

LANDESBANK BERLIN – GIROZENTRALE – BGB FINANCE (IRELAND) PLC

U.S.\$15,000,000,000

Euro Medium Term Note Programme

wherein Notes (as defined below) issued by BGB Finance (Ireland) plc are guaranteed by the following members of the Bankgesellschaft Berlin Group

BANKGESELLSCHAFT BERLIN AG LANDESBANK BERLIN – GIROZENTRALE –

Under this US\$15,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) each of Landesbank Berlin – Girozentrale – (“**LBB**”) and BGB Finance (Ireland) plc (“**BGB Finance**”) (each an “**Issuer**” and together the “**Issuers**”) may from time to time issue notes (the “**Notes**”) and LBB may from time to time issue Pfandbrief instruments (the “**Pfandbrief Instruments**”) and together with Notes the “**Debt Instruments**”) each denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) referred to below. In relation to Notes issued by BGB Finance, the performance of BGB Finance’s obligations in respect of the Notes will be unconditionally, irrevocably, jointly and severally guaranteed under a guarantee (the “**Guarantee**”) issued by Bankgesellschaft Berlin AG (“**BGB**”) and LBB (each a “**Guarantor**” and together the “**Guarantors**”).

Debt Instruments issued under the Programme may be listed on the Luxembourg Stock Exchange during the period of twelve months from the date of this Offering Circular. The Debt Instruments may be listed on such other or further stock exchange(s) as may be agreed from time to time between the relevant Issuer and the relevant Dealer(s) or may be unlisted.

Arranger

Merrill Lynch International

Dealers

**Bankgesellschaft Berlin
Deutsche Bank
HSBC
JPMorgan
Morgan Stanley**

**Citigroup
Dresdner Kleinwort Wasserstein
HVB Corporates & Markets
Merrill Lynch International
UBS Investment Bank**

The Issuers and the Guarantors each accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuers and the Guarantors (which have taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuers and the Guarantors have confirmed to the Dealers (i) that this Offering Circular contains all information with respect to the Issuers, the Guarantors, BGB and its consolidated subsidiaries from time to time taken as a whole (BGB and such subsidiaries, the “**Group**”) and the Debt Instruments which is material in the context of the issue and offering of such Debt Instruments (including the information which, according to the particular nature of the Issuers, the Guarantors and any series or tranche of Debt Instruments, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and of the rights attaching to such Debt Instruments), (ii) that this Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) that the statements contained herein relating to the Issuers, the Guarantors and the Group are in every material particular true and accurate and not misleading, (iv) that the opinions and intentions expressed in this Offering Circular with regard to the Issuers, the Guarantors and the Group are honestly held, having been reached after considering all relevant circumstances, and are based on reasonable assumptions, (v) that there are no other facts in relation to the Issuers, the Guarantors or the Group or the Debt Instruments, the omission of which would, in the context of the issue and offering of the Debt Instruments, make any statement in this Offering Circular misleading in any material respect and (vi) all reasonable enquiries have been made by the Issuers and the Guarantors to ascertain such facts and verify the accuracy of all such information and statements.

In connection with an issue of Debt Instruments under this Programme, each Issuer and Guarantor will prepare a supplement to this Offering Circular or publish a new Offering Circular in case there shall occur any significant new fact which may impact the valuation of the Debt Instruments and which is not contained in this Offering Circular.

Any of the information contained in a Pricing Supplement (as defined below) or any other information relevant to the Issuers, the Guarantors (as applicable) or the relevant Debt Instruments or otherwise relevant in the context of an issue of Debt Instruments may be contained in an offering circular supplement which supplements this Offering Circular. This Offering Circular should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference and, in relation to any Debt Instrument should be read and construed together with the relevant Pricing Supplement(s).

The Dealers have not 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 of the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuers and the Guarantors in connection with the Programme, the Debt Instruments or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuers and the Guarantors under the Programme.

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

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

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuers and the Guarantors is correct at any time subsequent to the date hereof or that any other

information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers and the Guarantors during the life of the Programme. Investors should review, *inter alia*, the most recent published financial statements of the relevant Issuer and the Guarantors (as applicable) when deciding whether or not to purchase any Debt Instruments.

The distribution of this Offering Circular and any Pricing Supplement and the offer or sale of Debt Instruments may be restricted by law in certain jurisdictions. The Issuers, the Guarantors and the Dealers do not represent that this document may be lawfully distributed, or that any Debt Instruments 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, no action has been taken by the Issuers, the Guarantors or the Dealers (save for the application to list Debt Instruments issued under the Programme on the Luxembourg Stock Exchange) which would permit a public offering of any Debt Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Debt Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular 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 (to the best of their knowledge and belief) be made on the same terms. Persons into whose possession this Offering Circular or any Debt Instruments come must inform themselves about, and observe, any such restrictions. See “Subscription and Sale”.

This Offering Circular may only be communicated or caused to be communicated in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”) does not apply to the Issuers and the Guarantors.

Neither Issuer or Guarantor has authorised any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended, (the “Regulations”) of Debt Instruments having a maturity of one year or more. Such Debt Instruments may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations. See “Subscription and Sale”

The Debt Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The Debt Instruments are in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, the Debt Instruments may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)). See “Subscription and Sale”.

All references in the Information Memorandum to “dollars”, “U.S. dollars”, “USD”, “\$” or “U.S.\$” are to the currency of the United States of America and all references to “Euro”, “euro”, “EUR” and “€” refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

In connection with the issue of Debt Instruments under the Programme, the Dealer (if any) which is specified in the relevant Pricing Supplement as the stabilising manager (the “Stabilising Manager”) (or any person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Debt Instruments at a higher level than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising action may commence at any time after the first public announcement of the issue and, if begun, may be ended at any time, but it must end no later than the date falling 30 days after the date on which the Issuer receives the proceeds of the issue or, if it is earlier, the date falling 60 days after the date of the allotment of the Debt Instruments. Such stabilising action, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

	Page
Documents Incorporated by Reference	5
Summary of the Programme	6
Procedures for the Issuance of Debt Instruments	13
Terms and Conditions of the Notes	14
Pro Forma Pricing Supplement for the Notes	35
Guarantee	46
Terms and Conditions of the Pfandbrief Instruments	49
Pro Forma Pricing Supplement for the Pfandbrief Instruments	64
The German Pfandbrief market	75
Use of Proceeds	79
Introduction to the Bankgesellschaft Berlin Group	80
Bankgesellschaft Berlin AG	83
Landesbank Berlin – Girozentrale -	87
Berlin-Hannoversche Hypothekenbank AG	90
BGB Finance (Ireland) plc	91
Recent Developments of the Bankgesellschaft Berlin Group and Risks	93
Financial Statements	104
– Bankgesellschaft Berlin Group	104
– Bankgesellschaft Berlin AG	108
– Landesbank Berlin – Girozentrale –	112
– BGB Finance (Ireland) plc	115
Taxation	116
Subscription and Sale	120
General Information	123

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the publicly available audited annual financial statements and the interim financial statements (if any) of each Issuer and each Guarantor for the most recent financial period (including, where applicable, both consolidated and unconsolidated financial statements);
- (b) all supplements and amendments to this Offering Circular circulated by the Issuers and the Guarantors from time to time in accordance with the provisions of the Dealer Agreement described below; and
- (c) in relation to each Series or Tranche (each as defined below) of Debt Instruments which is listed on a stock exchange, the relevant Pricing Supplement,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuers and the Guarantors will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the written request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to BGB at its principal office set out at the end of this Offering Circular. In addition, such documents will be available, free of charge, from the principal office in Luxembourg of Kredietbank SA Luxembourgeoise in its capacity as listing agent (the “**Luxembourg Listing Agent**”) for the Debt Instruments listed on the Luxembourg Stock Exchange.

SUMMARY OF THE PROGRAMME

The following summary must be read in conjunction with and is qualified by all other parts of this Offering Circular and the pricing supplement prepared for a particular Tranche of Notes (the “**Pricing Supplement**”). Capitalised terms shall have the meaning specified under “Terms and Conditions of the Notes” or “Terms and Conditions of the Pfandbrief Instruments”.

- Issuers:** Landesbank Berlin – Girozentrale –
BGB Finance (Ireland) plc
LBB may issue Debt Instruments through its head office in Berlin or its London branch or any other branch nominated by it from time to time.
- Guarantors:** Bankgesellschaft Berlin AG
Landesbank Berlin – Girozentrale –
- Arranger:** Merrill Lynch International
- Dealers:** Bankgesellschaft Berlin AG
Bayerische Hypo- und Vereinsbank AG
Citigroup Global Markets Limited
Deutsche Bank Aktiengesellschaft
Dresdner Bank Aktiengesellschaft
HSBC Bank plc
J. P. Morgan Securities Ltd.
Merrill Lynch International
Morgan Stanley & Co. International Limited
UBS Limited
and any other dealer appointed in relation to the Programme or a particular Tranche of Debt Instruments.
- Fiscal Agent:** Citibank, N.A., London (in relation to Notes)
Landesbank Berlin – Girozentrale (in relation to Pfandbrief Instruments)
- Paying Agents:** Citigroup Global Markets Deutschland AG & Co. KGaA
Citibank, N.A., London
Kredietbank S.A. Luxembourgeoise
and any other paying agent appointed in relation to the Programme or a particular Tranche of Debt Instruments.
- Luxembourg Listing Agent:** Kredietbank S.A. Luxembourgeoise
- Agency Agreement:** The Debt Instruments are the subject of an amended and restated issue and paying agency agreement (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuers, BGB and LBB, Citibank, N.A., London office as agent (the “**Fiscal Agent**”, which expression includes any successor agent appointed from time to time in connection with the Debt Instruments) and the paying agents named therein (together with the Fiscal Agent the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Debt Instruments).
- Programme Amount:** Up to U.S.\$15,000,000,000 (or its equivalent in any other currency). The Issuers may increase the Programme Amount in accordance with the Dealer Agreement. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Debt Instruments issued under the Programme from time to time:

- (i) the principal amount of Debt Instruments denominated in a currency other than United States dollars shall be converted by BGB into U.S. dollars;
- (ii) any Debt Instruments which provide for an amount less than the principal amount thereof to be due and payable upon redemption following an event of default in respect of such Debt Instruments shall have a principal amount equal to their nominal amount;
- (iii) any zero coupon Debt Instruments (and any other Debt Instruments issued at a discount or premium) shall have a principal amount equal to their nominal amount; and
- (iv) the currency in which any Debt Instruments are payable, if different from the currency of their denomination, shall be disregarded.

Currencies:

Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuers and the relevant Dealer(s). Debt Instruments may be issued as dual currency Debt Instruments. Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of dual currency Debt Instruments will be made in such currency or currencies, and based on such rate or rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree, as indicated in the relevant Pricing Supplement.

Redenomination and Consolidation:

The relevant Issuer may redenominate Debt Instruments denominated in the currency of a member state of the EU which has not yet participated in European economic and monetary union into Euro, and may consolidate Debt Instruments denominated or redenominated in Euro, as set out in §5(5) of the Terms and Conditions of the Notes and the Terms and Conditions of the Pfandbrief Instruments.

Denominations:

Debt Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements applicable to the relevant currency as of the issue date of such Debt Instruments.

Legal and Regulatory Requirements:

Each issue of Debt Instruments 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 (see “Subscription and Sale”).

The relevant Issuer will ensure that Debt Instruments denominated or payable in Japanese Yen (“**Yen Debt Instruments**”) will only be issued in compliance with applicable Japanese laws, regulations, guidelines and policies. The relevant Issuer or its designated agent shall submit such reports or information as may be required from time to time by applicable laws, regulations, restrictions and guidelines promulgated by Japanese authorities in the case of Yen Debt Instruments. Each Dealer agrees to provide any necessary information relating to Yen Debt Instruments to the relevant Issuer (which shall not include the names of clients) so that the relevant Issuer may make any required reports to the competent authority of Japan for itself or through its designated agent.

Issuance in Series and Tranches:

Notes and Pfandbrief Instruments will be serially numbered and will be issued in series (each a “**Series**”). Each Series may comprise one or more tranches (“**Tranches**” and each a “**Tranche**”) issued on different dates. The Debt Instruments of each Series will be subject to identical terms, except for the issue date, interest commencement date, issue price and/or

the denomination (other than the minimum denominations thereof). The Debt Instruments of each Tranche will be subject to identical terms in all respects, save that a Tranche may comprise Debt Instruments of different denominations.

Form of the Debt Instruments:

The Debt Instruments will be issued in bearer form only. LBB may issue Pfandbrief Instruments as Mortgage Pfandbriefe (*Hypothekendarlehen*) or Public Sector Pfandbriefe (*Kommunalschuldverschreibungen* or *Öffentliche Pfandbriefe*) as specified in the applicable Terms and Conditions of the Pfandbrief Instruments.

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

Debt Instruments to which TEFRA C Rules applies will be represented permanently by a permanent global Note in bearer form, without interest coupons, in a principal amount equal to the aggregate principal amount of such Debt Instruments (a “**Permanent Global Note**”).

Debt Instruments to which the TEFRA D Rules apply will always be represented initially by a temporary global note in bearer form, without interest coupons (a “**Temporary Global Note**”, together with the Permanent Global Note a “**Global Note**”) which will be exchangeable for Notes represented by one or more Permanent Global Note(s) on or after the date 40 days after the later of the relevant issue date and the completion of distribution of all Debt Instruments of the relevant Tranche (the “**Exchange Date**”), upon certification as to non-US, beneficial ownership.

Debt Instruments to which neither the TEFRA C Rules nor the TEFRA D Rules apply, i. e. Debt Instruments with an initial maturity of one year or less, will always be represented by a Permanent Global Note.

Global Notes will not be exchanged for Definitive Notes. They will be deposited on or before the relevant date with a common depository on behalf of Clearstream Banking, société anonyme, Luxembourg (“**CBL**”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), Clearstream Banking AG (“**CBF**”) or any other relevant clearing system(s) on the relevant issue date.

Global Notes, the principal amount of which is repayable by instalments, will have endorsed thereon a grid for recording the repayment of principal.

Guarantee:

In relation to issues of Notes under the Programme by BGB Finance, the Guarantors have, pursuant to the Guarantee, agreed irrevocably, unconditionally, jointly and severally to guarantee the obligations of BGB Finance under the Notes issued by it.

Regulatory Capital:

Debt Instruments may be issued by LBB or BGB Finance for regulatory capital purposes, in which case they will include such terms (including subordination as described above) as necessary to qualify for such treatment.

Issue Price:

Debt Instruments may be issued at par or at a discount to or premium over par and on a fully paid or partly paid basis, as specified in the relevant Pricing Supplement.

Distribution:	Debt Instruments may be distributed by way of private or public placement and, in each case, on a syndicated or non-syndicated basis. Further Debt Instruments may be issued as part of an existing Series. The method of distribution of each Tranche will be stated in the relevant Pricing Supplement.
Maturities:	Notes and Pfandbrief Instruments may be issued with any maturity, or in the case of Notes, with no specified maturity dates provided, however, that Debt Instruments will only be issued in compliance with all applicable legal and/or regulatory and/or central bank requirements.
Interest Rate:	Debt Instruments may be issued on an interest or non-interest bearing basis. Debt Instruments may be issued, <i>inter alia</i> , on a fixed rate, floating rate, zero coupon, indexed basis or a combination thereof, all as specified in the relevant Pricing Supplement. Where Notes are issued on a subordinated basis, provision may be made for interest to be deferred in certain circumstances as specified in the relevant Pricing Supplement and Terms and Condition of the Notes.
Redemption:	<p>Debt Instruments may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement. The relevant Pricing Supplement will indicate either that the Debt Instruments of such Series 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 Debt Instruments will be redeemable at the option of the Issuer and/or the holders of Debt Instruments. The Pricing Supplement may provide that Debt Instruments may be repayable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p>
Early Redemption:	Early redemption of any Series of Notes will be permitted for taxation reasons as detailed in “Terms and Conditions of the Notes”. Otherwise, early redemption of any Series of Debt Instruments will be permitted (other than in specified instalments) only to the extent specified in the relevant Pricing Supplement provided that it shall not be permitted for subordinated Notes. Where such redemption is permitted by the relevant Pricing Supplement, the relevant Debt Instruments will be redeemable at the option of the relevant Issuer and/or the holder of any Debt Instruments giving not less than 15 nor more than 30 days (or such other period as may be specified in the relevant Pricing Supplement) irrevocable notice to the holders of any Debt Instruments or the relevant Issuer, as the case may be, on the date(s) specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the relevant Pricing Supplement. A holder of Debt Instruments may exercise such option by giving notice to the Fiscal Agent or to any Paying Agent, including the Luxembourg Paying Agent, for submission to the Fiscal Agent.
Fixed Interest Rate Debt Instruments:	Fixed interest will be payable on such date(s) and will be calculated at such rate(s) as agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement).
Floating Rate Debt Instruments:	Debt Instruments for which the interest rate is variable will bear interest on such basis as may be agreed between the relevant Issuer and the relevant

Dealer(s), as specified in the applicable Pricing Supplement. The Margin, if any, relating to such variable rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Debt Instruments and will be communicated to the Luxembourg Stock Exchange before the first day of the interest period. Interest periods for Floating Rate Debt Instruments will be one, two, three, six or twelve months or such other period(s) as may be agreed between the relevant Issuer and the relevant Dealer(s), as specified in the applicable Pricing Supplement.

Indexed Debt Instruments:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of indexed Debt Instruments will be calculated by reference to such index and/or formula as the relevant Issuer and the relevant Dealer(s) may agree as indicated in the relevant Pricing Supplement.

Maximum/Minimum Interest Rate

Floating Rate Debt Instruments and Indexed Debt Instruments may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Debt Instruments:

Zero coupon Debt Instruments will be offered and sold at a discount to their principal amount and will not bear interest other than in the case of late payment.

Credit Linked Notes:

Credit Linked Notes may be issued which are related to the value or the performance of one or more securities issued by one or more issuers or of one or more loan agreement(s) (any such security or loan agreement, a “**Reference Asset**”). Purchasers or potential purchasers should be aware that any particular Credit Linked Note, depending on its particular terms, may result in the Holder making a substantial loss on his original investment, including all or part of the principal or interest which would otherwise have been payable under the Notes, as a result of the link between the Notes and the Reference Asset. Purchasers or potential purchasers of Credit Linked Notes should therefore seek detailed professional advice and make their own assessment of the relevant Reference Asset and the risks involved.

Withholding Tax:

In relation to Notes and Pfandbrief Instruments issued by an Issuer, all payments in respect of Notes and Pfandbrief Instruments will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of incorporation of the relevant Issuer or the relevant Guarantor or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, in the case of Notes only, the relevant Issuer or the relevant Guarantor will, subject to customary exceptions (as described in §6 of the Terms and Conditions of the Notes), pay such additional amounts as will result in the holders of Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.

Pfandbrief Instruments will not provide for the obligation of LBB to pay such additional amounts in the event of taxes, duties, assessments or charges being withheld or deducted from payments of principal or interest as aforesaid.

Negative Pledge for issues of LBB:

None.

Negative Pledge for issues of BGB Finance:

As more fully described in §2(3) of the Terms and Condition of the Notes.

Events of Default in respect to Notes:	As more fully described in §7 of the Terms and Condition of the Notes.
Events of Default in respect to Pfandbrief Instruments:	None.
Cross Default:	None.
Listing:	Application has been made to list the Debt Instruments on the Luxembourg Stock Exchange. Each Series of Debt Instruments may be listed on the Luxembourg Stock Exchange or any alternative or additional stock exchange(s) or may be unlisted.
Status of the Notes:	Notes may be issued on an unsubordinated basis or on a subordinated basis. Where the Notes of the relevant Series are expressed to be unsubordinated in the relevant Pricing Supplement, the Notes will constitute direct, unconditional, unsubordinated and, in the case of BGB Finance, subject to the provisions of §2 of the Terms and Conditions of the Notes, unsecured obligations of the relevant Issuer which (a) rank <i>pari passu</i> amongst themselves, and (b) will at all times rank at least <i>pari passu</i> with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer, save for such obligations as may be preferred by mandatory provisions of law. Subordinated Notes may also be issued under the Programme. Accordingly, where the Notes of the relevant Series are expressed to be subordinated in the relevant Pricing Supplement, the Notes will constitute direct, unconditional, subordinated and unsecured obligations of the relevant Issuer which (a) rank <i>pari passu</i> amongst themselves, and (b) will at all times rank at least <i>pari passu</i> with all other present and future, direct, unconditional, subordinated and unsecured obligations of the relevant Issuer, save for such obligations as may be preferred by mandatory provisions of law.
Status of Pfandbrief Instruments:	Pfandbrief Instruments will constitute direct, unconditional and unsubordinated obligations of the LBB and will rank <i>pari passu</i> without any preference among themselves. Pfandbrief Instruments are covered by a pool of assets in accordance with the German Mortgage Bank Act on Pfandbriefe and Similar Debentures of Public Sector Institutions (<i>Gesetz über die Pfandbriefe und verwandten Schuldverschreibungen öffentlicher Kreditanstalten</i>) and rank at least <i>pari passu</i> with all other obligations of the LBB arising from Pfandbrief Instruments.
Status of the Guarantee:	Unsubordinated Notes issued by BGB Finance will be guaranteed on an unsubordinated basis. In respect of any such Notes, the Guarantee will constitute joint and several direct, unconditional, unsubordinated and unsecured obligations of the Guarantors which rank and will at all times rank at least <i>pari passu</i> with all other present and future, direct, unsubordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law. Subordinated Notes issued by BGB Finance will be guaranteed on a subordinated basis. In respect of any such Notes, the Guarantee will constitute joint and several direct, unconditional, subordinated and unsecured obligations of the Guarantors which rank and will at all times rank at least <i>pari passu</i> with all other present and future, direct, subordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.
Clearing Systems:	CBL, Euroclear and CBF and such other recognised clearing system as agreed and specified in the relevant Pricing Supplement.

Governing Law:

The Debt Instruments will be and the Guarantee is governed by German law.

Selling Restrictions:

For a description of certain restrictions on offers, sales, deliveries of Debt Instruments and the distribution of any offering material in respect thereof, see under “Subscription and Sale”. Further restrictions may be required in connection with any particular Issue of Debt Instruments. Any such further restrictions will be specified in the relevant Pricing Supplement.

PROCEDURES FOR THE ISSUANCE OF DEBT INSTRUMENTS

Debt Instruments issued under the Programme are issued in Series and each Series may comprise one or more Tranches. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) and the terms and conditions of the Notes (the “**Terms and Conditions of the Notes**”) or terms and conditions of the Pfandbrief Instruments (the “**Terms and Conditions of the Pfandbrief Instruments**”) together with the Terms and Conditions of the Notes the “**Terms and Conditions of the Debt Instruments**”) applicable to any particular Tranche of Notes (the “**Conditions**”) which are either the Terms and Conditions of the Debt Instruments as supplemented, amended and/or replaced by the relevant Pricing Supplement (the “**Non-consolidated Conditions**”) or the Terms and Conditions of the Debt Instruments which shall be produced by inserting all applicable terms set out in the Pricing Supplement and by deleting all provisions not applicable to this Tranche (the “**Consolidated Conditions**”).

