will apply only to the Note with respect to which it is made and such U.S. holder may not revoke it. The U.S. holder would, however, not include accrued market discount in income unless such U.S. holder elects to do so as described above.

Notes Purchased at a Premium

If a U.S. holder purchases a Note for an amount in excess of its principal amount (or, in the case of a discount Note, in excess of its stated redemption price at maturity), 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, Retirement and other Disposition 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 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, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), 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",
- the rules governing contingent payment obligations apply, or

- attributable to changes in exchange rates as described below.

Capital gain of a non-corporate 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 as United States source ordinary income or loss to the extent attributable to changes in exchange rates between the date of acquisition and the date of the sale or retirement. 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.

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). If the U.S. holder purchases foreign currency, such U.S. holder generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of such purchase. 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 and generally will be United States source gain or loss.

Medicare Tax

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.

Indexed Notes, Amortizing Notes and Notes Convertible or Exchangeable Into Other Securities

The applicable simplified base 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 other Notes that are subject to the rules governing contingent payment obligations amortizing 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 Simplified 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.

This section does not apply to U.S. holders of Notes.

Payment of Interest

Subject to the discussion of backup withholding below, payments of principal, premium, if any, and interest, including OID 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:

- has an office or other fixed place of business in the United States to which the interest is attributable, and
- either (1) derives the interest in the active conduct of a banking, financing or similar business within the United States, or (2) is a corporation with a principal business of trading in stocks and securities for its own account.

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.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a "Reportable Transaction"). Under these regulations, if the Note is denominated in a foreign currency, a United States holder (or a non-U.S. holder that holds the Note in connection with a U.S. trade or business) that recognizes a loss with respect to the Note that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on Internal Revenue Service Form 8886 (Reportable Transaction Disclosure Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. Prospective purchasers of Notes are advised to consult with their tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Notes.

Foreign Financial Assets Reporting

Owners of "specified foreign financial assets" with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the debt securities.

Foreign Account Tax Compliance Act

The U.S. Foreign Account Tax Compliance Act ("FATCA"), which was enacted in 2010, imposes 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.

In reliance on certain provisions in an intergovernmental agreement (the "IGA") in respect of FATCA signed by the United States of America and Germany on 31st May, 2013, the Issuer intends to take the position that it is exempt from the 30 per cent. withholding tax and from the information reporting and other requirements of FATCA. However, there can be no assurance that the exemption on which the Issuer intends to rely will be available or that the relevant taxing authorities will not take a position contrary to that taken by the Issuer. If an exemption is not available, then the Issuer may be required to report and, perhaps, withhold, as described below. In addition, even if the Issuer is exempt from the requirements of FATCA, Notes held through intermediary non-U.S. financial institutions may be subject to information reporting and withholding requirements under FATCA.

If the Issuer is not exempt from the requirements of FATCA under the IGA, it 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 or beneficial owners who (i) fail to provide the relevant information, (ii) are non-U.S. financial institutions which 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, the Issuer or an intermediary payor may be required to withhold on a portion of payments under the Notes. Such withholding, however, would not apply to payments on the Notes made before 1st January, 2017. Moreover, these withholding requirements would not apply to Notes issued before the later of (A) 1st July, 2014 and (B) the date that is six months after the date on which final regulations implementing "foreign pass thru payment" withholding are enacted. The Issuer will not be required to gross-up for any such amounts withheld.

Backup Withholding and Information Reporting

This section describes the backup information reporting and backup withholding requirements regarding holders of the Notes described in this Simplified 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 proceeds from the sale of a Note effected at a United States office of a broker.

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.

Non-U.S. Holders

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:
 - (1) 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 a non-United States person, or
 - (2) other documentation upon which it may rely to treat the payments as made to a non-United States person 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.

In general, payment of the proceeds from the sale of a Note effected at a foreign office of a broker 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:
 - (1) 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
 - (2) 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.

Withholding of Taxes at the Source

The Issuer assumes no responsibility for the withholding of taxes imposed or levied by or on behalf of the Federal Republic of Germany or any jurisdiction in which Notes are offered or in which admission to trading is being sought.

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 and 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 affect 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 transaction. 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 22nd May, 2014 (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.

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 Simplified 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.

Each issuance of Index Linked Notes, Dual Currency Notes and Alternative Settlement 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.