The relevant Issuer and the relevant Dealer(s) will agree as to whether Non-consolidated Conditions or Consolidated Conditions are applicable to the relevant Tranche after having considered that:

- Non-consolidated Conditions will generally be used for Debt Instruments sold on a non-syndicated basis and which are sold to professional investors;
- Consolidated Conditions will generally be used for Notes sold and distributed on a syndicated basis;

and provided that Non-consolidated Conditions must not be applied to Series or Tranche of Debt Instruments where the Debt Instruments are to be publicly offered, in whole or in part, or are to be distributed, in whole or in part, to non-professional investors.

In the event of any inconsistency between the Consolidated Conditions and the relevant Pricing Supplement, the Consolidated Conditions shall prevail. In the event of any inconsistency between the Non-consolidated Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

Non-consolidated Conditions: If the Pricing Supplement specifies that Non-consolidated Conditions are to apply to the Debt Instruments, the provisions of the applicable Pricing Supplement and the Terms and Conditions of the Debt Instruments, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

- the blanks in the provisions of the Terms and Conditions of the Debt Instruments which are applicable to the Debt Instruments will be deemed to be completed by the information contained in the Pricing Supplement as if such information was inserted in the blanks of such provisions;
- the Terms and Conditions of the Debt Instruments will be supplemented, amended and/or replaced by the text of any provisions of the Pricing Supplement supplementing, amending and/or replacing, in whole or in part, the provisions of the Terms and Conditions of the Debt Instruments;
- alternative or optional provisions of the Terms and Conditions of the Debt Instruments as to which the corresponding provisions of the Pricing Supplement are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the Terms and Conditions of the Debt Instruments and any footnotes and explanatory text in the Pricing Supplement will be deemed to be deleted from the Conditions.

Where Non-consolidated Conditions apply, each global note representing the Debt Instruments of the relevant Series will have the Pricing Supplement and the Terms and Conditions of the Debt Instruments attached.

Consolidated Conditions: If the Pricing Supplement specifies that Consolidated Conditions are to apply to the Debt Instruments, the Conditions in respect of such Debt Instruments will be constituted according to the terms and information contained in the Pricing Supplement by completing all of the blanks in all applicable provisions, deleting all non-applicable provisions (including the instructions and explanatory notes set out in square brackets) and/or supplementing or modifying the Terms and Conditions of the Debt Instruments. The Consolidated Conditions alone will constitute the Conditions and will be attached to each global note representing Debt Instruments of the relevant Tranche.

TERMS AND CONDITIONS OF NOTES

Anleihebedingungen

Der deutsche Text dieser Anleihebedingungen ist allein bindend und maßgeblich. Die englische Übersetzung ist unverbindlich.

§1. Nennbetrag und Form

- (1) Die Emission durch die [*Anleiheschuldnerin*] (die "**Anleiheschuldnerin**") im Gesamtnennbetrag von [*Währung und Gesamtnennbetrag*] wird am [*Begebungstag*] (der "**Begebungstag**") begeben und ist aufgeteilt in [*Anzahl der Schuldverschreibungen*] (die "**Schuldverschreibungen**") im Nennbetrag von je [*Nennbetrag*] (der "**Nennbetrag**").
- (2) Die Schuldverschreibungen lauten auf den Inhaber.

Bei Verbriefung durch Dauerglobalurkunde:

- [(3) Die Schuldverschreibungen sind durch eine auf den Inhaber lautende Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft.
- (4) Die Dauerglobalurkunde trägt die Unterschrift eines ordnungsgemäß bevollmächtigten Vertreters der Anleiheschuldnerin und ist von einem ordnungsgemäß bevollmächtigten Vertreter der Emissionsstelle beglaubigt.]

Bei anfänglicher Verbriefung durch vorläufige Globalurkunde:

- [(3) Die Schuldverschreibungen werden zunächst durch eine an den Inhaber zahlbare vorläufige Globalurkunde ohne Zinsscheine (die "**vorläufige Globalurkunde**") verbrieft. Die vorläufige Globalurkunde kann 40 Tage nach dem Begebungstag oder danach und gemäß den in den Bedingungen der vorläufigen Globalurkunde enthaltenen Voraussetzungen ganz oder zum Teil (und auf Kosten der Anleiheschuldnerin) gegen eine auf den Inhaber lautenden Dauerglobalurkunde (die "**Dauerglobalurkunde**" und zusammen mit der vorläufigen Globalurkunde, die "**Globalurkunde**") ohne Zinsscheine gegen Vorlage der vorläufigen Globalurkunde bei der Geschäftsstelle der Emissionsstelle ausgetauscht werden. Ein solcher Austausch erfolgt nur gegen Vorlage einer schriftlichen Bescheinigung, dass der rechtliche oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine "United States Person" oder andere Person ist, die Schuldverschreibungen zum Weiterverkauf an United States Persons oder für diese gekauft hat.

Terms and Conditions of the Notes

The German text of the Terms and Conditions of the Notes is the exclusively legally binding one. The English translation is for convenience only.

§1. Denomination and Form

- (1) The issue of [*Issuer*] (the "**Issuer**") in the aggregate principal amount of [*Currency and Aggregate Nominal Amount*] is issued on [*Issued Date*] (the "**Issue Date**") and is divided into [*Number of Notes*] notes (the "**Notes**") in the principal amount of [*Specified Denominations*] each (the "**Principal Amount**").
- (2) The Notes are being issued in bearer form.

Representation by Permanent Global Note:

- [(3) The Notes are represented by a permanent global note payable to bearer (the "**Permanent Global Note**") without coupons.
- (4) The Permanent Global Note bears the signature of an authorised person from the Issuer and is authenticated by an officer commissioned by the Fiscal Agent.]

Initial representation by Temporary Global Note:

- [(3) The Notes are initially represented by a temporary global note payable to bearer (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note may, on or after the date which is 40 days after the issue date and subject to requirements set forth in the terms of such Temporary Global Note, be exchanged in whole or in part (and at the cost of the Issuer) for a permanent Global Note in bearer form without coupons attached (the "**Permanent Global Note**" and together with the Temporary Global Note the "*Global Note*") upon presentation of such Temporary Global Note at the offices of the Fiscal Agent. Such exchanges shall be made only upon delivery of written certification to the effect that the beneficial owner of the Notes is not a United States person or other person who has purchased Notes for resale to or on behalf of United States person.

- | | |
|--|--|
| <p>(4) Die Globalurkunden tragen die Unterschrift einer seitens der Anleihschuldnerin hierzu bevollmächtigten Person und die Kontrollunterschrift eines von der Emissionsstelle ernannten Bevollmächtigten.]</p> | <p>(4) The Global Notes bear the signature of an authorised person from the Issuer and are authenticated by an officer commissioned by the Principal Paying Fiscal Agent.]</p> |
| <p>(5) Die Globalurkunden werden [bei einer gemeinsamen Verwahrstelle für Clearstream Banking, société anonyme, Luxemburg (“CBL”), [und/oder] Euroclear Bank S.A./N.V. als Betreiber des Euroclear Systems (“Euroclear”),] [und/oder] [bei Clearstream Banking AG (“CBF”)] [und/oder] [bei [andere(s) relevante(s) Clearing-system(e) angeben]] (“Clearingsystem”) eingeliefert.]</p> | <p>(5) The Global Notes will be deposited [with a depositary common to Clearstream Banking, société anonyme, Luxembourg (“CBL”), [and/or] Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”)] [and/or] [with Clearstream Banking AG (“CBF”)] [and/or] [with [specify other relevant clearing system(s)]] (“Clearing System”).]</p> |
| <p>(6) Effektive Schuldverschreibungen und Zinsscheine werden nicht ausgegeben.</p> | <p>(6) Definitive Notes and interest coupons will not be issued.</p> |

§2 Status [, Garantie und Negativverpflichtung]

Nicht nachrangige Schuldverschreibungen

- [(1) Die Schuldverschreibungen begründen direkte, unbedingte, nicht nachrangige und [- vorbehaltlich der Bestimmungen in §2(2) -] unbesicherte Verbindlichkeiten der Anleihschuldnerin, die (i) untereinander gleichrangig sind und (ii) jederzeit mindestens gleichrangig sind im Verhältnis zu allen anderen gegenwärtigen und zukünftigen unmittelbaren, unbedingten, nicht nachrangigen und unbesicherten Verbindlichkeiten der Anleihschuldnerin, mit Ausnahme solcher Verbindlichkeiten, die kraft zwingender gesetzlicher Bestimmungen vorrangig sind (die “**nicht nachrangigen Schuldverschreibungen**”).]

Im Fall der BGB Finance

- [(2) Die Erfüllung der Zahlungsverpflichtungen der Anleihschuldnerin aus den Schuldverschreibungen sind von der BGB und der LBB in der Garantie garantiert worden. Die Garantie begründet gesamtschuldnerische, direkte, unbedingte, nicht nachrangige und unbesicherte Verbindlichkeiten der Garanten, die jederzeit zumindest gleichrangig sind im Verhältnis zu allen anderen gegenwärtigen und zukünftigen direkten, unbedingten, nicht nachrangigen und unbesicherten Verbindlichkeiten der Garanten, mit Ausnahme solcher Verbindlichkeiten, die kraft zwingender gesetzlicher Bestimmungen vorrangig sind.]

Nachrangige Schuldverschreibungen

- [(1) (a) Die Schuldverschreibungen begründen direkte, unbedingte, nachrangige und [- vorbehaltlich der Bestimmungen in §2 (2)(a) -] unbesicherte Verbindlichkeiten der jeweiligen Anleihschuldnerin, die (i) untereinander gleichrangig sind und

§2 Status [, Guarantee and Negative Pledge]

Unsubordinated (Senior) Notes

- [(1) The Notes constitute direct, unconditional, unsubordinated and, [subject to the provisions of §2(2),] unsecured obligations of the Issuer which (i) rank pari passu amongst themselves, and (ii) will at all times rank at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law (the “**Unsubordinated Notes**”).]

In case of BGB Finance

- [(2) The payment obligations of the Issuer under the Notes have been guaranteed by BGB and LBB under the Guarantee. The Guarantee constitute joint and several direct, unconditional, unsubordinated and unsecured obligations of the Guarantors which rank and will at all times rank at least *pari passu* with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.]

Subordinated Notes

- [(1) (a) The Notes will constitute direct, unconditional, subordinated and [- subject to the provisions of §2 (2)(a) -] unsecured obligations of the relevant Issuer which (i) rank pari passu amongst themselves, and (ii) will at all times rank at

(ii) jederzeit mindestens gleichrangig sind im Verhältnis zu allen anderen gegenwärtigen und zukünftigen unmittelbaren, unbedingten, nachrangigen und unbesicherten Verbindlichkeiten der jeweiligen Anleiheschuldnerin, mit Ausnahme solcher Verbindlichkeiten, die kraft zwingender gesetzlicher Bestimmungen vorrangig sind (die **“nachrangigen Schuldverschreibungen”**). Alle Ansprüche aus den nachrangigen Schuldverschreibungen gegen die jeweilige Anleiheschuldnerin sind im Falle einer Abwicklung, Liquidation, Vermögensverwaltung oder Insolvenz der jeweiligen Anleiheschuldnerin gegenüber Ansprüchen der Depositeninhaber und gegenüber Ansprüchen von allen anderen Gläubigern, soweit diese keine nachrangigen Gläubiger sind (wie unten definiert), nachrangig.

“Nachrangiger Gläubiger” ist eine Person, deren Ansprüche im Falle einer Abwicklung, Liquidation, Vermögensverwaltung oder Insolvenz der jeweiligen Anleiheschuldnerin nachrangig gegenüber den Ansprüchen eines besicherten Gläubigers und eines allgemeinen Gläubigers.

- (b) Ansprüche aus nachrangigen Schuldverschreibungen (**“nachrangige Ansprüche”**) unterliegen den Beschränkungen des Absatz (3).]

Im Fall der BGB Finance

- [(2) (a) Die Erfüllung der Zahlungsverpflichtungen der Anleiheschuldnerin aus den Schuldverschreibungen sind von der BGB und der LBB in der Garantie garantiert worden. Die Garantie begründet gesamtschuldnerische, direkte, unbedingte, nachrangige und unbesicherte Verbindlichkeiten der Garanten, die jederzeit zumindest gleichrangig sind im Verhältnis zu allen anderen gegenwärtigen und zukünftigen direkten, unbedingten, nachrangigen und unbesicherten Verbindlichkeiten der Garanten, mit Ausnahme solcher Verbindlichkeiten, die kraft zwingender gesetzlicher Bestimmungen vorrangig sind.
- (b) Ansprüche aus der Garantie (**“nachrangige Ansprüche”**) unterliegen den Beschränkungen des Absatz (3).]

[(2) Nachrangige Ansprüche sind (allein im Fall der
[3]) Liquidation, der Insolvenz, der Zahlungsunfähigkeit, des Vergleichs und anderer die Liquidation vermeidende Verfahren) nachrangig gegenüber

least pari passu with all other present and future direct, unconditional, subordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law (the **“Subordinated Notes”**). Claims against the relevant Issuer in respect of Subordinated Notes will, in the event of the winding-up, liquidation, receivership or Insolvency of the Issuer, be subordinated to the claims of cash depositors and all other creditors of the Issuer other than the claims of the Issuer’s Subordinated Creditors (as defined below).

“Subordinated Creditors” means persons whose claims are subordinated in the event of the winding-up, liquidation, receivership or bankruptcy to the claims of any secured creditors and general unsubordinated creditors of the Issuer.

- (b) Claims from Subordinated Notes (**“Subordinated Claims”**) are subject to the limitations set forth in subparagraph (3).]

In case of BGB Finance

- [(2) (a) The payment obligations of the Issuer under the Notes have been guaranteed by BGB and LBB under the Guarantee. The Guarantee will constitute joint and several, direct, unconditional, subordinated and unsecured obligations of the Guarantors which rank and will at all times rank at least pari passu with all other present and future direct, unconditional, subordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.
- (b) Claims under the Guarantee (**“Subordinated Claims”**) are subject to the limitations set forth in subparagraph (3).]

[(2) Subordinated Claims are (limited to the events of
[3]) liquidation, insolvency, bankruptcy, composition or other procedures to avoid bankruptcy) subordinated to all claims against the respective

allen anderen nicht-nachrangigen Ansprüchen gegen die jeweiligen Schuldner. Dabei werden die nachrangigen Ansprüche erst nach der Erfüllung aller nicht-nachrangigen Ansprüche gegen die jeweiligen Schuldner erfüllt. Eine Aufrechnung der nachrangigen Ansprüche mit Ansprüchen des jeweiligen Schuldners oder eine Besicherung der nachrangigen Ansprüche durch den Schuldner oder Dritte ist ausgeschlossen. Gemäß §10(5)a Kreditwesengesetz wird der hierin vereinbarte Nachrang nicht nachträglich begrenzt und die Laufzeit der Schuldverschreibungen und die Kündigungsfrist nicht verkürzt, außer im Fall der Rückzahlung aus steuerlichen Gründen gemäß §4(2). Außer im Fall einer gesetzlichen Ausnahme (Ersetzung des Nennbetrages der nachrangigen Schuldverschreibungen durch die Einzahlung anderen, zumindest gleichwertigen haftenden Eigenkapitals oder Zustimmung der Bundesanstalt für Finanzdienstleistungsaufsicht) ist das vorzeitig auf einen Garantieanspruch Geleistete ohne Rücksicht auf eine entgegenstehende Vereinbarung an den jeweiligen Schuldner zurückzugewähren.]

[*Schuldverschreibungen der BGB Finance:*]

Im Fall der BGB Finance

- [(3) Solange eine nicht-nachrangige Schuldverschreibung aussteht, wird die Anleiheschuldnerin keine Hypotheken, Grundschulden, Lasten, Pfandrechte oder sonstige Belastungen bezüglich der Gesamtheit oder eines Teils ihres gegenwärtigen oder zukünftigen Unternehmens oder ihrer gegenwärtigen oder zukünftigen Vermögenswerte oder Einnahmen (einschließlich nicht zur Zahlung eingefordertes Kapital) zur Besicherung irgendeiner maßgeblichen Verbindlichkeit begründen oder eine solche Belastung fortbestehen lassen, ohne zugleich oder zuvor in gleicher Weise und in demselben Verhältnis die Schuldverschreibungen zu sichern.
- [4) “**Maßgebliche Verbindlichkeit**” bedeutet jede Verbindlichkeit in Form von Schuldverschreibungen oder sonstigen Wertpapieren oder Urkunden, welche an einer Börse oder auf einem Wertpapiermarkt (einschließlich einem Freiverkehrmarkt) notiert oder gehandelt werden oder werden können; und jegliche Garantie oder Freistellungsverpflichtung bezüglich einer solchen Verbindlichkeit.]

debtor which are not also subordinated. In such an event performance on Subordinated Claims will only be made after all existing unsubordinated claims of creditors of the respective debtor have been satisfied. The right to set-off Subordinated Claims against claims of the respective debtor is excluded and no contractual security is or will be provided by the respective debtor or by a third party. In accordance with the requirements of Section 10 Paragraph 5a of the German Banking Act (*Kreditwesengesetz*), the subordination provided for in this paragraph cannot be limited subsequently and neither the term of the Notes nor the term of notice of a call can be shortened save for redemption for tax reasons as set out in §4(2). Additionally, an early performance of Subordinated Claims must be refunded to the relevant debtor notwithstanding any agreement to the contrary unless any of the statutory defined exceptions is applicable (replacement of the principal amount of the Subordinated Notes by other capital of at least equal status within the German Banking Act or approval by the Federal Financial Supervisory Authority).]

[*Notes issued by BGB Finance:*]

In case of BGB Finance

- [(3) So long as any Unsubordinated Note remains outstanding the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien or other encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without at the same time or prior thereto securing the Unsubordinated Notes equally and rateably therewith.]

“**Relevant Indebtedness**” means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market); and any guarantee or indemnity in respect of any such indebtedness.]

§3. Zinsen

Festzinsmodalitäten

- (1) Die Schuldverschreibungen sind mit [Festzins-satz]% pro Jahr (der “Zinssatz”) ab dem [Begebungstag] [anderer Tag des Zinsbeginns] bezogen auf den Nennbetrag (im Fall von teileingezahlten Schuldverschreibungen den eingezahlten Nennbetrag und im Fall von Ratenschuldverschreibungen auf den noch ausstehenden Nennbetrag) verzinslich, zahlbar jeweils nachträglich am [Tag und Monat eines jeden Zinszahlungstages] eines jeden Jahres (jeweils ein “Zinszahlungstag”).
- (2) Die Verzinsung jeder Schuldverschreibung gemäß Absatz (1) endet mit Ablauf des Tages, der dem Fälligkeitstag zur Rückzahlung vorausgeht.
- (3) Zinsen für einen Zeitraum von weniger als einem Jahr werden auf Grundlage des Zinstagequotienten (wie unten definiert) berechnet.]

Modalitäten bei variabler Verzinsung

- (1) Die Schuldverschreibungen sind bezogen auf ihren Nennbetrag (im Fall von teileingezahlten Schuldverschreibungen den eingezahlten Nennbetrag und im Fall von Ratenschuldverschreibungen auf den noch ausstehenden Nennbetrag) vom [Begebungstag] [anderer Tag des Zinsbeginns] (einschließlich) bis zum letzten Zinszahlungstag (wie nachstehend definiert) im [Monat, Jahr] (ausschließlich) zu einem Satz (“Zinssatz”) zu verzinsen, der gemäß nachfolgender Regelung bestimmt wird.
- (2) Zinsen werden jeweils nachträglich am [Tag und Monat eines jeden Zinszahlungstages] eines jeden Jahres;) (jeweils ein “Zinszahlungstag”) gezahlt. Ist ein Zinszahlungstag kein Geschäftstag (wie in §5(3) definiert) so gilt die nachfolgende Regelung (die “Geschäftstagekonvention”).

[Im Fall der “Following Business Day Convention”:

Der maßgebliche Zinszahlungstag ist der erste folgenden Geschäftstag.]

[Im Fall der “Modified Following Business Day Convention”:

Der maßgebliche Zinszahlungstag ist der nächstfolgende Geschäftstag, sofern dieser Tag nicht in den nächsten Monat fällt; in welchem Fall der maßgebliche Zinszahlungstag der letzte dem ursprünglichen Zinszahlungstag vorausgehende Geschäftstag ist.]

§3. Interest

Fixed Rate Note Provisions

- (1) The Notes bear interest from the [Issue Date] [Other Interest Commencement Date] at the rate of [Fixed Rate] per cent. per annum (the “Rate of Interest”) calculated with reference to the Principal Amount (or, in the case of Instalment Notes, on each instalment of principal or, in the case of Partly Paid Notes, on the paid-up nominal amount of such Notes), payable in arrear on [day and month of each interest payment date] in each year (each an “Interest Payment Date”).
- (2) Each Note will cease to bear interest according to subparagraph (1) upon the end of the day preceding the day upon which they become due for redemption.
- (3) If interest is required to be calculated for any period of less than a year, it will be calculated on the basis of the Day Count Fraction (as defined below).]

Floating Rate Note Provisions

- (1) The Notes shall bear interest on the principal amount (or, in the case of Instalment Notes, on each instalment of principal or, in the case of Partly Paid Notes, on the paid-up nominal amount of such Notes), at the rate (the “Rate of Interest”) determined in accordance with the provisions set forth below, from and including [Issue Date] [Other Interest Commencement Date] up to but excluding the final Interest Payment Date (as defined below) falling in [month, year].
- (2) Interest shall be payable in arrear on [day and month of each interest payment date] in each year (each an “Interest Payment Date”). If any Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined in §5(3)) the following provision (the “Business Day Convention”) applies.

[In case of the “Following Business Day Convention”:

The relevant Interest Payment Date is the first following Business Day.]

[In case of the “Modified Following Business Day Convention”:

The relevant Interest Payment Date is the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day.]

[Im Fall der “Preceding Business Day Convention”:

Der maßgebliche Zinszahlungstag ist der erste vorhergehende Geschäftstag.]

[Im Fall der “FRN Convention”:

Der maßgebliche Zinszahlungstag ist der numerisch dem Tag vor dem Zinszahlungstag im Monat entsprechende Tag, welcher auf die im jeweiligen Konditionenblatt genannte Anzahl von Monaten als festgelegte Zinsperiode nach dem Monat des vorhergehenden Zinszahlungstages folgt, wobei jedoch gilt:

- (i) falls kein derartiges entsprechendes Datum in dem Monat existiert, auf das der betreffende Tag fallen sollte, so ist der betreffende Tag der letzte Geschäftstag in diesem Monat;
- (ii) falls ein derartiger Tag ansonsten auf einen Tag fallen würde, der kein Geschäftstag ist, so ist der betreffende Tag der erste darauffolgende Geschäftstag, es sei denn, dieser Tag fällt in den nächsten Monat, wobei in diesem Fall der Tag der unmittelbar vorhergehende Geschäftstag ist; und
- (iii) falls ein derartiger Tag auf den letzten Geschäftstag eines Monats fällt, so werden alle nachfolgenden Zinszahlungstage auf den letzten Geschäftstag eines Monats fallen, der der angegebenen Anzahl von Monaten auf den Monat des vorhergehenden Tages folgt.]

“Zinsperiode” ist jeder Zeitraum vom Begebungstag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) sowie jeder Zeitraum von einem Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).] [im Fall von “unadjusted”: wobei die Geschäftstagenkonvention für die Bestimmung der Zinsperiode nicht anwendbar ist.]

- (3) Der Zinssatz für jede Zinsperiode wird von der [Name der Berechnungsstelle] (“**Berechnungsstelle**”) [durch Bestimmung vom Bildschirm] [andere Art der Zinsbestimmung] durch Bezugnahme auf [Referenzseite] oder eine Ersatzseite bei [Reuters Monitordienst, Moneyline Telerate oder einem anderen festgelegten Informationsanbieter] oder einem ihrer Nachfolger (“**Maßgebliche Bildschirmseite**”) wie folgt bestimmt:

- (i) die Berechnungsstelle wird den Einlagenangebotssatz (oder, sofern erforderlich,

[In case of the “Preceding Business Day Convention”:

The relevant Interest Payment Date is the first preceding Business Day.]

[In case of the “FRN Convention”:

The relevant Interest Payment Date is the date which numerically corresponds to the date preceding such Interest Payment Date in the month which is the number of months specified in the relevant Pricing Supplement as the specified interest period after the calendar month in which the preceding such Interest Payment Date occurred provided, however that:

- (i) if there is no such corresponding day in the month in which any such date should occur, then such date will be the last day which is a Business Day in that month;
- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day, unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iii) if the preceding such date occurred on the last day in a month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the month which is the specified number of months after the calendar month in which the preceding such date occurred.]

“Interest Period” means each period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date, and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date.] [in case of “unadjusted”: whereas the Business Day Convention shall not apply to the determination of the Interest Period.]

- (3) [Name of Calculation Agent] (“**Calculation Agent**”) will determine the Rate of Interest for each Interest Period by [screen rate determination] [specify other manner to determine interest] from [Reference Page], or any replacement page, on [the Reuters Screen, or Moneyline Telerate, or any other information vending service, specified], or any successor thereto, (the “**Relevant Screen Page**”) as follows:

- (i) the Calculation Agent will determine the rate at which deposits are offered (or, as

das arithmetische Mittel der Einlagenangebotsätze, gerundet (sofern erforderlich) auf die vierte Stelle, wobei ab 0,00005 aufzurunden ist) ermitteln, zu dem Einlagen in der betreffenden Währung mit einer der Zinsperiode entsprechenden Laufzeit angeboten werden, und zwar gemäß dem Satz (oder den Sätzen), welcher (welche) auf der Maßgeblichen Bildschirmseite um 11.00 Uhr vormittags [Londoner/Brüsseler] Zeit [[am [letzten] [zweiten] Geschäftstag vor Beginn der betreffenden Zinsperiode] [ersten Tag der betreffenden Zinsperiode] (der “**Zinsfeststellungstag**”) angezeigt werden.

- (ii) sofern an einem Zinsfeststellungstag ein solcher Einlagensatz nicht angezeigt wird, (oder sofern weniger als drei solche Sätze angezeigt werden) oder sofern die Maßgebliche Bildschirmseite nicht zur Verfügung steht, wird die Berechnungsstelle vier führende Kreditinstitute zur Nennung solcher Sätze auffordern, zu denen diese Einlagen in der betreffenden Währung im Inter-Banken-Markt im Maßgeblichen Finanzzentrum gemäß §5(3) für die Dauer der entsprechenden Zinsperiode und in einer für diesen Markt zu diesem Zeitpunkt üblichen Größenordnung für Einzeltransaktionen anbieten, und das arithmetische Mittel dieser Sätze ermitteln.
- (iii) Der Zinssatz für solche Schuldverschreibungen für die jeweilige Zinsperiode [entspricht] [liegt [Marge]% über/unter] dem gemäß (i) oder (ii) oben ermittelten Zinssatz.

[[Im Fall eines Mindestzinssatzes:] Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als [Mindestzinssatz einfügen], beträgt der Zinssatz für diese Zinsperiode [Mindestzinssatz einfügen].]

[Im Fall eines Höchstzinssatzes:] Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als [Höchstzinssatz einfügen], beträgt der Zinssatz für diese Zinsperiode [Höchstzinssatz einfügen].]

- (4) Die Berechnungsstelle errechnet umgehend nach Bestimmung des für die jeweilige Zinsperiode anzuwendenden Zinssatzes den für die jeweilige Zinsperiode auf den jeweiligen Nennbetrag jeder Stückelung entfallenden Zinsbetrag

the case may require, the arithmetic mean of the rates for deposits rounded (if necessary) to the fourth decimal place, with 0.00005 being rounded upwards) in the relevant currency for a period of the duration of the relevant Interest Period according to the rate (or rates) appearing on the Relevant Screen Page as at 11.00 a.m. [London/Brussels] time on the interest determination date (the “**Interest Determination Date**”) which is [[the last] [the second] Business Day before the first day of the relevant Interest Period] [the first day of the relevant Interest Period].

- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than three such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which deposits in the relevant currency are offered by four major banks in the interbank market of the Relevant Financial Centre (as defined in §5(3)) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.
- (iii) The Rate of Interest applicable to such Notes during each Interest Period will be the rate which is [equal to] [Margin] per cent. above/below] the rate determined in accordance with (i) or (ii) above.

[[In the case of a Minimum Interest Rate:] If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [Minimum Rate of Interest], the Rate of Interest for such Interest Period shall be [Minimum Rate of Interest].]

[[In the case of a Maximum Interest Rate:] If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [Maximum Rate of Interest], the Rate of Interest for such Interest Period shall be [Maximum Rate of Interest].]

- (4) The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the “**Interest Amount**”) payable in respect of the Principal

(“**Zinsbetrag**”). Der Zinsbetrag wird durch Multiplikation des auf die Zinsperiode anzuwendenden Zinssatzes mit dem jeweiligen Nennbetrag (im Fall von teileingezahlten Schuldverschreibungen dem eingezahlten Nennbetrag und im Fall von Ratenschuldverschreibungen dem noch ausstehenden Nennbetrag) ermittelt, wobei dieses Produkt mit dem Zinstagequotienten (wie unten definiert) multipliziert wird.

- (5) Die Berechnungsstelle wird jeden von ihr bestimmten oder errechneten Zinssatz, Zinszahlungstag, Zinsbetrag und jede weitere Information [den Garanten,] der Emissionsstelle und jeder Zahlstelle (von deren hierfür benannten Geschäftsstellen die entsprechenden Informationen erhältlich sind) sobald wie möglich nach der Bestimmung oder Berechnung, jedoch spätestens am vierten Tag danach, an dem Banken im Maßgeblichen Finanzzentrum gemäß §5(3) für Bankgeschäfte geöffnet sind, sowie jeder Börse, an der die betreffenden Schuldverschreibungen notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach der Bestimmung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode, bekannt geben.
- (6) Die Bestimmung oder Berechnung aller Zinssätze, Zinszahlungstage, Zinsbeträge und anderer Informationen, die gemäß §3 von der Berechnungsstelle vorzunehmen ist, ist für alle Beteiligten außer bei offensichtlichem Irrtum endgültig und bindend.
- (7) Die Verzinsung jeder Schuldverschreibung endet mit Ablauf des Tages, der dem Fälligkeitstag zur Rückzahlung vorausgeht.]

Null-Kupon Modalitäten

- [(1) Die Schuldverschreibungen werden am [*Valutatag*] (der “**Valutatag**”) zum Preis von [*Referenzpreis*] (der “**Referenzpreis**”) begeben. Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.]

[Bestimmungen für Indexierte Schuldverschreibungen, Credit Linked Schuldverschreibungen, Doppelwährungs-Schuldverschreibungen, teileingezahlte Schuldverschreibungen und in Raten rückzahlbare Schuldverschreibungen hier einfügen]

- “**Zinstagequotient**”, im Hinblick auf die Berechnung eines Betrages für einen bestimmten Zeitraum (der “**Berechnungszeitraum**”), bedeutet:

[[im Fall von “*Actual/Actual (ISMA)*”:]

Amount (or, in the case of Instalment Notes, to each instalment of principal or, in the case of Partly Paid Notes, to the paid-up nominal amount of such Notes) of each denomination of such Notes for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by the Day Count Fraction defined below.

- (5) The Calculation Agent will notify each Rate of Interest, Interest Payment Date, Interest Amount, or other item, as the case may be, determined or calculated by it to [the Guarantors,] the Fiscal Agent and any Paying Agent (from whose respective specified offices such information will be available), as soon practicable after such determination or calculation but in any event not later than the fourth day thereafter upon which banks are open for business in the Relevant Financial Centre pursuant to §5(3) and, if required by the rules of any stock exchange on which the Notes are listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period.
- (6) The determination or calculation by the Calculation Agent of all Rates of Interest, Interest Payment Dates, Interest Amounts and other items falling to be determined or calculated by it for the purposes of this §3 shall, in the absence of manifest error, be final and binding on all parties.
- (7) Each Note will cease to bear interest upon the end of the day preceding the day upon which it becomes due for redemption.]

Zero Coupon Provisions

- [(1) The Notes are issued on [*Issue Date*] (the “**Issue Date**”) at [*Reference Price*] (the “**Issue Price**”). There will be no periodic interest payments on the Notes.]

[Provisions for Index Linked Notes, Credit Linked Notes, Dual Currency Notes, Partly Paid Notes and Instalment Notes to be entered here]

- “**Day Count Fraction**”, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”) means:

[[in case of “*Actual/Actual (ISMA)*”:]

(a) wenn der Berechnungszeitraum gleich lang oder kürzer als die laufende Zinsperiode ist, die tatsächliche Anzahl der Tage im Berechnungszeitraum geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr; und

(b) wenn der Berechnungszeitraum länger als die laufende Zinsperiode ist, die Summe von:

(A) die tatsächliche Anzahl der Tage in diesem Berechnungszeitraum, welche in die Zinsperiode fallen, in der der Berechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr; und

(B) die tatsächliche Anzahl der Tage in diesem Berechnungszeitraum, welche in die folgende Zinsperiode fallen, geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr.]

[[im Fall von "30/360":]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360 (wobei die Anzahl dieser Tage auf Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen bestimmt wird (wobei ein Monat, in dem der Berechnungszeitraum endet, nicht als auf 30 Tage (i) verkürzt gilt, wenn der letzte Tag des Berechnungszeitraumes auf den 31. Tag des Monats fällt und der erste Tag des Berechnungszeitraumes auf einen anderen Tag als den 30. oder 31. Tag eines Monats fällt und (ii) verlängert gilt, wenn der letzte Tag des Berechnungszeitraumes auf den letzten Tag des Monats Februar fällt)).]

[[im Fall von "30E/360" oder "Eurobond Basis":]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360 (wobei der Monat Februar als nicht auf 30 Tage verlängert gilt, wenn der auf den Rückzahlungstag fallende letzte Tag des Berechnungszeitraumes der letzte Tag des Monats Februar ist).]

[[im Fall von "Actual/365" oder "Actual/Actual (ISDA)":]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 365 (oder, wenn ein Teil des Berechnungszeitraums in ein Schaltjahr fällt, die Summe von (A) der Anzahl der in das

(a) where the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year; and

(b) where the Calculation Period is longer than one Interest Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Interest Period in which it begins divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Interest Period divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year.]

[[in the case of "30/360":]

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

[[in the case of "30E/360" or "Eurobond Basis":]

the number of days in the Calculation Period divided by 360 (unless, in the case of the final Calculation Period, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[[in the case of "Actual/365" or "Actual/Actual (ISDA)":]

the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of

Schaltjahr fallenden Tage im Berechnungszeitraum geteilt durch 366 und (B) der Anzahl der nicht in das Schaltjahr fallenden Tage im Berechnungszeitraum geteilt durch 365).]

[[im Fall von "Actual/365 (Fixed)":]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 365.]

[[im Fall von "Actual/360":]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360.]

- (●) Wenn die Anleiheschuldnerin eine fällige Zahlung auf die Schuldverschreibungen aus irgend einem Grund nicht leistet, wird der ausstehende Betrag von dem Fälligkeitstag (einschließlich) bis zu dem Tag der vollständigen Zahlung an die Gläubiger (die "Gläubiger") (ausschließlich) mit dem gesetzlich bestimmten Verzugszins verzinst.

§4 Rückzahlung und Rückkauf

- (1) Sofern nicht zuvor gemäß Abs. 2 zurückgezahlt, werden die Schuldverschreibungen am [Rückzahlungstag] (der "Rückzahlungstag") zum jeweiligen Nennbetrag (im Fall von teileingezahlten Schuldverschreibungen zum eingezahlten Nennbetrag und im Fall von Ratenschuldverschreibungen zum noch ausstehenden Nennbetrag) (der "Rückzahlungsbetrag") gemäß §5 (Zahlungen) zurückgezahlt.
- (2) Die Schuldverschreibungen können nach Wahl der Anleiheschuldnerin (im Fall von Schuldverschreibungen, die keine variabel verzinslichen oder indexierten Schuldverschreibungen sind) jederzeit und (im Fall von variabel verzinslichen oder indexierten Schuldverschreibungen) an jedem Zinszahlungstag insgesamt, jedoch nicht teilweise, durch eine unwiderrufliche Mitteilung an die Gläubiger mit einer Frist von mindestens 30 und höchstens 60 Tagen zu ihrem vorzeitigen Rückzahlungsbetrag (wie unten definiert) zuzüglich etwaiger Zinsen, die bis zu dem für die Einlösung festgesetzten Tag aufgelaufen sind, zurückgezahlt werden, wenn (i) die Anleiheschuldnerin zur Zahlung von zusätzlichen Beträgen gemäß §6 (Steuern) verpflichtet ist oder sein wird [(oder die Garanten im Falle der Inanspruchnahme der Garantie dazu verpflichtet sind oder sein werden)] und (ii) diese Verpflichtung von der Anleiheschuldnerin [(oder von einer der Garanten)] durch ihnen zur Verfügung stehende zumutbare Maßnahmen [wenn die BGB Finance die Anleiheschuldnerin ist: (außer einer Ersetzung gemäß §12)] nicht

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

[[in the case of "Actual/365 (Fixed)":]

the actual number of days in the Calculation Period divided by 365.]

[[in the case of "Actual/360":]

the actual number of days in the Calculation Period divided by 360.]

- (●) If the Issuer for any reason fails to render any payment in respect of the Notes when due, interest shall continue to accrue at the default rate established by statutory law on the outstanding principal amount of the Notes from (and including) the due date to (but excluding) the day on which such payment is received by or on behalf of the holder of the Notes (the "Noteholder").

§4 Redemption and Purchase

- (1) Unless previously redeemed pursuant to paragraph (2) below, the Notes will be redeemed at their principal amount (or, in the case of Instalment Notes, at each instalment of principal or, in the case of Partly Paid Notes, at the paid-up nominal amount of such Notes) (the "Redemption Amount") on [Redemption Date] (the "Redemption Date"), subject as provided in §5 (Payments).
- (2) 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 or Indexed Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index-Linked Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at the Early Redemption Amount (as defined below) together with interest accrued, if any, to the date fixed for redemption, if (i) the Issuer [(or, if the Guarantee were to be called, the Guarantors)] has or will become obliged to pay Additional Amounts as defined in §6 (Taxation) and (ii) such obligation cannot be avoided by the Issuer [or any of the Guarantors, as the case may be], taking reasonable measures available to it [(other than substitution pursuant to §12) [Insert only if BGB Finance is the Issuer]]; provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer [or any of the Guarantors, as the case may be] would be obliged to pay such additional amounts if a payment in respect of the

vermieden werden kann; jedoch darf eine solche Rückzahlungserklärung nicht früher als 90 Tage vor dem ersten Tag abgegeben werden, an welchem die Anleiheschuldnerin [oder einer der Garanten] dazu verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung in bezug auf die Schuldverschreibungen dann fällig wäre. Die Veröffentlichung der Rückzahlungserklärung erfolgt, nachdem die Anleiheschuldnerin der Emissionsstelle eine von zwei Direktoren unterschriebene Erklärung übergeben hat, in der die Tatsachen, aus denen sich ergibt, dass die Voraussetzungen einer Berechtigung zur Rückzahlung vorliegen, aufgeführt sind.

Kündigungsrecht der Anleiheschuldnerin

- [(3) Die Anleiheschuldnerin, der im Pricing Supplement ein Sonderkündigungsrecht eingeräumt ist, kann, nach
- (a) der Abgabe einer Mitteilung gemäß §11 (Mitteilungen) gegenüber den Gläubigern in einer Frist von mindestens 10 und höchstens 30 Tagen; und
 - (b) der Abgabe einer Mitteilung an die Emissionsstelle mindestens 10 Tage vor Abgabe der in (a) bezeichneten Mitteilung;

an jedem vorzeitigen Rückzahlungstag die noch ausstehenden Schuldverschreibungen zu ihrem Wahlrückzahlungsbetrag (wie unten definiert) zuzüglich etwaiger bis zu diesem vorzeitigen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen insgesamt oder teilweise zurückzahlen. Im Fall einer teilweisen Rückzahlung werden die zurückzuzahlenden Schuldverschreibungen gemäß den Regeln des Clearing Systems ausgewählt. Im Falle von nachrangigen Schuldverschreibungen erfolgt die wahlweise Rückzahlungen durch die jeweilige Anleiheschuldnerin gemäß den Beschränkungen des obigen §2 (Status[, Garantie und Negativverpflichtung].)

Gläubigerkündigungsrecht

- [(3)/ (4) Wenn im Pricing Supplement ein Sonderkündigungsrecht der Gläubiger bestimmt ist, werden die Schuldverschreibungen gemäß den Bestimmungen des jeweiligen Pricing Supplements nach dem Ablauf einer Frist von mindestens 15 Tagen und höchstens 30 Tagen oder einer sonst im Pricing Supplement bestimmten Frist nach der Erklärung der Kündigung durch einen Gläubiger insgesamt, jedoch nicht teilweise, am vorzeitigen Rückzahlungstag und zum vorzeitigen Rückzahlungsbetrag (wie unten definiert) zusammen mit etwaig bis zum vorzeitigen

Notes were then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent 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.

Issuer Call Option

- [(3) If the Issuer is specified in the relevant Pricing Supplement as having an option to redeem, the Issuer shall, having given:
- (a) not less than 10 nor more than 30 days' notice to the Noteholders of the relevant Series in accordance with §11 (Notices); and
 - (b) not less than 10 days before the giving of the notice referred to in (a), notice to the Fiscal Agent;

redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount (as defined below) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the case of a partial redemption of Notes, such Notes will be selected in accordance with the rules of the Clearing System. In the case of Subordinated Notes, however, the redemption at the option of the relevant Issuer is subject to the limitations set out in §2 (Status [, Guarantee and Negative Pledge]) above.]

Investor Put Option

- [(3)/ (4) If the Noteholders are specified in the relevant Pricing Supplement as having an option to redeem, upon the Holder of any Note giving to the Issuer not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the relevant Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Early Redemption Amount (as defined below) if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückgezahlt.

Zur Ausübung des Sonderkündigungsrechtes muss der jeweilige Gläubiger innerhalb der obigen Kündigungsfrist gegenüber der Emissionsstelle eine Erklärung, in der die zurückzuzahlende Serie von Schuldverschreibungen und der vorzeitige Rückzahlungstag angegeben sind (die "**Ausübungserklärung**"), abgeben.

Jede hiernach abgegebene Ausübungserklärung ist unwiderruflich, außer wenn vor dem vorzeitigen Rückzahlungstag ein Kündigungsgrund eintritt, in welchem Fall der jeweilige Gläubiger die Ausübungserklärung gegenüber der Emissionsstelle widerrufen und statt dessen die jeweiligen Schuldverschreibungen als gemäß §7 (Kündigungsgründe) rückzahlbar bestimmen kann.]

- [(5) Für diesen §4 und für §7 (Kündigungsgründe) entspricht, sofern im Pricing Supplement nichts Abweichendes bestimmt ist, der vorzeitige Rückzahlungsbetrag [und der Wahlrückzahlungsbetrag]

[Verzinsliche Schuldverschreibungen:]

dem Rückzahlungsbetrag[.] [und der Wahlrückzahlungsbetrag] *[Wahlrückzahlungsbetrag einfügen]*

[Mindestrückzahlungsbetrag / erhöhten Rückzahlungsbetrag einfügen.]

[Null-Kupon Schuldverschreibungen]

dem Amortisationsbetrag (der "**Amortisationsbetrag**") welcher der Summe aus (A) und (B) entspricht:

- (A) der Referenzpreis
- (B) das Produkt aus der im Pricing Supplement bestimmten und jährlich kapitalisierten Emissionsrendite und dem Emissionspreis ab dem Begebungstag (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder dem Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig werden.

Falls eine solche Berechnung für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt sie auf der Grundlage des Zinstagequotienten gemäß §3 (Zinsen).]

To exercise the right to require redemption of this Note the Noteholder must, within the notice period specified above, give notice to the Fiscal Agent specifying the Series of Notes subject to redemption and the Optional Redemption Date (the "**Put Notice**").

Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable except where prior to the Optional Redemption Date an Event of Default shall have occurred in which event such Noteholder, at its option, may elect by notice to the Fiscal Agent to withdraw the Put Option and instead to declare such Note forthwith due and payable pursuant to §7 (Events of Default).]

- [(5) For the purpose of §4 above and §7 (Events of Default) and if nothing different is specified in the relevant Pricing Supplement, the Early Redemption Amount [and the Optional Redemption Amount] equals

[In Case of interest bearing Notes:]

the Redemption Amount[.] [and the Optional Redemption Amount] equals *[specify optional redemption amount]*

[specify Minimum Redemption Amount / Higher Redemption Amount.]

[Zero Coupon Notes]

an amount (the "**Amortised Face Amount**") equal to the sum of:

- (A) the Reference Price (as specified in the relevant Pricing Supplement); and
- (B) the product of the Accrual Yield (as specified in the relevant Pricing Supplement) (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of the Day Count Fraction defined in §3 (Interest).]

[Bestimmungen für Indexierte Schuldverschreibungen, Credit Linked Schuldverschreibungen Doppelwährungs-Schuldverschreibungen, teileingezahlte Schuldverschreibungen und in Raten rückzahlbare Schuldverschreibungen hier einfügen]

- (●) Die Anleiheschuldnerin [und die Garanten] und jede ihrer [jeweiligen] Tochtergesellschaften können jederzeit Schuldverschreibungen auf dem freien Markt oder in sonstiger Weise kaufen.

§5 Zahlungen

- (1) [(a)] Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und Einreichung der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten von Amerika.

[Verzinsliche Schuldverschreibungen:]

[(b)] Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten von Amerika.

[Im Falle von Zinszahlungen auf eine vorläufige Globalurkunde einfügen:] Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß §1(3).]