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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No 25 of 1948, as amended) (the “FIEA”). Accordingly each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Federative Republic of Brazil

Each Dealer acknowledges, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets. Neither the Issuer nor the issuance of the Notes has been or will be registered with the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*). Therefore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, the Notes in the Federative Republic of Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

Republic of Turkey

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been, and will not be, registered with the Turkish Capital Markets Board (“CMB”) under the provisions of Law no. 2499 of the Republic of Turkey relating to capital markets. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither this Simplified Base Prospectus nor any other offering material related to the offering will be utilised in connection with any general offering to the public within the Republic of Turkey for the purpose of the sale of the Notes (or beneficial interests therein) without the prior approval of the CMB.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not sold or caused to be sold and will not sell or cause to be sold outside Turkey the Notes (or beneficial interests therein) to residents of Turkey unless such sale is authorised pursuant to Article 15(d)(ii) of Decree 32 (as amended from time to time) and the CMB regulations.

United Mexican States

The Notes have not been and will not be registered in the Mexican National Registry of Securities (*Registro Nacional de Valores*). Therefore, each Dealer has agreed and acknowledged, and each further Dealer appointed under the Programme will agree and acknowledge, that the Notes will not be offered or sold in the United Mexican States (“Mexico”) by any mean, or otherwise be the subject of brokerage activities (*Intermediación*) in Mexico, except in circumstances which constitute a private offering (*oferta privada*) pursuant to Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The Mexican Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) has not issued any certificate as to the investment quality of the Notes or solvency, liquidity or credit quality of the Issuer. All applicable provisions of the Mexican Securities Market Law must be complied with in respect of anything done in relation to the Notes in, from or otherwise involving Mexico.

Republic of South Africa

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not and will not offer for sale or subscription or sell any Notes, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except (a) in accordance with the exchange control regulations of the Republic of South Africa and (b) in circumstances which would not constitute an offer to the public within the meaning of the South African Companies Act, 2008 (as amended).

Swiss Confederation

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (a) it has not publicly offered, sold or advertised and will not publicly offer,

sell or advertise the Notes in Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations (“CO”); (b) neither this Simplified Base Prospectus nor the applicable Final Terms nor any other documents related to the Notes constitute a prospectus pursuant to Article 652a or Article 1156 CO; and (c) it will not distribute the Notes in or from Switzerland, as such term is defined or interpreted under the Swiss Collective Investments Schemes Act (“CISA”).

In addition, the Notes do not constitute a participation in a collective investment scheme in the meaning of CISA and they are neither subject to approval nor supervision by the Swiss Financial Markets Supervisory Authority FINMA (“FINMA”). Therefore, investors in the Notes do not benefit from protection under CISA or supervision by FINMA or any other regulatory authority in Switzerland.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are “structured product” as defined in the Securities and Future Ordinance (Cap. 571) of Hong Kong) other than: (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Simplified Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Simplified Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”); (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 275(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debenture) Regulation 2005 of Singapore.

Commonwealth of Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“Australian Corporations Act”)) in relation to the Programme or the Notes has been lodged with, or registered by, the Australian Securities and Investments Commission (“ASIC”). 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 Simplified Base Prospectus) otherwise provides, 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 Simplified 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 A\$500,000 (or its equivalent in an alternate currency and in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) such action complies with:
 - (A) Banking (Exemption) Order No. 82 of Australia as if it applied to the Issuer *mutatis mutandis* (and which, as at the date of this document, requires all offers and transfers to be for a minimum aggregate face value of at least A\$500,000); and
 - (B) all other applicable laws, regulations and directives;
- (iii) the offer or invitation does not constitute an offer to a person who is a “retail client” for the purposes of section 761G of the Australian Corporations Act; 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 to the extent that the New Zealand Securities Act or the New Zealand Securities Regulations 2009 apply to the offer for sale or transfer.

In addition, no product disclosure statement has been or will be prepared or registered under the New Zealand Financial Markets Conduct Act 2013 (the “New Zealand FMCA”). 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 the subject of a regulated offer under the New Zealand FMCA and that the \$750,000 minimum subscription condition described below has been satisfied in connection with any direct or indirect offer for sale or transfer of Notes to the extent that the New Zealand FMCA applies to the offer for sale or transfer.

In particular, but without limitation, in respect of offers of or invitations for Notes received in New Zealand prior to the date on which both Part 3 and Schedule 1 to the New Zealand FMCA come into force, 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 persons who have each paid a minimum subscription price of at least NZ\$500,000 for securities previously issued by the Issuer (“Initial Securities”) (in a single transaction before allotment of Initial Securities and disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer), provided the date of first allotment of Initial Securities occurred not more than 18 months before the date of offer of the relevant Notes; or
- (d) 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), (b) or (c) above.