- (2) Alle Zahlungen unterliegen unbeschadet der Bestimmungen in §6 (Steuern) in jedem Fall allen anwendbaren Steuer- und sonstigen Gesetzen und Bestimmungen.
- (3) Ist der Fälligkeitstag für eine Zahlung kein Geschäftstag (wie unten definiert), hat der Inhaber einen Anspruch auf Zahlung des fälligen Betrages erst am nächsten Geschäftstag (wie unten definiert) und keinen Anspruch auf weitere Zinsen oder sonstige Zahlungen in bezug auf diese Verzögerung.

[specify Provisions for Index-Linked Notes, Credit Linked Notes, Dual Currency Notes, Partly Paid Notes and Instalment Notes]

- (●) The Issuer [and the Guarantors] and any of [its] [their] [respective] subsidiaries may at any time purchase Notes, in the open market or otherwise.

§5 Payments

- (1) [(a)] Payment of principal in respect of Notes shall be made, subject to §5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note at the specified office of any Paying Agent outside the United States of America.

[In case of interest bearing notes:]

[(b)] Payment of interest on Notes shall be made, subject to §5(2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation of the Global Note at the specified office of any Paying Agent outside the United States of America.

[In the case of interest payable on a Temporary Global Note insert:] Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to §5(2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in §1(3).]

- (2) All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of §6 (Taxation).
- (3) If the due date for any payment is not a Business Day (as defined below), the holder shall not be entitled to payment of the amount due until the next following Business Day (as defined below) and shall not be entitled to any further interest or other payment in respect of any such delay.

“**Geschäftstag**” ist ein Tag (außer einem Samstag oder Sonntag), an dem (a) die Banken in [Frankfurt am Main] und [anderes Finanzzentrum einfügen] (das “**Maßgebliche Finanzzentrum**”) für Geschäfte (einschließlich Devisenhandelsgeschäfte und Fremdwährungseinlagengeschäfte) geöffnet sind, [und] (b) das Clearing System betriebsbereit ist [.] [und] (c) alle für die Abwicklung von Zahlungen in Euro wesentlichen Teile des *Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) Systems* (“**TARGET**”) in Betrieb sind].

- (4) Die Anleiheschuldnerin kann bei dem Amtsgericht Berlin-Charlottenburg Kapital- oder Zinsbeträge [nur anwendbar bei Credit Linked Notes: oder Wertpapiere] hinterlegen, soweit diese von Gläubigern nicht innerhalb von zwölf Monaten nach dem jeweiligen Fälligkeitstag geltend gemacht werden, auch wenn die jeweiligen Gläubiger sich nicht in Annahmeverzug befinden sollten. Die Hinterlegung kann mit oder ohne Verzicht auf das Recht zur Rücknahme des hinterlegten Betrages erfolgen. Falls und soweit die Hinterlegung erfolgt und auf das Recht zur Rücknahme verzichtet wird, erlöschen alle Forderungen der betreffenden Gläubiger gegen die Anleiheschuldnerin.

[Wenn das Land der Währung den Euro einführen könnte]

- [(5) *Redenominierung*: Die Anleiheschuldnerin kann sich ohne Zustimmung der Gläubiger durch Mitteilung an die Gläubiger gemäß §11 (Mitteilungen) in einer Frist von mindestens 30 Tagen dafür entscheiden, dass jede Schuldverschreibung mit Wirkung ab dem in der Mitteilung angegebenen Zinszahlungstag, der auf den Tag des Beitritts des jeweiligen Staates, in dessen Währung die Schuldverschreibungen denominiert sind, zur dritten Stufe der Wirtschafts- und Währungsunion fällt oder in die Zeit danach (der “**Redenominierungstag**”) als in den Euro-Betrag redenominiert gilt, der ihrem Nennbetrag in ihrer ursprünglichen Währung entsprechend dem festgelegten Umrechnungskurs (in Übereinstimmung mit Vorschriften der Europäischen Union bezüglich Rundungen) für diese Währung in Euro entspricht. Dieser Betrag wird auf das nächste ganzzahlige Vielfache eines Cent gerundet (wobei bei 0,005 Euro aufgerundet wird). Falls jedoch die internationalen Clearingsysteme, bei denen die Schuldverschreibungen zu diesem Zeitpunkt abgerechnet und abgewickelt werden, keine redenominierten Euromarkt-Schuldtitel mit einem Nennbetrag von einem Cent zur Abrechnung und Abwicklung akzeptieren, werden die Schuldverschreibungen durch in Euro

“**Business Day**” means a day on which (other than Saturday and Sunday) (a) banks are open for business (including dealings in foreign exchange and foreign currency deposits) in [Frankfurt am Main] and [enter all other relevant business centres] (the “**Relevant Financial Centres**”), [and] (b) the Clearing System is operative[.] [and] (c) all relevant parts of the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (“**TARGET**”) are operating to effect payments in Euro].

- (4) The Issuer may deposit with the County Court (*Amtsgericht*) in Berlin-Charlottenburg principal or interest [only applicable in the case of Credit Linked Notes: or securities] not claimed by Noteholders within twelve months after the respective due date therefore, even though the relevant Noteholders may not be in default of acceptance, with or without waiver of the right to withdraw such deposit. If, and to the extent that, the deposit is made and the right to withdraw is waived, all claims of the relevant Noteholders against the Issuer shall cease.

[In case the country of the specified currency may join the Eurozone]

- [(5) *Redenomination*: The Issuer may, without the consent of the Noteholders, on giving at least 30 days’ prior notice to the Noteholders in accordance with §11 (Notices), elect that, with effect from any Interest Payment Date under the Notes as may be specified in that notice (the “**Redenomination Date**”) falling on or after the date on which the relevant EU Member State in whose currency the Notes are denominated participates in the third stage of economic and monetary union pursuant to the Treaty establishing the European Community each Note shall be deemed to be denominated in such amount of Euro as is equivalent to its denomination in its original currency of denomination, converted into Euro at the rate for the conversion of such currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into Euro established by the European Union. Such amount shall be rounded to the nearest integral multiple of one cent (with 0.005 Euros being rounded upwards). If, however, the international clearing systems in which the Notes are then cleared and settled do not then accept for clearance and settlement redenominated euromarket debt obligations with

denominierte Schuldverschreibungen mit einem Nennbetrag von einem Euro ersetzt. Sämtliche dadurch entstehende Bruchteile eines Euro werden dem jeweiligen Gläubiger am Redenominierungstag zusätzlich zu den Zinsen gezahlt. An und nach dem Redenominierungstag werden sämtliche Zahlungen ausschließlich in Euro geleistet, einschließlich Zinszahlungen im Hinblick auf Zeiträume vor dem Redenominierungstag.

Zusätzlich kann sich die Anleiheschuldnerin ohne Zustimmung der Gläubiger durch Mitteilung an die Gläubiger gemäß §11 (Mitteilungen) unter Einhaltung einer Frist von mindestens 30 Tagen mit Wirkung ab dem in der Mitteilung angegebenen Redenominierungstag oder ab einem solchen späteren Zinszahlungstag dafür entscheiden, dass der Nennbetrag der Schuldverschreibungen 0,01 Euro (ein Cent), 1 Euro, 10.000 Euro, 100.000 Euro und 1.000.000 Euro beträgt.

Die Redenominierung und der Austausch von Schuldverschreibungen erfolgt gemäß sämtlichen Übereinkünften, die auf Euro-denominierte Schuldtitel gemäß den Erfordernissen von Währungs-, Börsen- oder sonstigen Behörden, anwendbaren Europäischen Gemeinschafts- und nationalen Gesetzen und Vorschriften sowie der damit übereinstimmenden Marktpraxis nach eigenem Ermessen von der Emissionsstelle als auf die Redenominierung und den Austausch von in internationalen Clearing Systemen verwahrten Euro-Anleihen anwendbar bestimmt worden sind (die **“anwendbaren Vorschriften”**). Diese Anleihebedingungen und insbesondere Bezugnahmen auf Geschäftstage, Zinstagequotienten oder sonstige Übereinkünfte (zur Berechnung von Zinsen, zur Bestimmung von Zahlungstagen oder anderweitig) gelten, im Falle einer Unterscheidung von den anwendbaren Vorschriften, mit Wirkung ab dem Redenominierungstag als derart geändert, dass sie den anwendbaren Vorschriften entsprechen, vorausgesetzt, dass eine solche Änderung nicht zur Zahlung höherer Beträge durch die Anleiheschuldnerin, als dies sonst der Fall gewesen wäre, führt und die Anleiheschuldnerin darin nicht einwilligt.]

Jede Änderung dieser Anleihebedingungen als Folge einer Redenominierung oder eines Austausches wird den Gläubigern gemäß §11 (Mitteilungen) mitgeteilt.

§6 Steuern

Alle Zahlungen in bezug auf die Schuldverschreibungen erfolgen frei und ohne Einbehalt oder Abzug von oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren (gemeinsam die

a denomination of one cent, the Notes will be replaced by Notes denominated in Euros with the denomination of one Euro. Any fraction of one Euro arising therefrom shall be paid to the Noteholder on the Redenomination Date in addition to the payment of interest. On and after the Redenomination Date all payments in respect of the Notes will be made solely in Euro, including payments of interest in respect of periods before the Redenomination Date.

In addition, the Issuer may, without the consent of the holders of the Notes, on giving not less than 30 days' prior notice to the Noteholders in accordance with §11 (Notices), elect that with effect from the Redenomination Date or such later Interest Payment Date under the Notes as it may specify in that notice the denomination of the Notes shall be Euro 0.01 (one cent), Euro 1, Euro 10,000, Euro 100,000 and Euro 1,000,000.

Any such redenomination and exchange of Notes shall be subject to compliance with the any conventions applicable to Euro-denominated obligations pursuant to applicable requirements of relevant monetary, stock exchange or other authorities, applicable European Union and national laws and regulations and such market practices consistent therewith as the Fiscal Agent, at its discretion, shall determine to be applicable for the redenomination and exchange of Eurobonds held in international clearing systems (the **“Applicable Regulations”**). These terms and conditions and in particular references to any business day, day-count fraction or other convention (whether for the calculation of interest, determination of payment dates or otherwise) shall, if different from the Applicable Regulations, with effect from the Redenomination Date, be deemed to be amended to comply with the Applicable Regulations, provided that, unless otherwise agreed by the Issuer, such amendment will not result in payments of greater amounts being made by the Issuer than would otherwise have been the case.]

Upon any change to these terms and conditions pursuant to a redenomination or exchange, notice thereof will be given to the Noteholders in accordance with §11 (Notices).

§6 Taxation

All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges (together, the **“Taxes”**) of whatever

“**Steuern**”) jeglicher Art, die von [der Republik Irland,] der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, welcher die Anleiheschuldnerin unterliegt, oder einer ihrer oder in dieser Jurisdiktion befindlichen Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, außer soweit ein solcher Einbehalt oder Abzug jeweils gesetzlich vorgeschrieben ist. In diesem Fall zahlt die Anleiheschuldnerin die zusätzlichen Beträge (die “**zusätzlichen Beträge**”), die dazu führen, dass die Gläubiger die Beträge erhalten, die sie erhalten hätten, wenn kein solcher Abzug oder Einbehalt vorgeschrieben wäre, wobei jedoch unter den folgenden Voraussetzungen keine solchen zusätzlichen Beträge in bezug auf eine Schuldverschreibung gezahlt werden:

- (a) an einen Gläubiger oder einen für ihn handelnden Dritten, wenn der Gläubiger für diese Steuern in bezug auf diese Schuldverschreibung steuerpflichtig ist, weil irgendeine über die bloße Inhaberschaft der Schuldverschreibung hinausgehende Verbindung mit der [Republik Irland, der] Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, welcher die Anleiheschuldnerin unterliegt, besteht; oder
- (b) an einen Gläubiger oder einen für ihn handelnden Dritten, soweit keine solche Steuer einzubehalten oder abzuziehen gewesen wäre, wenn die Schuldverschreibungen zur Zeit der Zahlung in einem Wertpapierdepot bei einer Bank außerhalb der Bundesrepublik Deutschland gehalten worden wären; oder
- (c) ein solcher Abzug oder Einbehalt erfolgt hinsichtlich einer Auszahlung an eine natürliche Person auf Grund der Richtlinie 2003/48/EG des Rates der Europäischen Union vom 3. Juni 2003 bezüglich der Besteuerung von Zinserträgen oder jedes anderen Gesetzes, das die Umsetzung dieser Richtlinie bezweckt oder erlassen wurde, um den Anforderungen dieser Richtlinie zu genügen.

§7 Kündigungsgünde

Im Falle des Eintritts einer der folgenden Umstände:

- (a) **Nichtzahlung:** Die Anleiheschuldnerin zahlt Kapital oder Zinsen aus den Schuldverschreibungen nicht vollständig bei Fälligkeit und der Verzug dauert über einen Zeitraum von 15 Tagen an, oder
- (b) **Verletzung anderer Verpflichtungen:** Die Anleiheschuldnerin [oder einer der Garanten] erfüllt oder beachtet eine andere Verpflichtung aus oder im Zusammenhang mit den

nature imposed, levied, collected, withheld or assessed by or on behalf of [the Republic of Ireland,] the Federal Republic of Germany or any other jurisdiction to which the Issuer is subject or any authority therein or thereof having power to tax unless in each case such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as will result in receipt by the holder of Notes of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

- (a) to, or to a third party on behalf of, a holder where such Noteholder is liable to such Taxes in respect of such Note by reason of it having some connection with [the Republic of Ireland,] the Federal Republic of Germany or any other jurisdiction to which the Issuer is subject other than the mere holding of such Note; or
- (b) to, or to a third party on behalf of, a Noteholder where no such Taxes would have been required to be withheld or deducted if the Notes were credited at the time of payment to a securities deposit account with a bank outside the Federal Republic of Germany; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the Directive 2003/48/EC of the European Council dated 3 June 2003 on the taxation of savings income in the form of interest payments or any law implementing or complying with, or introduced in order to conform to, such Directive.

§7 Events of Default

If any of the following events occurs:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and the default continues for a period of 15 days, or
- (b) **Breach of other obligations:** the Issuer or any of the Guarantors default in the performance or observance of any of their other obligations under or in respect of the Notes [or the

Schuldverschreibungen [bzw. der Garantie] nicht und diese Verletzung wird nicht innerhalb von 30 Tagen nach schriftlicher Mahnung an die Anleiheschuldnerin [und die betreffende(n) Garantin (Garanten)] durch den Inhaber einer Schuldverschreibung, welche der Anleiheschuldnerin [und der (den) betreffende(n) Garantin (Garanten)] oder der Emissionsstelle in ihrer angegebenen Geschäftsstelle zugestellt wurde, geheilt, oder

- (c) **Abwicklung usw.:** Es ergeht eine Anordnung oder es wird ein wirksamer Beschluss gefasst zur Abwicklung, Liquidation oder Auflösung der Anleiheschuldnerin [bzw. einer der Garanten] (außer für die Zwecke eines Zusammenschlusses, einer Verschmelzung oder einer sonstigen Form der Vereinigung mit einer anderen juristischen Person, soweit die fortbestehende Person oder die infolge des Zusammenschlusses, der Verschmelzung oder der Vereinigung entstehende Person die Verpflichtungen der Anleiheschuldnerin aus den Schuldverschreibungen [bzw. der jeweiligen Garantin (Garanten) aus der Garantie übernimmt]); oder
- (d) **Insolvenz usw.:** Konkurs- oder Insolvenzverfahren werden durch ein Gericht gegen die Anleiheschuldnerin [bzw. einen Garanten] eröffnet, und nicht innerhalb von 60 Tagen nach dessen Eröffnung aufgehoben oder ausgesetzt, oder die Anleiheschuldnerin [bzw. ein Garant] beantragt ein solches Verfahren oder stellt seine Zahlungen vorübergehend ein oder bietet ein generelles Verfahren zugunsten aller Gläubiger an oder führt ein solches Verfahren durch; [oder]
- [(e) **Garantie nicht in Kraft usw.:** die Garantie ist nicht uneingeschränkt wirksam und in Kraft (oder dies wird von einer Garantin oder mehreren Garanten behauptet);]

kann jede Schuldverschreibung durch schriftliche Erklärung des jeweiligen Inhabers an die angegebene Anschrift der Emissionsstelle für sofort fällig und zahlbar erklärt werden, woraufhin sie zum Nennbetrag zusammen mit aufgelaufenen Zinsen ohne weitere Maßnahmen oder Formalitäten sofort fällig und zahlbar wird. Den Gläubigern ist unverzüglich Mitteilung über jede solche Erklärung zu machen.

§8 Vorlegungsfrist

Die Frist zur Vorlage von Schuldverschreibungen gemäß §801 Abs. 1 Satz 1 BGB beträgt 10 Jahre ab Fälligkeit der Schuldverschreibungen.

§9 Die Emissionsstelle und die Zahlstellen[und die Berechnungsstelle]

- (1) Hauptzahlstelle und Emissionsstelle (die “**Emissionsstelle**”) ist:

Guarantee] and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the relevant Guarantor(s) by the holder of any of the Notes, has been delivered to the Issuer [and such Guarantor(s)] or to the specified office of the Fiscal Agent, or

- (c) **Winding up, etc.:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer [or any of the Guarantors] (other than for the purposes of a merger, consolidation or other form of combination with another legal entity where the continuing entity or the entity formed as a result of such merger, consolidation or combination is assuming the obligations of the Issuer under the Notes [or of the relevant Guarantor(s) under the Guarantee]), or
- (d) **Bankruptcy, etc.:** bankruptcy or insolvency proceedings are commenced by court against the Issuer [or any Guarantor] which shall not have been dismissed or stayed within 60 days after the commencement thereof, or the Issuer [or any Guarantor] institutes such proceedings or suspends payments, or offers or makes a general arrangement for the benefit of all its creditors; or
- (e) **Guarantee not in force, etc.:** the Guarantee is not (or is claimed by the Guarantors or any of them not to be) in full force and effect;]

any Note may, by written notice addressed by the holder thereof to the specified office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to the Noteholders.

§8 Presentation Period

The period for presentation of Notes provided for in §801 subparagraph (1) sentence 1 German Civil Code shall be ten years commencing on the due date of the Notes.

§9 The Fiscal Agent and the Paying Agents[and the Calculation Agent]

- (1) Principal paying and issuing agent (the “**Fiscal Agent**”) is:

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

Die weiteren Zahlstellen und ihre Niederlassungen sind die folgenden:

Citibank Global Markets
Deutschland AG & Co. KGaA
Reuterweg 16
D-60323 Frankfurt am Main

Kredietbank S.A. Luxembourgeoise
43, boulevard Royal
L-2955 Luxemburg

(zusammen mit der Emissionsstelle: die "Zahlstellen").

[Berechnungsstelle ist:

[Name, Anschrift]]

- (2) Die Zahlstellen handeln im Zusammenhang mit den Schuldverschreibungen ausschließlich als Erfüllungsgehilfen der Anleiheschuldnerin [und der Garanten], übernehmen keine Verpflichtungen gegenüber den Gläubigern und stehen in keinem Auftrags- oder Treuhandverhältnis zu diesen. Die Zahlstellen sind von den Beschränkungen des §181 BGB befreit.
- (3) Die Anleiheschuldnerin [und die Garanten] behält [behalten] sich das Recht vor, jederzeit die Ernennung von Zahlstellen zu ändern oder zu beenden und Nachfolger oder weitere Zahlstellen zu ernennen. Den Gläubigern ist unverzüglich von jeder Änderung der Zahlstellen oder der angegebenen Geschäftsstelle einer Zahlstelle Mitteilung zu machen.
- (4) Falls es sich nicht um einen offensichtlichen Fehler handelt, sind Entscheidungen der Emissionsstelle [oder der Berechnungsstelle] endgültig und für die Anleiheschuldnerin sowie die Gläubiger verbindlich. Bei der Erfüllung ihrer Pflichten und Verantwortlichkeiten unter diesen Anleihebedingungen handelt die Emissionsstelle [oder die Berechnungsstelle] ausschließlich als Erfüllungshilfe der Anleiheschuldnerin und steht in keinerlei Treuhandverhältnis gegenüber den Gläubigern.

§10 Zusammenlegung und weitere Emissionen

- (1) Die Anleiheschuldnerin kann ohne Zustimmung der Gläubiger nach Rücksprache mit der Emissionsstelle diese Schuldverschreibungen mit einer oder mehreren von ihr begebenen Tranchen anderer Schuldverschreibungen so zusammenle-

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

Further Paying Agents and their specified offices are:

Citibank Global Markets
Deutschland AG & Co. KGaA
Reuterweg 16
D-60323 Frankfurt am Main

Kredietbank S.A. Luxembourgeoise
43, boulevard Royal
L-2955 Luxemburg

(together with the Fiscal Agent, the "Paying Agents").

[Calculation Agent is:

[Name, address]]

- (2) In connection with the Notes, the Paying Agents act solely as agents of the Issuer [and the Guarantors] and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. The Paying Agents shall be exempt from the restrictions of §181 German Civil Code.
- (3) The Issuer [and the Guarantors] reserve[s] the right at any time to vary or terminate the appointment of any of the Paying Agents and to appoint successor or additional paying agents. Notice of any change in the Paying Agents or in the specified office of any Paying Agent shall promptly be given to the Noteholders.
- (4) Determinations made by the Fiscal Agent [or the Calculation Agent] will, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders. In the discharge of its duties and responsibilities under these terms and conditions, the Fiscal Agent [or the Calculation Agent] is acting in its capacity as agent solely of the Issuer. The Fiscal Agent [or the Calculation Agent] does not have any fiduciary duty towards the Noteholders.

§10 Consolidation and Further Issues

- (1) The Issuer may also without the consent of the Noteholders and subject to consultation with the Fiscal Agent, consolidate the Notes with one or more Tranches of other notes issued by it so that such Tranches shall be consolidated and form a

gen, dass diese Tranchen eine einheitliche Serie bilden, wenn beide Tranchen ab der Zusammenlegung (i) unter derselben Internationalen Wertpapier-Kennnummer (ISIN) bei jedem Clearing-System (wie unten definiert) abgerechnet und abgewickelt werden können und (ii) in bezug auf sämtliche Zeiträume ab der Zusammenlegung im wesentlichen die gleichen Bedingungen haben.

- (2) Eine Zusammenlegung einer Tranche, die in Euro denominiert ist, mit einer in einer anderen Währung denominierten Tranche erfolgt erst nach einer Redenominierung dieser anderen Tranche gemäß den Anleihebedingungen dieser anderen Tranche.
- (3) Die Anleiheschuldnerin kann ohne Zustimmung der Gläubiger weitere Schuldverschreibungen, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung und/oder des Nennbetrages) denselben Bedingungen wie die Schuldverschreibungen dieser Anleihe unterliegen, in der Weise begeben, dass diese weitere Emission mit diesen Schuldverschreibungen zu einer einheitlichen Serie zusammengefasst wird.
- (4) **“Clearingsystem”** bedeutet in dieser Bestimmung das Clearingsystem gemäß §1(5) sowie jedes Clearingsystem, das eine Wertpapiersammelbank für eine der beiden Tranchen ist oder das Haupt-Clearingsystem in dem Staat der ursprünglichen Nennbetragswährung einer Tranche, falls eine der beiden Tranchen vor der Zusammenlegung bei einem solchen Clearingsystem abgerechnet und abgewickelt wurden.

§11 Mitteilungen

- (1) Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer von der Luxemburger Börse für solche Mitteilungen bestimmten Tageszeitung mit allgemeiner Verbreitung in Luxemburg (voraussichtlich dem “Luxemburger Wort”) zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) Die Anleiheschuldnerin ist berechtigt, eine Zeitungsveröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass solange Schuldverschreibungen an einer Börse notiert sind, die Regeln dieser Börse diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt. *[Im Fall von*

single series of Notes, provided that such Tranches with effect from their consolidation (i) can be cleared and settled on an interchangeable basis with the same International Securities Identification Number (ISIN) through each Clearing System (as defined below) and (ii) have, in respect of all periods subsequent to such consolidation, substantially the same terms and conditions.

- (2) The consolidation of a Euro-denominated Tranche of notes with a Tranche of notes denominated in another currency shall be subject to the redenomination of such other Tranche into Euro according to its terms and conditions.
- (3) The Issuer may, without the consent of the Noteholders, issue further notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest and/or the denomination) so that such further issue shall be consolidated and form a single series with the Notes.
- (4) **“Clearing System”** means in this paragraph the Clearing System pursuant to §1(5) and any clearing system which is a central securities depository for one of the two Tranches to be consolidated or the principal clearing system in the country of the original currency of denomination if one of the Tranches was cleared and settled in such clearing system immediately prior to consolidation.

§11 Notices

- (1) All notices concerning the Notes shall be published in a daily newspaper of general circulation in Luxembourg designated by the Luxembourg Stock Exchange for such notices (expected to be the “Luxemburger Wort”). Any notice so given will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) In lieu of publication in the newspapers set forth in subparagraph (1) above, the relevant notice may be delivered to the Clearing System, for communication by the Clearing System to the Holders, provided that, so long as any Notes are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to the

Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen: Solange irgendwelche Schuldverschreibungen an der Luxemburger Börse notiert sind und die Regeln dieser Börse dies vorschreiben, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz 1 bekannt zu machen.]

Bestimmung nur einfügen, falls die BGB Finance die Anleiheschuldnerin ist

[§12 Ersetzung von BGB Finance (Ireland) plc als Anleiheschuldnerin

- (1) Die Anleiheschuldnerin kann jederzeit ohne Zustimmung der Gläubiger als Hauptverpflichtete hinsichtlich sämtlicher sich aus den Schuldverschreibungen ergebenden Verpflichtungen an ihre Stelle die Bankgesellschaft Berlin AG oder jede Tochtergesellschaft der Bankgesellschaft Berlin AG, deren stimmberechtigte Anteile zu mehr als 50% mittelbar oder unmittelbar von der Bankgesellschaft Berlin AG gehalten werden (die “**Ersatzschuldnerin**”), einsetzen, wenn:
 - (a) die Ersatzschuldnerin alle und jegliche Verpflichtungen der Anleiheschuldnerin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt;
 - (b) die Ersatzschuldnerin alle etwa erforderlichen Genehmigungen erhalten hat und an die Emissionsstelle in der gesetzlichen Währung [der Bundesrepublik Deutschland] und ohne Verpflichtung zum Einbehalt oder Abzug von Steuern oder sonstigen Abgaben jeglicher Art, die in dem Land oder in den Ländern, in denen die Ersatzschuldnerin ihren Sitz oder ihren steuerlichen Sitz hat, erhoben werden, alle Beträge überweisen kann, die für die Erfüllung der Zahlungsverpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlich sind, und
 - (c) die Bestimmungen der Garantie nach dieser Ersetzung in vollem Umfang bezüglich aller Garanten oder – wenn es sich bei der Ersatzschuldnerin um einen der Garanten handelt – bezüglich der anderen Garanten Bestand haben (wie in der Garantie bestimmt).

Eine Ersetzung nach den vorstehenden Bestimmungen dieses §12 darf nicht durchgeführt werden, falls infolge dieser Ersetzung die Schuldverschreibungen oder die Garantie nicht mehr in den Genuss der Anstaltslast und/oder der Gewährträgerhaftung des Landes Berlin in der an dem unmittelbar vor der Ersetzung Tag bestehenden Form kommen sollten, es sei denn, die sich aus den Schuldverschreibungen oder aus der

Clearing System. [In the case of Notes which are listed on the Luxembourg Stock Exchange: So long as any Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, all notices concerning the Notes shall be published in accordance with subparagraph (1).]

Insert provision only if BGB Finance is the Issuer

[§12 Substitution of BGB Finance (Ireland) plc as Issuer

- (1) The Issuer may at any time without the consent of the Noteholders substitute in its stead as principal debtor Bankgesellschaft Berlin AG or any of the subsidiaries of Bankgesellschaft Berlin AG of which more than 50 per cent. of the shares carrying voting rights are directly or indirectly held by Bankgesellschaft Berlin AG (the “**Substitute Issuer**”) in respect of all obligations arising from the Notes, if:
 - (a) the Substitute Issuer assumes any and all obligations of the Issuer arising from or in connection with the Notes;
 - (b) the Substitute Issuer has obtained all necessary authorisations and may transfer to the Fiscal Agent in legal tender of the [Federal Republic of Germany] and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country or countries in which the Substitute Issuer has its domicile or tax residence, all amounts required for the performance of the payment obligations arising from or in connection with the Notes, and
 - (c) the provisions of the Guarantee will remain in full force and effect following such substitution in respect of all of the Guarantors or, where one of the Guarantors is the Substitute Issuer, in respect of the other Guarantor only (as provided for in the Guarantee).

A substitution pursuant to the preceding provisions of this §12 may not be made until 18 July 2005 if, as a result of such substitution, the Notes or the Guarantee should no longer enjoy the support of the *Anstaltslast* and/or *Gewährträgerhaftung* of the State of Berlin as it exists immediately prior to the date of such substitution except if the obligations arising under the Notes or the Guarantee (as the case

Garantie ergebenden Verbindlichkeiten würden dann unmittelbar durch Verpflichtungen des Landes Berlin gedeckt bzw. gesichert, welche der Anstaltslast und/oder der Gewährträgerhaftung entsprechen, wie diese unmittelbar vor der Ersetzung bestand, und der Emissionsstelle würde durch ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten bestätigt, dass solche Verpflichtungen bestehen.

- (2) Im Falle einer Ersetzung gilt jede Bezugnahme in diesen Bedingungen auf die Anleiheschuldnerin ab der betreffenden Zeit als eine Bezugnahme auf die Ersatzschuldnerin und jede Bezugnahme auf die Republik Irland gilt von dem Zeitpunkt als an eine Bezugnahme auf das Land oder die Länder, in denen die Ersatzschuldnerin ihren Sitz oder steuerlichen Sitz hat.
- (3) Jede Ersetzung der Anleiheschuldnerin ist gemäß §11 (Mitteilungen) bekannt zu machen. Mit dieser Mitteilung wird die Ersetzung wirksam und die Anleiheschuldnerin (und im Falle einer wiederholten Anwendung dieses §12 jede vorherige Ersatzschuldnerin) ist an dem Tag, an dem die Ersetzung bekannt gemacht wird, von allen und jeglichen Verpflichtungen aus den Schuldverschreibungen befreit.]

[§12] Anwendbares Recht und Gerichtsstand
[§13]

- (1) Die Schuldverschreibungen und alle sich daraus ergebenden Rechte und Pflichten unterliegen ausschließlich dem Recht der Bundesrepublik Deutschland. Erfüllungsort ist Berlin.
- (2) Nicht-ausschließlicher Gerichtsstand für alle aus den Schuldverschreibungen ergebenden Rechtsstreitigkeiten ist Berlin.
- (3) Die Gläubiger sind berechtigt, Forderungen gegen die Anleiheschuldnerin vor den Gerichten im Land, in welchem die Anleiheschuldnerin ihren Sitz hat, geltend zu machen. In diesen Fällen ist ebenfalls das Recht der Bundesrepublik Deutschland anzuwenden. Für etwaige Rechtsstreitigkeiten, die zwischen den Gläubigern und der Anleiheschuldnerin vor Gerichten in der Bundesrepublik Deutschland geführt werden, hat die Anleiheschuldnerin die Bankgesellschaft Berlin AG, Alexanderplatz 2, D-10178 Berlin, als Zustellungsbevollmächtigte bestellt.

may be) were then immediately supported or secured, as the case may be, by obligations of the State of Berlin equivalent to *Anstaltslast* and/or *Gewährträgerhaftung*, as it exists immediately prior to the date of such substitution and there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognised standing to the effect that such obligations exist.

- (2) In the event of any substitution any reference in these Terms and Conditions to the Issuer shall from then on be a reference to the Substitute Issuer and any reference to the Republic of Ireland shall from then on be a reference to the country or countries in which the Substitute Issuer has its domicile or tax residence.
- (3) Any substitution of the Issuer shall be published in accordance with §11 (Notices). Upon such publication, the substitution shall become effective, and the Issuer (and in the event of a repeated application of this §12, any previous Substitute Issuer) shall be discharged from any and all obligations under the Notes, on the date on which such substitution is published.]

[§12] Governing Law and Jurisdiction
[§13]

- (1) The Notes and all the rights and duties arising therefrom, are governed exclusively by the laws of the Federal Republic of Germany. Place of performance is Berlin.
- (2) Non-exclusive court of venue for all litigation arising from the Notes is Berlin.
- (3) The holders of the Notes are also entitled to assert their claims against the Issuer before courts in the jurisdiction of incorporation of the Issuer. In such cases the laws of the Federal Republic of Germany shall also be applied. For litigation, if any, between the holders of the Notes and the Issuer which is brought before courts in the Federal Republic of Germany, the Issuer has appointed Bankgesellschaft Berlin AG, Alexanderplatz 2, D-10178 Berlin as agent for service of process.

PRO FORMA PRICING SUPPLEMENT FOR NOTES
(MUSTER KONDITIONENBLATT FÜR SCHULDVERSCHREIBUNGEN)

Pricing Supplement dated [●]
Konditionenblatt vom [●]

[Landesbank Berlin – Girozentrale –]
[BGB Finance (Ireland) plc]

[wherein Notes issued by BGB Finance (Ireland) plc
are guaranteed by the following members of the Bankgesellschaft Berlin Group:
wobei von der BGB Finance (Ireland) plc begebene Schuldverschreibungen
von den folgenden Mitgliedern der Bankgesellschaft Berlin Gruppe garantiert werden:

Bankgesellschaft Berlin AG
Landesbank Berlin – Girozentrale –]

Issue of
Begebung von

[Aggregate Principal Amount of Tranche and Title of Notes]
(the “Notes”)

[Gesamtnennbetrag der Tranche und Titel der Schuldverschreibungen]
(die “Schuldverschreibungen”)

issued under the
U.S.\$15,000,000,000 Euro Medium Term Note Programme
begeben unter dem

U.S.\$15.000.000.000 Euro Medium Term Note Programme

of
von

Landesbank Berlin – Girozentrale –
BGB Finance (Ireland) plc

This document constitutes the Pricing Supplement relating to the issue of Notes issued under the U.S.\$15,000,000,000 Euro Medium Term Note Programme of Landesbank Berlin – Girozentrale – and BGB Finance (Ireland) plc (the “Programme”) and this Pricing Supplement must be read in conjunction with the Offering Circular dated 19 May 2004.

*Dieses Dokument stellt das Konditionenblatt für die unter dem U.S.\$15.000.000.000 Euro Medium Term Note Programme der Landesbank Berlin – Girozentrale – und der BGB Finance (Ireland) plc (das “**Programm**”) begebenen Schuldverschreibungen und ist in Verbindung mit dem Offering Circular vom 19. Mai 2004 (das “**Offering Circular**”) zu lesen.*

[This Pricing Supplement and the terms herein shall supplement, amend and/or replace the Terms and Conditions of the Notes set forth in the Offering Circular (the “**Non-consolidated Conditions**”). If and to the extent the Non-consolidated Conditions deviate from the terms of this Pricing Supplement, the terms of the Pricing Supplement shall prevail. All provisions in the Terms and Conditions corresponding to items in this Pricing Supplement which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes.

*Dieses Konditionenblatt und die darin enthaltenen Bedingungen ergänzen, ändern und/oder ersetzen die im Offering Circular enthaltenen Anleihebedingungen (die “**nicht-konsolidierten Anleihebedingungen**”). Soweit sich Abweichungen zwischen den nicht-konsolidierten Anleihebedingungen und diesem Konditionenblatt ergeben, gelten die Bedingungen des Konditionenblatts. Bestimmungen der nicht-konsolidierten Anleihebedingungen, welche den Punkten dieses Konditionenblatts entsprechen, die nicht ausgewählt oder vervollständigt oder die gestrichen sind, gelten als von den auf die Schuldverschreibungen anwendbaren Anleihebedingungen gestrichen.]*

[The terms in this Pricing Supplement shall be incorporated in the Terms and Conditions of the Notes set forth in the Offering Circular by complementing those Terms and Conditions and by deleting all provisions not

applicable to this Tranche of Notes (the “**Consolidated Conditions**”). These Consolidated Conditions shall substitute the Terms and Conditions set forth in the Offering Circular in their entirety and shall prevail if these diverge from this Pricing Supplement.

*Die in diesem Konditionenblatt enthaltenen Anleihebedingungen werden in die im Offering Circular enthaltenen Bedingungen einbezogen, indem diese Anleihebedingungen mit den Bedingungen dieses Konditionenblatts vervollständigt werden und alle nicht anwendbaren Bestimmungen gestrichen werden (die “**konsolidierten Bedingungen**”). Diese konsolidierten Bedingungen ersetzen die im Offering Circular enthaltenen Anleihebedingungen und gehen diesen im Fall einer Abweichung vor.]*

Capitalised Terms shall have the meanings specified in the Terms and Conditions of the Notes if not otherwise defined herein. All references in this Pricing Supplement to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions of the Notes.

Großgeschriebene Begriffe haben die ihnen in den Anleihebedingungen zugewiesene Bedeutung. Bezugnahmen in diesem Konditionenblatt auf Paragraphen und Absätze beziehen sich auf Paragraphen und Absätze der Anleihebedingungen.

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

[Jeder folgende Punkt soll als anwendbar oder nicht anwendbar “N/A” bezeichnet werden. Dabei wird die Nummerierung nicht verändert, wenn einzelne Paragraphen oder Absätze als nicht anwendbar bezeichnet werden. Kursiver Text enthält Anweisungen zur Vervollständigung des Konditionenblatts]

- | | | |
|----|---|---|
| 1. | <p>[(i)] Issuer:
<i>Anleiheschuldnerin:</i></p> <p>[(ii)] Guarantors:
<i>Garanten:</i></p> | <p>[Landesbank Berlin – Girozentrale –]
[BGB Finance (Ireland) plc]</p> <p>Bankgesellschaft Berlin AG
Landesbank Berlin – Girozentrale –]</p> |
| 2. | <p>[(i)] Series Number:
<i>Nummer der Anleihe:</i></p> <p>[(ii)] Tranche Number (if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible):
<i>Nummer Tranche (falls fungibel mit einer bestehenden Anleihe, Einzelheiten dieser Anleihe, einschließlich des Tages, an dem die Schuldverschreibungen fungibel werden):]</i></p> | <p>●</p> <p>●</p> <p>●</p> <p>●</p> |
| 3. | <p>Specified Currency or Currencies:
<i>Währung(en):</i></p> | <p>●</p> <p>●</p> |
| 4. | <p>Aggregate Principal Amount:
<i>Gesamtnennbetrag:</i></p> <p>[(i)] Series:
<i>der Serie:</i></p> <p>[(ii)] Tranche:
<i>der Tranche:</i></p> | <p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p> |
| 5. | <p>[(i)] Issue Price:
<i>Emissionspreis:</i></p> | <p>● per cent. of the Principal Amount [<i>in case of fungible issues: [plus accrued interest from [insert date]]</i>]</p> <p>● % des Nennbetrags [<i>zuzüglich aufgelaufener Zinsen ab [Datum einfügen] (nur bei fungiblen Tranchen)]</i>]</p> |

- [(ii) Net proceeds:
Emissionserlös:] *(Required only for listed issues)*
] *(nur im Fall einer Börsenzulassung)*
6. Specified Denomination(s):
Nennbetrag (-beträge):
[For Notes issued by BGB Finance (Ireland) Plc insert: Notes in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]
7. [(i) Issue Date:
Begebungstag:
[(ii) Interest Commencement Date:
Verzinsungsbeginn:
8. Redemption Date:
Rückzahlungstag:
[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
[genaues Datum oder (für variabel verzinsliche Anleihen) letzter Zinszahltag im betreffenden Monat und Jahr]
9. Interest Basis: per cent. Fixed Rate]
Zinsmodalität: % Festzinssatz]
[[specify reference rate] +/- per cent.]
[[festzulegender Referenzzinssatz] +/- %]
[Zero Coupon]
[Null-Kupon-Schuldverschreibung]
[Index Linked Interest]
[Indexbezogene Verzinsung]
[Other (specify)]
[andere zu bestimmende Zinsmodalität]
(further particulars specified below)
(Einzelheiten sind unten aufgeführt)
10. Redemption/Payment Basis:
Rückzahlungsmodalität:
[Redemption at par]
[Rückzahlung zum Nennbetrag]
[Index Linked Redemption]
[Indexbezogene Rückzahlung]
[Dual Currency]
[Rückzahlung in anderer Währung]
[Partly Paid]
[Rückzahlung einzelner Schuldverschreibungen]
[Instalment]
[Rückzahlung in Teilbeträgen]
[Other (specify)]
[andere zu bestimmende Rückzahlungsmodalität]
11. Change of Interest or Redemption/
Payment Basis:
Wechsel der Zins- oder
Tilgungs-/Rückzahlungsmodalität:
[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
[Einzelheiten jedweder Vereinbarung einer Umstellung der Schuldverschreibungen auf eine andere Zins- oder Tilgungs-/Rückzahlungsmodalität]

- | | |
|--|--|
| 12. Put/Call Options:
<i>Gläubigerkündigungsrechte/Kündigungsrechte der Anleiheschuldnerin:</i> | [Investor Put]
[Gläubigerkündigungsrecht]
[Issuer Call]
[Kündigungsrechte der Anleiheschuldnerin]
[(further particulars specified below)
[Einzelheiten sind unten aufgeführt] |
| 13. [(i)] Status of the Notes:
<i>Status der Schuldverschreibungen:</i> | [Unsubordinated/Subordinated]
[nicht nachrangig/nachrangig] |
| [(ii)] Status of the Guarantee:
<i>Status der Garantie:</i> | [Unsubordinated/Subordinated]
[nicht nachrangig/nachrangig] |
| 14. Listing:
<i>Börsenzulassung:</i> | [Luxembourg /Other (specify)/None]
[Luxemburger Börse/andere/keine (zu bestimmen)] |
| 15. Method of distribution:
<i>Art der Platzierung:</i> | [Syndicated/Non-Syndicated]
[syndiziert/nicht syndiziert] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Einzelheiten zur Verzinsung

- | | |
|---|---|
| 16. Fixed Rate Note Provisions:
<i>Festzinsmodalitäten:</i> | [Applicable/Not Applicable]
[anwendbar/nicht anwendbar]
<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
<i>(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)</i> |
| (i) Rate[(s)] of Interest:
<i>Zinssatz (Zinssätze):</i> | [●] per cent. per annum
[●] % per annum
[payable [annually/semi-annually/quarterly/monthly] in arrear]
[zahlbar [jährlich/halbjährlich/vierteljährlich/monatlich] nachträglich] |
| (ii) Interest Payment Date(s):
<i>Zinszahltag(e):</i> | [●] in each year
[●] in jedem Jahr
[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"] /not adjusted]
[Gemäß der [Geschäftstagekonvention und Finanzzentrum/zentren einfügen] angepasst/nicht angepasst] |
| (iii) Fixed Coupon Amount(s):
<i>Festzinsbetrag (Festzinsbeträge):</i> | [●] per [●] in Nominal Amount
[●] pro [●] Stückelung |
| (iv) Broken Amount(s):
<i>Stückzinsen:</i> | [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]
[hier Angabe aller anfänglich oder am Ende anfallenden Stückzinsen, die nicht mit dem (den) Festzinsbeträgen übereinstimmen] |
| (v) Day Count Fraction:
<i>Zinstagequotient:</i> | [30/360 / Actual/Actual (ISMA/ISDA) / other [specify]]
[30/360 / Actual/Actual (ISMA/ISDA) / Andere [zu bestimmen]] |

- (vi) Fixed Interest Payment Date:
Festzinstermine: in each year [*Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. Only relevant for euro-denominated Notes where Day Count Fraction is Actual/Actual (ISMA)*]
 in jedem Jahr [*Zinszahlungstage einfügen, außer im Fall langer oder kurzer Zinsperioden. Für diese Fälle die gewöhnlichen Zinszahlungstage einfügen (nur bei Euro-denominierten Schuldverschreibungen, wenn Actual/Actual (ISMA) gewählt ist)*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:
Sonstige Einzelheiten zur Zinsberechnungsmethode bei festverzinslichen Schuldverschreibungen: [Not Applicable/*give details*]
 [*nicht anwendbar/Angabe von Einzelheiten*]
17. Floating Rate Note Provisions:
Modalitäten bei variabler Verzinsung: [Applicable/Not Applicable]
 [*anwendbar/nicht anwendbar*]
(If not applicable, delete the remaining subparagraphs of this paragraph.)
(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Interest Period(s):
Zinsperiode(n):
- (ii) Specified Interest Payment Dates:
Festgelegte Zinszahlungstage:
- (iii) Business Day Convention:
Geschäftstagerregelung: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)] [*andere (Einzelheiten einfügen)*]
- (iv) Business Centre(s) (§ 5 (3)):
Finanzzentrum (-zentren) (§ 5(3)):
- (v) Manner in which the Rate(s) of Interest is/are to be determined:
Art und Weise, in der der Zinssatz bestimmt wird: [Screen Rate Determination/ ISDA Determination/ other (*give details*)]
 [*Bestimmung vom Bildschirm/Bestimmung gemäß ISDA/andere Art der Bestimmung (Angabe von Einzelheiten)*]
- (vi) Calculation Agent (if not the Fiscal Agent):
Berechnungsstelle (falls nicht der Fiscal Agent):
- (vii) Screen Rate Determination:
Zinsbestimmung vom Bildschirm:
- Reference Rate:
Referenzzinssatz:
 - Interest Determination Date(s):
Zinsfeststellungstag(e):
 - Relevant Screen Page:
Maßgebliche Bildschirmseite:

(viii) ISDA Determination:	
<i>Zinsbestimmung gemäß ISDA:</i>	
– Floating Rate Option:	<input type="checkbox"/>
<i>Wahlrecht variable verzinslich:</i>	<input type="checkbox"/>
– Designated Maturity:	<input type="checkbox"/>
<i>vorbestimmte Laufzeit:</i>	<input type="checkbox"/>
– Reset Date:	<input type="checkbox"/>
<i>Neufeststellungstag:</i>	<input type="checkbox"/>
(ix) Margin(s):	[+/-] <input type="checkbox"/> per cent. per annum
<i>Aufschlag/Abschlag (Marge):</i>	[+/-] <input type="checkbox"/> % per annum
(x) Minimum Rate of Interest:	<input type="checkbox"/> per cent. per annum
<i>Mindestzinssatz:</i>	<input type="checkbox"/> % per annum
(xi) Maximum Rate of Interest:	<input type="checkbox"/> per cent. per annum
<i>Höchstzinssatz:</i>	<input type="checkbox"/> % per annum
(xii) Day Count Fraction:	[see §3 of the Terms and Conditions of the Notes]
<i>Zinstagequotient:</i>	[Gemäß §3 der Anleihebedingungen zu bestimmen]
(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	<input type="checkbox"/>
<i>Zusatzvereinbarungen, Regelungen betreffend Rundungen, Nenner und andere Einzelheiten im Zusammenhang mit der Berechnung von Zinsen bei variabel verzinslichen Schuldverschreibungen, sofern abweichend von den Anleihebedingungen:</i>	<input type="checkbox"/>
18. Zero Coupon Note Provisions	[Applicable/Not Applicable]
<i>Nullkupon-Modalitäten</i>	[anwendbar/nicht anwendbar]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	<i>(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)</i>
(i) Accrual Yield:	<input type="checkbox"/> per cent. per annum
<i>Rendite:</i>	<input type="checkbox"/> % per annum
(ii) Reference Price:	<input type="checkbox"/>
<i>Referenzkurs:</i>	<input type="checkbox"/>
(iii) Any other formula/basis of determining amount payable:	<input type="checkbox"/>
<i>Andere Formel/Berechnung des fälligen Betrags:</i>	<input type="checkbox"/>
19. Index-Linked Interest Note Provisions	[Applicable/Not Applicable]
<i>Indexbezogene Zinsmodalitäten</i>	[anwendbar/nicht anwendbar]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	<i>(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)</i>
(i) Index/Formula:	[give or annex details]
<i>Index/Formel:</i>	[Angabe von Einzelheiten, ggfls. als Anhang]

- (ii) Calculation Agent responsible for calculating the interest due:

Berechnungsstelle für die Berechnung der fälligen Zinsen:
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:

Vereinbarungen zur Zinsbestimmung für den Fall, dass die Berechnung unter Bezugnahme auf einen Index und/oder eine Formel nicht möglich oder nicht sinnvoll ist:
- (iv) Interest Period(s):
festgelegte Zinsperiode(n):
- (v) Interest Payment Dates:
Zinszahlungstage:
- (vi) Business Day Convention:
Geschäftstagekonvention:
 [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]
 [Floating Rate Convention /Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / andere Regelung (Angabe von Einzelheiten)]
- (vii) Business Centre(s) (Condition 5(3)):
Finanzzentrum(-zentren) (§5(3)):
- (viii) Minimum Rate of Interest: per cent. per annum
Mindestzinssatz: % per annum
- (ix) Maximum Rate of Interest: per cent. per annum
Höchstzinssatz: % per annum
- (x) Day Count Fraction:
Zinstagequotient:
 [see Condition 3(4) of the Terms and Conditions of the Notes]
 [siehe §3(4) der Anleihebedingungen]
20. **Dual Currency Note Provisions**
Doppelwährungs-Modalitäten
 [Applicable/Not Applicable]
 [anwendbar/nicht anwendbar]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Rate of Exchange/method of calculating Rate of Exchange:
Umrechnungskurs/Art der Umrechnung:
 [give details]
 [Angabe von Einzelheiten]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:

Berechnungsstelle, falls zutreffend, für die Berechnung des fälligen Rückzahlungsbetrages und/oder fälliger Zinsen:

- (iii) Provisions applicable where calculation by references to Rate of Exchange impossible or impracticable:

Anwendbare Bestimmungen für den Fall, dass die Berechnung unter Bezugnahme auf einen Umrechnungskurs nicht möglich oder nicht sinnvoll ist:
- (iv) Person at whose option Specified Currencies is/are payable:

Person, die die Art der Währung(en) für die Zahlung(en) bestimmt:

PROVISIONS RELATING TO REDEMPTION

Einzelheiten zur Rückzahlung

21. Call Option

- Vorzeitige Rückzahlung nach Wahl der Anleiheschuldnerin**

*[Applicable/Not Applicable]
 [anwendbar/nicht anwendbar]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)*
- (i) Optional Redemption Date(s):
Tag(e) der vorzeitigen Rückzahlung:
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): per Note of specified denomination
 je Schuldverschreibung in einer Stückelung von
[Betrag (bzw. Beträge) bei vorzeitiger Rückzahlung] und, falls zutreffend, Methode zu deren Berechnung:
- (iii) If redeemable in part:
Bei Rückzahlung in Teilbeträgen:
- (a) Minimum Redemption Amount:
Mindest-Rückzahlungsbetrag:
- (b) Maximum Redemption Amount:
Höchst-Rückzahlungsbetrag:
- (iv) Notice period: [see § 4(3)] [specify other period]
 [siehe § 4(3)] [andere Frist einfügen]

22. Put Option

- Vorzeitige Rückzahlung nach Wahl der Anleihegläubiger**

*[Applicable/Not Applicable]
 [anwendbar/nicht anwendbar]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)*
- (i) Optional Redemption Date(s):
Tag(e) der vorzeitigen Rückzahlung:
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): per Note of specified denomination
 je Schuldverschreibung in einer Stückelung von
Betrag bei vorzeitiger Rückzahlung/ Amortisierungsnennbetrag (bzw. Beträge) und, falls zutreffend, Methode zu deren Berechnung:

- (iii) Notice period:
Kündigungsfrist: [see § 4(3)] [specify other period]
[[siehe § 4(3)] [andere Frist einfügen]]
23. **Final Redemption Amount of each Note**
Rückzahlungsbetrag bei Endfälligkeit [[●] per Note of [●] specified denomination /other/
see Appendix]
[[●] je Schuldverschreibung im Nennbetrag von
[●]]/anderer Betrag/gemäß Anhang]
24. **Early Redemption Amount**
Betrag bei vorzeitiger Rückzahlung
Early Redemption Amount(s) payable on re- [●]
demption for taxation reasons or on event of [●]
default and/or the method of calculating the
same (if required or if different from that set
out in the Conditions):
*Betrag (Beträge) bei vorzeitiger Rückzahlung
aus Steuergründen oder bei Vorliegen von Kün-
digungsgründen für die Anleihegläubiger und
Methode zu deren Berechnung (falls erforder-
lich oder falls abweichend von den Bedingun-
gen):*

GENERAL PROVISIONS APPLICABLE TO AN ISSUE OF NOTES

Allgemeine Angaben zu den Schuldverschreibungen

25. (i) Form of Notes:
Form (Verbriefung): **Bearer Notes:**
[Temporary Global Note exchangeable for a
Permanent Global Note]
[Permanent Global Note]
Inhaberschuldverschreibungen:
[Vorläufige Globalurkunde austauschbar gegen eine
Dauerglobalurkunde]
[Dauerglobalurkunde]
- (ii) Applicable TEFRA rules:
Anwendbare TEFRA Regelung: [Not Applicable/C Rules/D Rules]
[Nicht anwendbar/C Rules/D Rules]
26. Financial Centre(s) or other special provisions
relating to Payment Dates:
*Zusätzliches Maßgebliches Finanzzentrum oder
andere spezielle Vereinbarungen in Bezug auf
Zahltag:* [Not Applicable/give details. Note that this item
relates to the date and place of payment, and not
interest period and dates, to which items 16 (ii),
17(iii) and 19(vi) relates]
[nicht anwendbar/Angabe von Einzelheiten. Bitte
beachten, dass diese Angabe sich auf den Ort der
Zahlung bezieht und nicht auf die Länge der
Zinsperiode, die in Punkt 17 (iii) geregelt ist.]
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, inclu-
ding any right of the Issuer to forfeit the Notes
and interest due on late payment):
*Einzelheiten in Bezug auf Teileingezahlte
Schuldverschreibungen (Betrag jeder Zahlung
unter Angabe des Emissionspreises und dem
Tag, an dem die betreffende Einzahlung zu leis-
ten ist, sowie (falls zutreffend) Rechtsfolgen bei
Nichteinzahlung, einschließlich jedwedes Recht
der Emittentin, bei verspäteter Einzahlung
Schuldverschreibungen nicht zu übertragen und
Zinsen nicht zu zahlen):* [Not Applicable/give details]
[nicht zutreffend/Angabe von Einzelheiten]

28. Details relating to Instalment Notes amount of each instalment, date on which each payment is to be made:
Einzelheiten in Bezug auf in Teilbeträgen rückzahlbare Schuldverschreibungen: Betrag jeder Teilrückzahlung und Tag, an dem die Zahlung zu leisten ist: [Not Applicable/give details]
[nicht zutreffend /Angabe von Einzelheiten]
29. Redenomination, renominalisation and re-conventioning provisions:
Währungsumstellung, Nennwertumstellung und Umstellungsbestimmungen: [Not Applicable/The provisions [in §5(5)] [annexed to this Pricing Supplement] apply]
[nicht zutreffend/die Bestimmungen in [§5(5)] [im Anhang zum Konditionenblatt] sind gültig]
30. Consolidation provisions:
Konsolidierungsbestimmungen: [Not Applicable/The provisions [in §10] [annexed to this Pricing Supplement] apply]
[nicht zutreffend/ die Bestimmungen in [§10] [im Anhang zum Konditionenblatt] sind gültig]
31. Other terms or special conditions:
Andere Bedingungen oder spezielle Bestimmungen: [Not Applicable/give details]
[nicht zutreffend/Angabe von Einzelheiten]

DISTRIBUTION

Angaben zur Platzierung

32. (i) If syndicated, names of Managers:
Falls syndiziert, Namen der Manager: [Not Applicable/give names]
[nicht zutreffend/Angabe von Einzelheiten]
- (ii) Stabilising Manager (if any):
Für Kurspflege verantwortlicher Manager: [Not Applicable/give name]
[nicht zutreffend/Angabe von Einzelheiten]
33. If non-syndicated, name of Dealer:
Falls nicht syndiziert, Name des Dealers: [Not Applicable/give names]
[nicht zutreffend/Angabe von Einzelheiten]
34. Additional selling restrictions:
Zusätzliche Verkaufsbeschränkungen: [Not Applicable/give details]
[nicht zutreffend/Angabe von Einzelheiten]

OPERATIONAL INFORMATION

Angaben zur Abwicklung

35. ISIN Code: [●]
ISIN Code: [●]
36. Common Code: [●]
Common Code: [●]
37. German Security Code (WKN): [●]
Wertpapierkennnummer/interne Kennnummer: [●]
38. Clearing System(s): [Clearstream Luxembourg/Euroclear]
Clearing System(e): [Clearstream Frankfurt]
[other/additional Clearing System]
[anderes/zusätzliches Clearing System]
39. Delivery: Delivery [against/free of] payment
Lieferung: [Lieferung [gegen/frei von] Zahlung]
40. Additional Paying Agent(s) (if any): [●]
Weitere Zahlstelle(n) (falls zutreffend): [●]

41. Credit Linked Notes: [specific provisions to be inserted for a particular
issue of Credit Linked Notes]
[Einzelheiten Einfügen]
Credit Linked Schuldverschreibungen:

[The following information is to be included in the case of Notes to be listed on the Luxembourg Stock Exchange:

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the U.S.\$15,000,000,000 Euro Medium Term Note Programme of Landesbank Berlin – Girozentrale – and BGB Finance (Ireland) plc (the “**Programme**”). Application is hereby made to list this issue of Notes pursuant to the Programme on the Luxembourg Exchange with effect from [insert the settlement date for the issue of the Notes].]

[Im Fall von an der Luxemburger Börse zuzulassenden Schuldverschreibungen:

Dieses Konditionenblatt enthält die gemäß dem U.S.\$15.000.000.000 Euro Medium Term Note Programme der Landesbank Berlin – Girozentrale – und der BGB Finance (Ireland) plc (das “**Programm**”) für eine Börsenzulassung der Schuldverschreibungen notwendigen Angaben. Hiermit wird Antrag auf Börsenzulassung der gemäß dem Programm begebenen Schuldverschreibungen an der Luxemburger Börse ab dem [Begebungstag der Schuldverschreibungen] gestellt.]

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Die Anleiheschuldnerin übernimmt die Verantwortung für dieses Konditionenblatt.

[BGB Finance (Ireland) plc as Issuer

By: _____ By: _____
Duly authorised Duly authorised]

[Landesbank Berlin – Girozentrale – as Issuer

By: _____ By: _____
Duly authorised Duly authorised]

GUARANTEE

The German text of the Guarantee will be legally binding. The Issuer, the Guarantors and Merrill Lynch International have satisfied themselves that the English translation of the Guarantee as shown below accurately reflects the corresponding German original version thereof in all material respects.

Garantie	Guarantee
der	of
Bankgesellschaft Berlin AG und Landesbank Berlin – Girozentrale –	Bankgesellschaft Berlin AG and Landesbank Berlin – Girozentrale –
für	for
Schuldverschreibungen, die von der BGB Finance (Ireland) plc und jeder anderen Anleiheschuldnerin (wie hierin definiert) unter dem	Notes issued by BGB Finance (Ireland) plc and any other Issuer (as defined herein) under the
Euro Medium Term Note Programme vom 24. Juni 1996 in der jeweils gültigen Fassung (“ Programm ”)	Euro Medium Term Note Programme of 24 June 1996, as amended from time to time (“ Programme ”)

begeben werden.

1. Bankgesellschaft Berlin AG und Landesbank Berlin – Girozentrale – (nachfolgend jeweils als “**Garantin**” und zusammen als die “**Garanten**” bezeichnet) übernehmen die unbedingte und unwiderrufliche Garantie zugunsten der Inhaber von Schuldverschreibungen (“**Anleihegläubiger**”) für die ordnungsgemäße Zahlung des Kapitals, der Zinsen sowie sämtlicher sonstiger Beträge bzw. für die ordnungsgemäße Lieferung von Wertpapieren, die gemäß den Bedingungen der von der BGB Finance (Ireland) plc – oder einer anderen Anleiheschuldnerin (außer der Landesbank Berlin – Girozentrale –), die als Anleiheschuldnerin unter dem Programm eingesetzt wurde – (nachfolgend “**Anleiheschuldnerin**”), unter dem Programm begebenen Schuldverschreibungen zahlbar bzw. lieferbar sind.
 2. Hinsichtlich nicht nachrangiger Schuldverschreibungen einer Anleiheschuldnerin stellen die Verpflichtungen der Garanten aus dieser Garantie gesamtschuldnerische, unmittelbare, unbedingte, nicht nachrangige und unbesicherte Verbindlichkeiten der Garanten dar, die (a) untereinander und (b) im Verhältnis zu allen anderen gegenwärtigen und zukünftigen unmittelbaren, unbedingten, nicht nachrangigen und unbesicherten Verbindlichkeiten der Garanten im gleichen Rang stehen, ausgenommen solcher Verbindlichkeiten, die aufgrund zwingender gesetzlicher Vorschriften bevorrechtigt sind.
 3. Hinsichtlich nachrangiger Schuldverschreibungen einer Anleiheschuldnerin stellen die Verpflichtungen der Garanten aus dieser Garantie
1. Bankgesellschaft Berlin AG and Landesbank Berlin – Girozentrale – (each a “**Guarantor**” and together the “**Guarantors**”) hereby unconditionally and irrevocably guarantee to the holders of Notes (“**Noteholders**”) the due payment of the amounts corresponding to the principal, interest and any additional amounts payable or, as the case may be, the due delivery of one or more securities deliverable pursuant to the Terms and Conditions of the relevant Notes issued by BGB Finance (Ireland) plc or any other issuer (other than Landesbank Berlin – Girozentrale –) duly nominated from time to time to be an issuer under the Programme (each an “**Issuer**”).
 2. In respect of unsubordinated Notes issued by an Issuer, the obligations of the Guarantors under this Guarantee will constitute joint and several direct, unconditional, unsubordinated and unsecured obligations of the Guarantors which (a) rank *pari passu* amongst themselves and (b) will at all times rank at least *pari passu* with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.
 3. In respect of subordinated Notes issued by an Issuer, the obligations of the Guarantors under this Guarantee will constitute joint and several

gesamtschuldnerische, unmittelbare, unbedingte, nachrangige und unbesicherte Verbindlichkeiten der Garanten dar, die (a) untereinander und (b) im Verhältnis zu allen anderen gegenwärtigen und zukünftigen unmittelbaren, unbedingten, nachrangigen und unbesicherten Verbindlichkeiten der Garanten im gleichen Rang stehen, ausgenommen solcher Verbindlichkeiten, die aufgrund zwingender gesetzlicher Vorschriften bevorrechtigt sind.

Die Forderungen aus dieser Garantie hinsichtlich nachrangiger Schuldverschreibungen (die "**nachrangigen Forderungen**") sind im Falle der Liquidation, Einleitung des Insolvenzverfahrens und der Insolvenz einer Garantin allen Forderungen anderer Gläubiger dieser Garantin, die nicht ebenfalls nachrangig sind, nachgeordnet; in einem derartigen Fall erfolgt die Erfüllung der nachrangigen Forderungen erst, nachdem alle bestehenden nicht nachrangigen Forderungen der Gläubiger dieser Garantin befriedigt worden sind. Das Recht auf Aufrechnung der nachrangigen Forderungen gegen Forderungen jeder Garantin ist ausgeschlossen. Für die nachrangigen Forderungen wird derzeit oder in Zukunft keine vertragliche Sicherheit von den Garanten oder einem Dritten gewährt; irgendeine derartige vertragliche Sicherheit, die von einer Garantin oder einem Dritten möglicherweise in der Vergangenheit gewährt worden ist oder in Zukunft gewährt werden wird, sichert nicht die nachrangigen Forderungen.

Der im vorstehenden Absatz geregelte Nachrang kann weder nachträglich beschränkt, noch kann die Laufzeit der Garantie hinsichtlich nachrangiger Schuldverschreibungen auf einen Termin vor Fälligkeit der nachrangigen Schuldverschreibungen abgekürzt werden. Gemäß § 10 Absatz (5a) Kreditwesengesetz ist eine vorzeitige Erfüllung nachrangiger Forderungen der jeweiligen Garantin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewahren, sofern nicht der Nennbetrag der nachrangigen Schuldverschreibungen durch Einzahlung anderen, zumindest gleichwertigen Kapitals im Sinne des Kreditwesengesetzes ersetzt wird oder die Bundesanstalt für Finanzdienstleistungsaufsicht einer vorzeitigen Rückzahlung zugestimmt hat oder eine der gesetzlich vorgesehenen Ausnahmen Anwendung findet.

4. Sinn und Zweck dieser Garantie ist es, sicherzustellen, dass die Anleihegläubiger unter allen Umständen und ungeachtet der tatsächlichen oder rechtlichen Umstände, Beweggründe oder Erwägungen, aufgrund derer eine Zahlung bzw. Lieferung durch die Anleiheschuldnerin unter-

direct, unconditional, subordinated and unsecured obligations of the Guarantors which (a) rank *pari passu* amongst themselves and (b) will at all times rank at least *pari passu* with all other present and future direct, unconditional, subordinated and unsecured obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.

The claims arising out of this Guarantee in respect of subordinated Notes ("**Subordinated Claims**") are subordinated in the event of liquidation, the commencement of an insolvency proceeding and insolvency of any Guarantor to all claims of the creditors of such Guarantor which are not also subordinated and, in such an event, performance on Subordinated Claims will only be made after all existing unsubordinated claims of the creditors of such Guarantor have been satisfied. The right to set-off Subordinated Claims against the claims of any Guarantor is excluded. No contractual security is or will be provided by any Guarantor or by a third party and any contractual security that may have been provided in the past or will be provided in the future by any of the Guarantors or a third party shall not secure the Subordinated Claims.

Subsequently, the subordination provided for in the preceding paragraph cannot be restricted nor can the term of the Guarantee in respect of subordinated Notes be shortened to a date prior to the stated maturity of the subordinated Notes. In accordance with § 10 paragraph (5a) of the *Kreditwesengesetz* (the German Banking Act), an early performance of Subordinated Claims must be refunded to the relevant Guarantor notwithstanding any agreement to the contrary unless any of the principal amount of the subordinated Notes has been replaced by other capital of at least equal status within the meaning of the German Banking Act or the *Bundesanstalt für Finanzdienstleistungsaufsicht* (Federal Financial Supervisory Authority) has approved an early repayment or any of the statutorily defined exceptions is applicable.

4. The intent and purpose of this Guarantee is to ensure that the Noteholders under all circumstances and regardless of the factual or legal circumstances, motives or considerations, by reasons of which the Issuer may fail to effect payment or, as the case may be, delivery, shall

bleiben mag, Kapital und Zinsen sowie etwaige zusätzlich zahlbare Beträge bzw. lieferbare Wertpapiere nach Maßgabe der Bedingungen der jeweiligen Anleihe erhalten. Die Garanten werden demgemäß auf erstes Anfordern eines Anleihegläubigers alle erforderlichen Zahlungen bzw. Lieferungen ohne jede Einschränkung leisten, falls die Anleiheschuldnerin aus irgendeinem Grunde die fälligen Beträge nicht zahlt oder die zu liefernden Wertpapiere nicht liefert.

5. Diese Garantie und alle darin enthaltenen Vereinbarungen bilden einen Vertrag zugunsten der Anleihegläubiger als Drittbegünstigte gemäß § 328 Absatz 1 des Bürgerlichen Gesetzbuches und geben jedem Anleihegläubiger das Recht, die Erfüllung der hierin eingegangenen Verpflichtungen direkt von den Garanten zu verlangen und diese Verpflichtungen direkt gegenüber den Garanten durchzusetzen. Merrill Lynch International, mit der die hierin enthaltenen Vereinbarungen getroffen werden, ist nicht als Treuhänderin oder in einer ähnlichen Funktion für die Anleihegläubiger tätig.
6. Die Verpflichtungen aus dieser Garantie werden durch eine Änderung der Rechtsform der BGB Finance (Ireland) plc oder einer anderen Anleiheschuldnerin oder einen Wechsel ihrer Gesellschafter nicht berührt. Die Verpflichtungen der Garanten aus dieser Garantie erstrecken sich auch – ohne dass dazu eine weitere Handlung vorgenommen werden oder ein Umstand eintreten müsste – auf die Verpflichtung einer Ersatzschuldnerin, die aufgrund einer Übernahme von Verpflichtungen gemäß den Bestimmungen der Anleihebedingungen entstehen. Wird einer der Garanten zur Ersatzschuldnerin, so berührt dies nicht die Verpflichtungen der anderen Garanten aus dieser Garantie.
7. Die Rechte und Pflichten aus dieser Garantie bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland. Erfüllungsort und Gerichtsstand ist Berlin.