In addition, each Dealer is deemed to represent and agree that it will not distribute, publish, deliver or disseminate any Simplified 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 (d) above.

On and from the date upon which both Part 3 and Schedule 1 to the New Zealand FMCA comes into force, the Notes shall not be made the subject of a regulated offer for the purposes of the New Zealand FMCA and the minimum subscription requirements below must be complied with in connection with any direct or indirect offer for sale or transfer of Notes. In particular, the Notes may only be offered or transferred either:

- (i) to persons who are each required to pay a minimum amount of at least NZ\$750,000 on acceptance of the offer of the Notes (disregarding any amount to the extent that it is to be paid or was paid out of money lent by the offeror or any associated person of the offeror); or
- (ii) if the amount payable by the person on acceptance of the offer plus the amounts previously paid by the person for financial products of the Issuer of the same class that are held by the person add up to at least NZ\$750,000 (disregarding any amount to the extent that it is to be paid or was paid out of money lent by the offeror or any associated person of the offeror).

In addition, each Dealer is deemed to represent and agree that it will not distribute any Simplified Base Prospectus, any applicable Final Terms or any other material that may constitute an advertisement (as defined in the New Zealand FMCA) in relation to any offer of the Notes in New Zealand other than to any such persons as referred to in paragraphs (i) or (ii) 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 Simplified Base Prospectus, 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 Simplified Base Prospectus, will be deemed to have represented, agreed and acknowledged with respect to such Notes that:

- (A) It acknowledges that this Simplified 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 Simplified 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 Simplified 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 Simplified Base Prospectus. Any representation to the contrary is a criminal offense 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

Authorisation

The update of 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 24th April, 2014. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Federal Republic of Germany, the Grand Duchy of Luxembourg 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 meanings of applicable ratings by Moody's, S&P and Fitch have been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by Moody's, S&P and Fitch, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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), 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 and Admission to Trading

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 approval of this Simplified 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 MiFID. 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.

Application has been made to the United Kingdom Financial Conduct 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 approval of this Simplified Base Prospectus to be admitted to the official list of the United Kingdom Financial Conduct 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 Simplified 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 Luxembourg Stock Exchange's regulated market or other market operated by the Luxembourg Stock Exchange and/or listed on the Official List and admitted to trading on the regulated market of the London Stock Exchange or such other market operated by the London 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 approval of this Simplified Base Prospectus, copies of the following documents will 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 2013 Annual Report, the 2013 Unconsolidated Financial Report, the 2012 Annual Report and the 2012 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) this Simplified Base Prospectus;

- (v) the Base Prospectuses relating to the Programme dated 23rd May, 2013, 16th May, 2012, 16th May, 2011, 28th May, 2010, 28th May, 2009 and 28th May, 2008, respectively;
- (vi) any future base prospectuses, offering circulars, supplementary listing particulars, information memoranda and supplements including the Final Terms to this Simplified 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 Fred Olsens gate 1, N-0152 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.

Yield

The yield for any particular Tranche of Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield on an annual basis of Zero Coupon Notes or Fixed Rate Notes with one coupon payment per year and no short or long interest period. The applicable Final Terms in respect of any Floating Rate Notes will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest} * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^{11}}\right)}{\text{Yield}} + \left[\text{Final Redemption amount} * \frac{1}{(1 + \text{Yield})^{11}} \right]$$

where:

“Rate of Interest” means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms (and in the case of Zero Coupon Notes, means “0”);

“Yield” means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Notes, means the Accrual Yield as specified in the applicable Final Terms); and

“n” means the number of years to maturity.

Set out below is a worked example illustrating how the yield in respect of any Tranche of Fixed Rate Notes could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield in respect of any Tranche of Notes; it is intended merely to illustrate the way which the above formula could be applied.

where:

$n = 6$

Rate of Interest = 3.875

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^6} \right)}{\text{Yield}} + \left[100 * \frac{1}{(1 + \text{Yield})^6} \right]$$

Yield = 3.99% (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Tranche of Notes will not be an indication of future yield.

No Significant or Material Adverse Change in the Issuer's Financial Position

There has been no significant change in the financial position of the Issuer and its consolidated subsidiary and no material adverse change in the financial position of the Issuer and its consolidated subsidiary since 31st December, 2013 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

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 periods ending 31st December, 2013 and 31st December, 2012. KPMG AG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin.

Dealers Transacting with the Issuer

Some of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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