Berlin, 17. Februar 2004

Bankgesellschaft Berlin AG

Landesbank Berlin – Girozentrale –

Wir akzeptieren die Bestimmungen der vorstehenden Garantie ohne Regress, Gewährleistung oder Obligo.

Merrill Lynch International

receive on the due date(s) the amounts of principal, interest and any additional amounts payable or, as the case may be, the securities deliverable under the Terms and Conditions of the relevant Notes all in accordance with their respective terms. Accordingly upon first request of any Noteholder, the Guarantors will effect all necessary payments or, as the case may be, deliveries without any limitation, if the Issuer for any reason fails to effect payment of the amounts due or, as the case may be, delivery of the securities deliverable.

5. This Guarantee and all agreements herein contained constitute a contract in favour of the Noteholders as third party beneficiaries pursuant to § 328 paragraph 1 of the German Civil Code giving rise to the right of each Noteholder to require performance of the obligations undertaken herein directly from the Guarantors and to enforce such obligations directly against the Guarantors. Merrill Lynch International, with which the agreements herein contained are made, does not act as fiduciary agent or in any similar capacity for the Noteholders.
6. The obligations arising from this Guarantee will not be affected by a change of the legal form of BGB Finance (Ireland) plc or any other Issuer or by a change in the ownership of any of them. The obligations of the Guarantors under this Guarantee shall without any further act or thing required to be done or to occur extend to the obligations of any Substituted Issuer relating to it by virtue of an assumption of obligations pursuant to the Conditions. In the event any of the Guarantors becomes the Substituted Issuer, this shall not affect the obligations of the other Guarantors under this Guarantee.
7. The rights and duties arising from this Guarantee shall be exclusively governed by the laws of the Federal Republic of Germany. Place of performance and place of jurisdiction shall be Berlin.

Berlin, 17 February 2004

Bankgesellschaft Berlin AG

Landesbank Berlin – Girozentrale –

We accept the terms of the above Guarantee without recourse, warranty or liability.

Merrill Lynch International

TERMS AND CONDITIONS OF THE PFANDBRIEF INSTRUMENTS

Pfandbriefbedingungen

Der deutsche Text dieser Pfandbriefbedingungen ist allein bindend und maßgeblich. Die englische Übersetzung ist unverbindlich.

§1. Nennbetrag und Form

- (1) Die Emission durch die Landesbank Berlin – Girozentrale – (die **“Pfandbriefschuldnerin”**) im Gesamtnennbetrag von [Währung und Gesamtnennbetrag] wird am [Begebungstag] (der **“Begebungstag”**) begeben und ist aufgeteilt in [Anzahl der Pfandbriefe] (die **“Pfandbriefe”**) im Nennbetrag von je [Nennbetrag] (der **“Nennbetrag”**).
- (2) Die Pfandbriefe lauten auf den Inhaber.

Verbriefung durch Dauerglobalurkunde

- [(3) Die Pfandbriefe sind durch eine auf den Inhaber lautende Dauerglobalurkunde (die **“Dauerglobalurkunde”**) ohne Zinsscheine verbrieft.
- (4) Die Dauerglobalurkunde trägt die Unterschrift eines ordnungsgemäß bevollmächtigten Vertreters der Pfandbriefschuldnerin und ist von einem ordnungsgemäß bevollmächtigten Vertreter der Emissionsstelle beglaubigt.]

Bei anfänglicher Verbriefung durch vorläufige Globalurkunde

- [(3) Die Pfandbriefe werden zunächst durch eine an den Inhaber zahlbare vorläufige Globalurkunde ohne Zinsscheine (die **“vorläufige Globalurkunde”**) verbrieft. Die vorläufige Globalurkunde kann 40 Tage nach dem Begebungstag oder danach und gemäß den in den Bedingungen der vorläufigen Globalurkunde enthaltenen Voraussetzungen ganz oder zum Teil (und auf Kosten der Pfandbriefschuldnerin) gegen eine auf den Inhaber lautenden Dauerglobalurkunde (die **“Dauerglobalurkunde”** und zusammen mit der vorläufigen Globalurkunde, die **“Globalurkunde”**) ohne Zinsscheine gegen Vorlage der vorläufigen Globalurkunde bei der Geschäftsstelle der Emissionsstelle ausgetauscht werden. Ein solcher Austausch erfolgt nur gegen Vorlage einer schriftlichen Bescheinigung, dass der rechtliche oder die wirtschaftlichen Eigentümer der Pfandbriefe keine **“United States Person”** oder andere Person ist, die Pfandbriefe zum

Terms and Conditions of the Pfandbrief Instruments

The German text of the Terms and Conditions of the Pfandbrief Instruments is the exclusively legally binding one. The English translation is for convenience only.

§1. Denomination and Form

- (1) The issue of Landesbank Berlin – Girozentrale – (the **“Issuer”**) in the aggregate principal amount of [Currency and Aggregate Nominal Amount] is issued on [Issued Date] (the **“Issue Date”**) and is divided into [Number of Pfandbrief Instruments] notes (the **“Pfandbrief Instruments”**) in the principal amount of [Specified Denominations] each (the **“Principal Amount”**).
- (2) The Pfandbrief Instruments are being issued in bearer form.

Representation by Permanent Global Pfandbrief Instrument

- [(3) The Pfandbrief Instruments are represented by a permanent global note payable to bearer (the **“Permanent Global Pfandbrief Instrument”**) without coupons.
- (4) The Permanent Global Pfandbrief bears the signature of an authorised person from the Issuer and is authenticated by an officer commissioned by the Fiscal Agent.]

Initial representation by Temporary Global Pfandbrief Instrument

- [(3) The Pfandbrief Instruments are initially represented by a temporary global note payable to bearer (the **“Temporary Global Pfandbrief Instrument”**) without interest coupons. The Temporary Global Pfandbrief Instrument may, on or after the date which is 40 days after the issue date and subject to requirements set forth in the terms of such Temporary Global Pfandbrief, be exchanged in whole or in part (and at the cost of the Issuer) for a Permanent Global Pfandbrief Instrument in bearer form without coupons attached (the **“Permanent Global Pfandbrief Instrument”** and together with the Temporary Global Pfandbrief Instrument the **“Global Pfandbrief Instrument”**) upon presentation of such Temporary Global Pfandbrief Instrument at the offices of the Fiscal Agent. Such exchanges shall be made only upon delivery of written certification to the effect that the beneficial owner of the Pfandbrief Instruments is not a

Weiterverkauf an United States Persons oder für diese gekauft hat.

- (4) Die Globalurkunden tragen die Unterschrift einer seitens der Pfandbriefschuldnerin hierzu bevollmächtigten Person und die Kontrollunterschrift eines von der Emissionsstelle ernannten Bevollmächtigten.]
- (5) Die Globalurkunden werden [bei einer gemeinsamen Verwahrstelle für Clearstream Banking, société anonyme, Luxemburg (“CBL”), [und/oder] Euroclear Bank S.A./N.V. als Betreiber des Euroclear Systems (“Euroclear”),] [und/oder] [bei Clearstream Banking AG (“CBF”)] [und/oder] [bei [andere(s) relevante(s) Clearing-system(e) angeben]] (“Clearingsystem”) eingeliefert.]
- (6) Effektive Pfandbriefe und Zinsscheine werden nicht ausgegeben.

§2. Status

Die Pfandbriefe begründen direkte, unbedingte und nicht nachrangige Verbindlichkeiten der Pfandbriefschuldnerin, die untereinander gleichrangig. Die Pfandbriefe sind nach Maßgabe des Gesetz über die Pfandbriefe und verwandten Schuldverschreibungen öffentlich-rechtlicher Kreditanstalten gedeckt und stehen zu jedem Zeitpunkt mindestens im gleichen Rang mit allen anderen Verbindlichkeiten der Emittentin aus Pfandbriefen.

§3. Zinsen

Festzinsmodalitäten

- [(1) Die Pfandbriefe sind mit [Festzinssatz]% pro Jahr (der “Zinssatz”) ab dem [Begebungstag] [anderer Tag des Zinsbeginns] bezogen auf den Nennbetrag (im Fall von teileingezahlten Pfandbriefe den eingezahlten Nennbetrag und im Fall von Ratenpfandbriefen auf den noch ausstehenden Nennbetrag) verzinslich, zahlbar jeweils nachträglich am [Tag und Monat eines jeden Zinszahlungstages] eines jeden Jahres (jeweils ein “Zinszahlungstag”).
- (2) Die Verzinsung jeder Pfandbrief gemäß Absatz (1) endet mit Ablauf des Tages, der dem Fälligkeitstag zur Rückzahlung vorausgeht.
- (3) Zinsen für einen Zeitraum von weniger als einem Jahr werden auf Grundlage des Zinstagequotienten (wie unten definiert) berechnet.]

United States person or other person who has purchased Pfandbrief Instruments for resale to or on behalf of United States person.

- (4) The Global Pfandbrief Instruments bear the signature of an authorised person from the Issuer and are authenticated by an officer commissioned by the Principal Paying Agent.]
- (5) The Global Pfandbrief Instruments will be deposited [with a depositary common to Clearstream Banking, société anonyme, Luxembourg (“CBL”), [and/or] Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”)] [and/or] [with Clearstream Banking AG (“CBF”)] [and/or] [with [specify other relevant clearing system(s)]] (“Clearing System”).]
- (6) Definitive Pfandbrief Instruments and interest coupons will not be issued.

§2. Status

The Pfandbrief Instruments constitute direct, unconditional and unsubordinated obligations of the Issuer which rank pari passu amongst themselves. The Pfandbrief Instruments are covered in accordance with the German Mortgage Bank Act on Pfandbriefe and Similar Debentures of Public Sector Institutions (*Gesetz über die Pfandbriefe und verwandten Schuldverschreibungen öffentlich-rechtlicher Kreditanstalten*) and will at all times rank at least pari passu with all other obligations of the Issuer from Pfandbriefe.

§3. Interest

Fixed Rate Pfandbrief Provisions

- [(1) The Pfandbrief Instruments bear interest from the [Issue Date] [Other Interest Commencement Date] at the rate of [Fixed Rate] per cent. per annum (the “Rate of Interest”) calculated with reference to the Principal Amount (or, in the case of Instalment Pfandbrief Instruments, on each instalment of principal or, in the case of Partly Paid Pfandbrief Instruments, on the paid-up nominal amount of such Pfandbrief Instruments), payable in arrear on [day and month of each interest payment date] in each year (each an “Interest Payment Date”).
- (2) Each Pfandbrief will cease to bear interest according to subparagraph (1) upon the end of the day preceding the day upon which they become due for redemption.
- (3) If interest is required to be calculated for any period of less than a year, it will be calculated on the basis of the Day Count Fraction (as defined below).]

Modalitäten bei variabler Verzinsung

(1) Die Pfandbriefe sind bezogen auf ihren Nennbetrag (im Fall von teileingezahlten Pfandbriefen den eingezahlten Nennbetrag und im Fall von Ratenpfandbriefen auf den noch ausstehenden Nennbetrag) vom [Begebungstag] [anderer Tag des Zinsbeginns] (einschließlich) bis zum letzten Zinszahlungstag (wie nachstehend definiert) im [Monat, Jahr] (ausschließlich) zu einem Satz ("Zinssatz") zu verzinsen, der gemäß nachfolgender Regelung bestimmt wird.

(2) Zinsen werden jeweils nachträglich am [Tag und Monat eines jeden Zinszahlungstages] eines jeden Jahres;) (jeweils ein "Zinszahlungstag") gezahlt. Ist ein Zinszahlungstag kein Geschäftstag [(wie in §5(3) definiert)] so gilt die nachfolgenden Regelung (die "Geschäftstagekonvention"):

[Im Fall der "Following Business Day Convention":

Der maßgebliche Zinszahlungstag ist der erste folgenden Geschäftstag.]

[Im Fall der "Modified Following Business Day Convention":

Der maßgebliche Zinszahlungstag ist der nächstfolgende Geschäftstag, sofern dieser Tag nicht in den nächsten Monat fällt; in welchem Fall der maßgebliche Zinszahlungstag der letzte dem ursprünglichen Zinszahlungstag vorausgehende Geschäftstag ist.]

[Im Fall der "Preceding Business Day Convention":

Der maßgebliche Zinszahlungstag ist der erste vorhergehende Geschäftstag.]

[Im Fall der "FRN Convention":

Der maßgebliche Zinszahlungstag ist der numerisch dem Tag vor dem Zinszahlungstag im Monat entsprechende Tag, welcher auf die im jeweiligen Konditionenblatt genannte Anzahl von Monaten als festgelegte Zinsperiode nach dem Monat des vorhergehenden Zinszahlungstages folgt, wobei jedoch gilt:

(i) falls kein derartiges entsprechendes Datum in dem Monat existiert, auf das der betreffende Tag fallen sollte, so ist der betreffende Tag der letzte Geschäftstag in diesem Monat;

Floating Rate Pfandbrief Provisions

(1) The Pfandbrief Instruments shall bear interest on the principal amount (or, in the case of Instalment Pfandbrief Instruments, on each instalment of principal or, in the case of Partly Paid Pfandbrief Instruments, on the paid-up nominal amount of such Pfandbrief Instruments), at the rate (the "Rate of Interest") determined in accordance with the provisions set forth below, from and including [Issue Date] [Other Interest Commencement Date] up to but excluding the final Interest Payment Date (as defined below) falling in [month, year].

(2) Interest shall be payable in arrear on [day and month of each interest payment date] in each year (each an "Interest Payment Date"). If any Interest Payment Date would otherwise fall on a date which is not a Business Day [(as defined in §5(3))] the following provision (the "Business Day Convention") applies:

[In case of the "Following Business Day Convention":

The relevant Interest Payment Date is the first following Business Day.]

[In case of the "Modified Following Business Day Convention":

The relevant Interest Payment Date is the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day.]

[In case of the "Preceding Business Day Convention":

The relevant Interest Payment Date is the first preceding Business Day.]

[In case of the "FRN Convention":

The relevant Interest Payment Date is the date which numerically corresponds to the date preceding such Interest Payment Date in the month which is the number of months specified in the relevant Pricing Supplement as the specified interest period after the calendar month in which the preceding such Interest Payment Date occurred provided, however that:

(i) if there is no such corresponding day in the month in which any such date should occur, then such date will be the last day which is a Business Day in that month;

- (ii) falls ein derartiger Tag ansonsten auf einen Tag fallen würde, der kein Geschäftstag ist, so ist der betreffende Tag der erste darauffolgende Geschäftstag, es sei denn, dieser Tag fällt in den nächsten Monat, wobei in diesem Fall der Tag der unmittelbar vorhergehende Geschäftstag ist; und
- (iii) falls ein derartiger Tag auf den letzten Geschäftstag eines Monats fällt, so werden alle nachfolgenden Zinszahlungstage auf den letzten Geschäftstag eines Monats fallen, der der angegebenen Anzahl von Monaten auf den Monat des vorhergehenden Tages folgt.]

“**Zinsperiode**” ist jeder Zeitraum vom Begebungstag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) sowie jeder Zeitraum von einem Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).] *[im Fall von “unadjusted”*: wobei die Geschäftstagenkonvention für die Bestimmung der Zinsperiode nicht anwendbar ist.]

- (3) Der Zinssatz für jede Zinsperiode wird von der *[Name der Berechnungsstelle]* (“**Berechnungsstelle**”) durch Bezugnahme auf *[Referenzseite]* oder eine Ersatzseite bei *[Reuters Monitordienst, Moneyline Telerate oder einem anderen festgelegten Informationsanbieter]* oder einem ihrer Nachfolger (“**Maßgebliche Bildschirmseite**”) wie folgt bestimmt:

- (i) die Berechnungsstelle wird den Einlagenangebotssatz (oder, sofern erforderlich, das arithmetische Mittel der Einlagenangebotsätze, gerundet (sofern erforderlich) auf die vierte Stelle, wobei ab 0,00005 aufzurunden ist) ermitteln, zu dem Einlagen in der betreffenden Währung mit einer der Zinsperiode entsprechenden Laufzeit angeboten werden, und zwar gemäß dem Satz (oder den Sätzen), welcher (welche) auf der Maßgeblichen Bildschirmseite um 11.00 Uhr vormittags *[Londoner/Brüsseler]* Zeit *[[am [letzten] [zweiten] Geschäftstag vor Beginn der betreffenden Zinsperiode] [ersten Tag der betreffenden Zinsperiode] (der “Zinsfeststellungstag”)]* angezeigt werden.
- (ii) sofern an einem Zinsfeststellungstag ein solcher Einlagensatz nicht angezeigt wird, (oder sofern weniger als drei solche Sätze angezeigt werden) oder sofern die Maßgebliche Bildschirmseite nicht zur Verfügung steht, wird die Berechnungsstelle vier führende Kreditinstitute zur Nennung

- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day, unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iii) if the preceding such date occurred on the last day in a month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the month which is the specified number of months after the calendar month in which the preceding such date occurred.]

“**Interest Period**” means each period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date, and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date.] *[in case of “unadjusted”*: whereas the Business Day Convention shall not apply to the determination of the Interest Period.]

- (3) *[Name of Calculation Agent]* (“**Calculation Agent**”) will determine the Rate of Interest for each Interest Period from *[Reference Page]*, or any replacement page, on *[the Reuters Screen, or Moneyline Telerate, or any other information vending service, specified]*, or any successor thereto, (the “**Relevant Screen Page**”) as follows:

- (i) the Calculation Agent will determine the rate at which deposits are offered (or, as the case may require, the arithmetic mean of the rates for deposits rounded (if necessary) to the fourth decimal place, with 0.00005 being rounded upwards) in the relevant currency for a period of the duration of the relevant Interest Period according to the rate (or rates) appearing on the Relevant Screen Page as at 11.00 a.m. *[London/Brussels]* time on the interest determination date (the “**Interest Determination Date**”) which is *[[the last] [the second] Business Day before the first day of the relevant Interest Period] [the first day of the relevant Interest Period]*.
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than three such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the

solcher Sätze auffordern, zu denen diese Einlagen in der betreffenden Währung im Inter-Banken-Markt im Maßgeblichen Finanzzentrum gemäß §5(3) für die Dauer der entsprechenden Zinsperiode und in einer für diesen Markt zu diesem Zeitpunkt üblichen Größenordnung für Einzeltransaktionen anbieten, und das arithmetische Mittel dieser Sätze ermitteln.

- (iii) Der Zinssatz für solche Pfandbriefe für die jeweilige Zinsperiode [entspricht] [liegt [Marge]% über/unter] dem gemäß (i) oder (ii) oben ermittelten Zinssatz.

[[Im Fall eines Mindestzinssatzes:] Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als [Mindestzinssatz einfügen], beträgt der Zinssatz für diese Zinsperiode [Mindestzinssatz einfügen].]

[Im Fall eines Höchstzinssatzes:] Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als [Höchstzinssatz einfügen], beträgt der Zinssatz für diese Zinsperiode [Höchstzinssatz einfügen].]

- (4) Die Berechnungsstelle errechnet umgehend nach Bestimmung des für die jeweilige Zinsperiode anzuwendenden Zinssatzes den für die jeweilige Zinsperiode auf den jeweiligen Nennbetrag jeder Stückelung entfallenden Zinsbetrag (“**Zinsbetrag**”). Der Zinsbetrag wird durch Multiplikation des auf die Zinsperiode anzuwendenden Zinssatzes mit dem jeweiligen Nennbetrag (im Fall von teileingezahlten Pfandbriefe dem eingezahlten Nennbetrag und im Fall von Ratenpfandbriefen dem noch ausstehenden Nennbetrag) ermittelt, wobei dieses Produkt mit dem Zinstagequotienten (wie unten definiert) multipliziert wird.
- (5) Die Berechnungsstelle wird jeden von ihr bestimmten oder errechneten Zinssatz, Zinszahlungstag, Zinsbetrag und jede weitere Information der Emissionsstelle und jeder Zahlstelle (von deren hierfür benannten Geschäftsstellen die entsprechenden Informationen erhältlich sind) sobald wie möglich nach der Bestimmung oder Berechnung, jedoch spätestens am vierten Tag danach, an dem Banken im Maßgeblichen Finanzzentrum (wie in §5(3) definiert) für Bankgeschäfte geöffnet sind, sowie jeder Börse, an

arithmetic mean of the rates at which deposits in the relevant currency are offered by four major banks in the interbank market of the Relevant Financial Centre (as defined in) §5(3) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.

- (iii) The Rate of Interest applicable to such Pfandbrief Instruments during each Interest Period will be the rate which is [equal to] [Margin] per cent. above/below] the rate determined in accordance with (i) or (ii) above

[[In the case of a Minimum Interest Rate:] If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [Minimum Rate of Interest], the Rate of Interest for such Interest Period shall be [Minimum Rate of Interest].]

[[In the case of a Maximum Interest Rate:] If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [Maximum Rate of Interest], the Rate of Interest for such Interest Period shall be [Maximum Rate of Interest].]

- (4) The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the “**Interest Amount**”) payable in respect of the Principal Amount (or, in the case of Instalment Pfandbrief Instruments, to each instalment of principal or, in the case of Partly Paid Pfandbrief Instruments, to the paid-up nominal amount of such Pfandbrief Instruments) of each denomination of such Pfandbrief Instruments for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by the Day Count Fraction defined below.
- (5) The Calculation Agent will notify each Rate of Interest, Interest Payment Date, Interest Amount, or other item, as the case may be, determined or calculated by it to the Fiscal Agent and any Paying Agent (from whose respective specified offices such information will be available), as soon practicable after such determination or calculation but in any event not later than the fourth day thereafter upon which banks are open for business in the Relevant Financial Centre (as defined in §5(3)) and, if required by the rules of

der die betreffenden Schuldverschreibungen notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach der Bestimmung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode, bekannt geben.

- (6) Die Bestimmung oder Berechnung aller Zinssätze, Zinszahlungstage, Zinsbeträge und anderer Informationen, die gemäß §3 von der Berechnungsstelle vorzunehmen ist, ist für alle Beteiligten außer bei offensichtlichem Irrtum endgültig und bindend.
- (7) Die Verzinsung jeder Pfandbrief endet mit Ablauf des Tages, der dem Fälligkeitstag zur Rückzahlung vorausgeht.]

Null-Kupon Modalitäten

- [(1) Die Pfandbriefe werden am [Valutatag] (der "**Valutatag**") zum Preis von [Referenzpreis] (der "**Referenzpreis**") begeben. Es erfolgen keine periodischen Zinszahlungen auf die Pfandbriefe.

[Bestimmungen für Indexierte Pfandbriefe, Doppelwährungs-Pfandbriefe, teileingezahlte Pfandbriefe und in Raten rückzahlbare Pfandbriefe]

- [(●) "**Zinstagequotient**", im Hinblick auf die Berechnung eines Betrages für einen bestimmten Zeitraum (der "**Berechnungszeitraum**"), bedeutet:

[[im Fall von "*Actual/Actual (ISMA)*":]

(a) wenn der Berechnungszeitraum gleich lang oder kürzer als die laufende Zinsperiode ist, die tatsächliche Anzahl der Tage im Berechnungszeitraum geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr; und

(b) wenn der Berechnungszeitraum länger als die laufende Zinsperiode ist, die Summe von:

(A) die tatsächliche Anzahl der Tage in diesem Berechnungszeitraum, welche in die Zinsperiode fallen, in der der Berechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr; und

(B) die tatsächliche Anzahl der Tage in diesem Berechnungszeitraum, welche in die folgende Zinsperiode fallen, geteilt durch das Produkt aus (1) der tatsächlichen Anzahl der Tage in der Zinsperiode und (2) der Anzahl der Zinsperioden im Jahr.]

any stock exchange on which the Notes are listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period.

- (6) The determination or calculation by the Calculation Agent of all Rates of Interest, Interest Payment Dates, Interest Amounts and other items falling to be determined or calculated by it for the purposes of this §3 shall, in the absence of manifest error, be final and binding on all parties.
- (7) Each Pfandbrief will cease to bear interest upon the end of the day preceding the day upon which it becomes due for redemption.]

Zero Coupon Provisions

- [(1) The Pfandbrief Instruments are issued on [Issue Date] (the "**Issue Date**") at [Reference Price] (the "**Issue Price**"). There will be no periodic interest payments on the Pfandbrief Instruments.

[Provisions for Index Linked Pfandbrief Instruments, Dual Currency Pfandbrief Instruments, Partly Paid Pfandbrief Instruments and Instalment Pfandbrief Instruments]

- [(●) "**Day Count Fraction**", in respect of the calculation of an amount for any period of time (the "**Calculation Period**") means:

[[in case of "*Actual/Actual (ISMA)*":]

(a) where the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year; and

(b) where the Calculation Period is longer than one Interest Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Interest Period in which it begins divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Interest Period divided by the product of (1) the actual number of days in such Interest Period and (2) the number of Interest Periods in any year.]

[[im Fall von “30/360”:]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360 (wobei die Anzahl dieser Tage auf Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen bestimmt wird (wobei ein Monat, in dem der Berechnungszeitraum endet, nicht als auf 30 Tage (i) verkürzt gilt, wenn der letzte Tag des Berechnungszeitraumes auf den 31. Tag des Monats fällt und der erste Tag des Berechnungszeitraumes auf einen anderen Tag als den 30. oder 31. Tag eines Monats fällt und (ii) verlängert gilt, wenn der letzte Tag des Berechnungszeitraumes auf den letzten Tag des Monats Februar fällt)).]

[[im Fall von “30E/360” oder “Eurobond Basis”:]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360 (wobei der Monat Februar als nicht auf 30 Tage verlängert gilt, wenn der auf den Rückzahlungstag fallende letzte Tag des Berechnungszeitraumes der letzte Tag des Monats Februar ist).]

[[im Fall von “Actual/365” oder “Actual/Actual (ISDA)”:]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 365 (oder, wenn ein Teil des Berechnungszeitraums in ein Schaltjahr fällt, die Summe von (A) der Anzahl der in das Schaltjahr fallenden Tage im Berechnungszeitraum geteilt durch 366 und (B) der Anzahl der nicht in das Schaltjahr fallenden Tage im Berechnungszeitraum geteilt durch 365).]

[[im Fall von “Actual/365 (Fixed)”:]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 365.]

[[im Fall von “Actual/360”:]

die Anzahl der Tage im Berechnungszeitraum geteilt durch 360.]

(●) Wenn die Pfandbriefschuldnerin eine fällige Zahlung auf die Pfandbriefe aus irgend einem Grund nicht leistet, wird der ausstehende Betrag von dem Fälligkeitstag (einschließlich) bis zu dem Tag der vollständigen Zahlung an die Pfandbriefgläubiger (die **“Pfandbriefgläubiger”**) (ausschließlich) mit dem gesetzlich bestimmten Verzugszins verzinst.

[[in the case of “30/360”:]

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

[[in the case of “30E/360” or “Eurobond Basis”:]

the number of days in the Calculation Period divided by 360 (unless, in the case of the final Calculation Period, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[[in the case of “Actual/365” or “Actual/Actual (ISDA)”:]

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

[[in the case of “Actual/365 (Fixed)”:]

the actual number of days in the Calculation Period divided by 365.]

[[in the case of “Actual/360”:]

the actual number of days in the Calculation Period divided by 360.]

(●) If the Issuer for any reason fails to render any payment in respect of the Pfandbrief Instruments when due, interest shall continue to accrue at the default rate established by statutory law on the outstanding principal amount of the Pfandbrief Instruments from (and including) the due date to (but excluding) the day on which such payment is received by or on behalf of the holder of the Pfandbrief Instruments (the **“Instrument-holder”**).

§4. Rückzahlung und Rückkauf

- (1) Sofern nicht zuvor gemäß Abs. 2 zurückgezahlt, werden die Pfandbriefe am [Rückzahlungstag] (der “Rückzahlungstag”) zum jeweiligen Nennbetrag (im Fall von teileingezahlten Pfandbriefe zum eingezahlten Nennbetrag und im Fall von Ratenpfandbriefen zum noch ausstehenden Nennbetrag) (der “Rückzahlungsbetrag”) gemäß §5 (Zahlungen) zurückgezahlt.

Kündigungsrecht der Pfandbriefschuldnerin

- (2) Die Pfandbriefschuldnerin, der im Pricing Supplement ein Sonderkündigungsrecht eingeräumt ist, kann, nach
- (a) der Abgabe einer Mitteilung gemäß § 10 (Mitteilungen) gegenüber den Pfandbriefgläubigern in einer Frist von mindestens 15 und höchstens 30 Tagen; und
- (b) der Abgabe einer Mitteilung an die Emissionsstelle mindestens 15 Tage vor Abgabe der in (a) bezeichneten Mitteilung;

an jedem vorzeitigen Rückzahlungstag die noch ausstehenden Pfandbriefe zu ihrem Wahrrückzahlungsbetrag (wie unten definiert) zuzüglich etwaiger bis zu diesem vorzeitigen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen insgesamt oder teilweise zurückzahlen. Im Fall einer teilweisen Rückzahlung werden die zurückzahlenden Pfandbriefe gemäß den Regeln des Clearing Systems ausgewählt. Im Falle von nachrangigen Pfandbriefe erfolgt die wahlweise Rückzahlungen durch die Pfandbriefschuldnerin gemäß den Beschränkungen des obigen §2 (Status und Negativverpflichtung).]

- [(●)] Für diesen §4 und für §7 (Kündigungsgründe), sofern im Pricing Supplement nichts Abweichendes bestimmt ist, entspricht der vorzeitige Rückzahlungsbetrag [und der Wahrrückzahlungsbetrag]

Verzinsliche Pfandbriefe:

dem Rückzahlungsbetrag[.] [und der Wahrrückzahlungsbetrag] [Wahrrückzahlungsbetrag einfügen][.]

[Mindestrückzahlungsbetrag / erhöhten Rückzahlungsbetrag einfügen.]

§4. Redemption and Purchase

- (1) Unless previously redeemed pursuant to paragraph (2) below, the Pfandbrief Instruments will be redeemed at their principal amount (or, in the case of Instalment Pfandbrief Instruments, at each instalment of principal or, in the case of Partly Paid Pfandbrief Instruments, at the paid-up nominal amount of such Pfandbrief Instruments) (the “Redemption Amount”) on [Redemption Date] (the “Redemption Date”), subject as provided in §5 (Payments).

Issuer Call Option

- (2) If the Issuer is specified in the relevant Pricing Supplement as having an option to redeem, the Issuer shall, having given:
- (a) not less than 15 nor more than 30 days’ notice to the Instrumentholders of the relevant Series in accordance with §10 (Notices); and
- (b) not less than 15 days before the giving of the notice referred to in (a), notice to the Fiscal Agent;

redeem all or some only of the Pfandbrief Instruments then outstanding on any Optional Redemption Date and at the Optional Redemption Amount (as defined below) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the case of a partial redemption of Pfandbrief Instruments, such Pfandbrief Instruments will be selected in accordance with the rules of the Clearing System. In the case of Subordinated Pfandbrief Instruments, however, the redemption at the option of the relevant Issuer is subject to the limitations set out in §2 (Status and Negative Pledge) above.]

- [(●)] For the purpose of §4 above and §7 (Events of Default) and if nothing different is specified in the relevant Pricing Supplement, the Early Redemption Amount [and the Optional Redemption Amount] equals

In case of interest bearing Pfandbrief Instruments:

the Redemption Amount[.] [and the Optional Redemption Amount] [specify Optional Redemption Amount][.]

[specify Minimum Redemption Amount / Higher Redemption Amount.]

Null-Kupon Pfandbriefe

dem Amortisationsbetrag (der “**Amortisationsbetrag**”) welcher der Summe aus (A) und (B) entspricht:

- (A) der Referenzpreis von [●] und
- (B) das Produkt aus jährlich kapitalisierten Emissionsrendite von [●] und dem Emissionspreis ab dem Begebungstag (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder dem Tag, an dem die Pfandbriefe zur Rückzahlung fällig werden.

Falls eine solche Berechnung für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt sie auf der Grundlage des Zinstagequotienten gemäß § 3 (Zinsen).]

[Bestimmungen für Indexierte Pfandbriefe, Doppelwährungs-Pfandbriefe, teileingezahlte Pfandbriefe und in Raten rückzahlbare Pfandbriefe]

- ([●]) Die Pfandbriefschuldnerin und jede ihrer [jeweiligen] Tochtergesellschaften können jederzeit Pfandbriefe auf dem freien Markt oder in sonstiger Weise kaufen.

§5. Zahlungen

- (1) [(a)] Zahlungen von Kapital auf die Pfandbriefe erfolgen nach Maßgabe des nachstehenden §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und Einreichung der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten von Amerika.

[Verzinsliche Pfandbriefe:]

[(b) Die Zahlung von Zinsen auf Pfandbriefe erfolgt nach Maßgabe von §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten von Amerika.

Zero Coupon Pfandbrief Instruments

an amount (the “**Amortised Face Amount**”) equal to the sum of:

- (A) the Reference Price of [●] and
- (B) the product of the Accrual Yield of [●] (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Pfandbrief Instruments becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of the Day Count Fraction defined in § 3 (Interest).]

[Provisions for Index-Linked Pfandbrief Instruments, Dual Currency Pfandbrief Instruments, Partly Paid Pfandbrief Instruments and Instalment Pfandbrief Instruments]

- ([●]) The Issuer and any of [its] [respective] subsidiaries may at any time purchase Pfandbrief Instruments, in the open market or otherwise.

§5. Payments

- (1) [(a)] Payment of principal in respect of the Pfandbrief Instruments shall be made, subject to §5(2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Pfandbrief Instrument at the specified office of any Paying Agent outside the United States of America.

[In case of interest bearing Pfandbrief Instruments:]

[(b) Payment of interest on the Pfandbrief Instruments shall be made, subject to §5(2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation of the Global Pfandbrief Instrument at the specified office of any Paying Agent outside the United States of America.

[Im Falle von Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Pfandbriefe, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von §5(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß §1(3).]

- (2) Alle Zahlungen unterliegen unbeschadet der Bestimmungen in §6 (Steuern) in jedem Fall allen anwendbaren Steuer- und sonstigen Gesetzen und Bestimmungen.
- (3) Ist der Fälligkeitstag für eine Zahlung kein Geschäftstag (wie unten definiert), hat der Inhaber einen Anspruch auf Zahlung des fälligen Betrages erst am nächsten Geschäftstag (wie unten definiert) und keinen Anspruch auf weitere Zinsen oder sonstige Zahlungen in bezug auf diese Verzögerung.

“**Geschäftstag**” ist ein Tag (außer einem Samstag oder Sonntag), an dem (a) die Banken in [Frankfurt am Main] und [anderes Finanzzentrum einfügen] (das “**Maßgebliche Finanzzentrum**”) für Geschäfte (einschließlich Devisenhandelsgeschäfte und Fremdwährungseinlagengeschäfte) geöffnet sind, (b) das Clearing System betriebsbereit ist und (c) alle für die Abwicklung von Zahlungen in Euro wesentlichen Teile des *Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) Systems* (“**TARGET**”) in Betrieb sind.

- (4) Die Pfandbriefschuldnerin kann bei dem Amtsgericht Berlin-Charlottenburg Kapital- oder Zinsbeträge [nur anwendbar bei Credit Linked Pfandbrief Instruments: oder Wertpapiere] hinterlegen, soweit diese von Pfandbriefgläubigern nicht innerhalb von zwölf Monaten nach dem jeweiligen Fälligkeitstag geltend gemacht werden, auch wenn die jeweiligen Pfandbriefgläubiger sich nicht in Annahmeverzug befinden sollten. Die Hinterlegung kann mit oder ohne Verzicht auf das Recht zur Rücknahme des hinterlegten Betrages erfolgen. Falls und soweit die Hinterlegung erfolgt und auf das Recht zur Rücknahme verzichtet wird, erlöschen alle Forderungen der betreffenden Pfandbriefgläubiger gegen die Pfandbriefschuldnerin.

[Wenn das Land der Währung der Eurozone beitreten könnte]

- [(5) *Redenominierung:* Die Pfandbriefschuldnerin kann sich ohne Zustimmung der Pfandbriefgläubiger durch Mitteilung gemäß §10 (Mitteilungen) an die Pfandbriefgläubiger in einer Frist von mindestens 30 Tagen dafür entscheiden, dass

[In the case of interest payable on a Temporary Global Pfandbrief Instrument insert: Payment of interest on the Pfandbrief Instruments represented by the Temporary Global Pfandbrief Instrument shall be made, subject to §5(2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in §1(3).]

- (2) All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of §6 (Taxation).
- (3) If the due date for any payment is not a Business Day (as defined below), the holder shall not be entitled to payment of the amount due until the next following Business Day (as defined below) and shall not be entitled to any further interest or other payment in respect of any such delay.

“**Business Day**” means a day on which (other than Saturday and Sunday) (a) banks are open for business (including dealings in foreign exchange and foreign currency deposits) in [Frankfurt am Main] and [enter all other relevant business centres] (the “**Relevant Financial Centres**”), (b) the Clearing System is operative and (b) all relevant parts of the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (“**TARGET**”) are operating to effect payments in Euro.

- (4) The Issuer may deposit with the County Court (*Amtsgericht*) in Berlin-Charlottenburg principal or interest [only applicable in the case of Credit Linked Pfandbrief Instruments: or securities] not claimed by Instrumentholders within twelve months after the respective due date therefore, even though the relevant Instrumentholders may not be in default of acceptance, with or without waiver of the right to withdraw such deposit. If, and to the extent that, the deposit is made and the right to withdraw is waived, all claims of the relevant Instrumentholders against the Issuer shall cease.

[In case the country of the currency could join the Eurozone]

- [(5) *Redenomination:* The Issuer may, without the consent of the Instrumentholders, on giving at least 30 days’ prior notice in accordance with §10 (Notices) to the Instrumentholders, elect that, with effect from any Interest Payment Date

jede Pfandbrief mit Wirkung ab dem in der Mitteilung angegebenen Zinszahlungstag, der auf den Tag des Beitritts des jeweiligen Staates, in dessen Wahrung die Pfandbriefe denominiert sind, zur dritten Stufe der Wirtschafts- und Wahrungsunion fallt oder in die Zeit danach (der **“Redenominierungstag”**) als in den Euro-Betrag redenominiert gilt, der ihrem Nennbetrag in ihrer ursprunglichen Wahrung entsprechend dem festgelegten Umrechnungskurs (in ubereinstimmung mit Vorschriften der Europaischen Union bezuglich Rundungen) fur diese Wahrung in Euro entspricht. Dieser Betrag wird auf das nachste ganzzahlige Vielfache eines Cent gerundet (wobei bei 0,005 Euro aufgerundet wird). Falls jedoch die internationalen Clearingsysteme, bei denen die Pfandbriefe zu diesem Zeitpunkt abgerechnet und abgewickelt werden, keine redenominierten Euromarkt-Schuldtitle mit einem Nennbetrag von einem Cent zur Abrechnung und Abwicklung akzeptieren, werden die Pfandbriefe durch in Euro denominierte Pfandbriefe mit einem Nennbetrag von einem Euro ersetzt. Samtliche dadurch entstehende Bruchteile eines Euro werden dem jeweiligen Pfandbriefglaubiger am Redenominierungstag zusatzlich zu den Zinsen gezahlt. An und nach dem Redenominierungstag werden samtliche Zahlungen ausschlielich in Euro geleistet, einschlielich Zinszahlungen im Hinblick auf Zeitraume vor dem Redenominierungstag.

Zusatzlich kann sich die Pfandbriefschuldnerin ohne Zustimmung der Pfandbriefglaubiger durch Mitteilung gema §10 (Mitteilungen) an die Pfandbriefglaubiger unter Einhaltung einer Frist von mindestens 30 Tagen mit Wirkung ab dem in der Mitteilung angegebenen Redenominierungstag oder ab einem solchen spateren Zinszahlungstag dafur entscheiden, dass der Nennbetrag der Pfandbriefe 0,01 Euro (ein Cent), 1 Euro, 10.000 Euro, 100.000 Euro und 1.000.000 Euro betragt.

Die Redenominierung und der Austausch von Pfandbriefen erfolgt gema samtlichen ubereinkunften, die auf Euro-denominierte Schuldtitle gema den Erfordernissen von Wahrungs-, Borsen- oder sonstigen Behorden, anwendbaren Europaischen Gemeinschafts- und nationalen Gesetzen und Vorschriften sowie der damit ubereinstimmenden Marktpraxis nach eigenem Ermessen von der Emissionsstelle als auf die Redenominierung und den Austausch von in internationalen Clearing Systemen verwahrten Euro-Anleihen anwendbar bestimmt worden sind

under the Pfandbrief Instruments as may be specified in that notice (the **“Redenomination Date”**) falling on or after the date on which the relevant EU Member State in whose currency the Pfandbrief Instruments are denominated participates in the third stage of economic and monetary union pursuant to the Treaty establishing the European Community each Pfandbrief shall be deemed to be denominated in such amount of Euro as is equivalent to its denomination in its original currency of denomination, converted into Euro at the rate for the conversion of such currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into Euro established by the European Union. Such amount shall be rounded to the nearest integral multiple of one cent (with 0.005 Euros being rounded upwards). If, however, the international clearing systems in which the Pfandbrief Instruments are then cleared and settled do not then accept for clearance and settlement redenominated euromarket debt obligations with a denomination of one cent, the Pfandbrief Instruments will be replaced by Pfandbrief Instruments denominated in Euros with the denomination of one Euro. Any fraction of one Euro arising therefrom shall be paid to the Instrumentholder on the Redenomination Date in addition to the payment of interest. On and after the Redenomination Date all payments in respect of the Pfandbrief Instruments will be made solely in Euro, including payments of interest in respect of periods before the Redenomination Date.

In addition, the Issuer may, without the consent of the holders of the Pfandbrief Instruments, on giving not less than 30 days’ prior notice in accordance with §10 (Notices) to the holders of the Pfandbrief Instruments, elect that with effect from the Redenomination Date or such later Interest Payment Date under the Pfandbrief Instruments as it may specify in that notice the denomination of the Pfandbrief Instruments shall be Euro 0.01 (one cent), Euro 1, Euro 10,000, Euro 100,000 and Euro 1,000,000.

Any such redenomination and exchange of Pfandbrief Instruments shall be subject to compliance with the any conventions applicable to Euro-denominated obligations pursuant to applicable requirements of relevant monetary, stock exchange or other authorities, applicable European Union and national laws and regulations and such market practices consistent therewith as the Fiscal Agent, at its discretion, shall determine to be applicable for the redenomination and exchange of Eurobonds held in international clearing systems (the

(die **“anwendbaren Vorschriften”**). Diese Pfandbriefbedingungen und insbesondere Bezugnahmen auf Geschäftstage, Zinstagequotienten oder sonstige Übereinkünfte (zur Berechnung von Zinsen, zur Bestimmung von Zahlungstagen oder anderweitig) gelten, im Falle einer Unterscheidung von den anwendbaren Vorschriften, mit Wirkung ab dem Redenominierungstag als derart geändert, dass sie den anwendbaren Vorschriften entsprechen, vorausgesetzt, dass eine solche Änderung nicht zur Zahlung höherer Beträge durch die Pfandbriefschuldnerin, als dies sonst der Fall gewesen wäre, führt und die Pfandbriefschuldnerin darin nicht einwilligt.]

§6. Steuern

Alle Zahlungen in bezug auf die Pfandbriefe erfolgen frei und ohne Einbehalt oder Abzug von oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren (gemeinsam die **“Steuern”**) jeglicher Art, die von der Bundesrepublik Deutschland oder einer sonstigen Jurisdiktion, welcher die Pfandbriefschuldnerin unterliegt, oder einer ihrer oder in dieser Jurisdiktion befindlichen Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, außer soweit ein solcher Einbehalt oder Abzug jeweils gesetzlich vorgeschrieben ist. In diesem Fall ist die Pfandbriefgläubigerin zur Zahlung zusätzlicher Beträge nicht verpflichtet.

§7. Vorlegungsfrist

Die Frist zur Vorlage von Pfandbriefe gemäß §801 Abs. 1 Satz 1 BGB beträgt 10 Jahre ab Fälligkeit der Pfandbriefe.

§8. Die Emissionsstelle[, die Berechnungsstelle] und die Zahlstellen

- (1) Hauptzahlstelle und Emissionsstelle (die **“Emissionsstelle”**) ist:

Landesbank Berlin-Girozentrale-
Bundesallee 171
10889 Berlin

Die weiteren Zahlstellen und ihre Niederlassungen sind die folgenden:

Citigroup Global Markets Deutschland AG
& Co. KGaA
Reuterweg 16
D-60323 Frankfurt am Main

Kredietbank S.A. Luxembourgise
43, boulevard Royal
L-2955 Luxemburg

“Applicable Regulations”). These terms and conditions and in particular references to any business day, day-count fraction or other convention (whether for the calculation of interest, determination of payment dates or otherwise) shall, if different from the Applicable Regulations, with effect from the Redenomination Date, be deemed to be amended to comply with the Applicable Regulations, provided that, unless otherwise agreed by the Issuer, such amendment will not result in payments of greater amounts being made by the Issuer than would otherwise have been the case.]

§6. Taxation

All payments in respect of the Pfandbrief Instruments will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges (together, the **“Taxes”**) of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Federal Republic of Germany or any other jurisdiction to which the Issuer is subject or any authority therein or thereof having power to tax unless in each case such withholding or deduction is required by law. In this case the Issuer shall not be obliged to pay any additional amounts.

§7. Presentation Period

The period for presentation of Pfandbrief Instruments provided for in §801 subparagraph (1) sentence 1 German Civil Code shall be ten years commencing on the due date of the Pfandbrief Instruments.

§8. The Fiscal Agent[, the Calculation Agent] and the Paying Agents

- (1) Principal paying and issuing agent (the **“Fiscal Agent”**) is:

Landesbank Berlin-Girozentrale-
Bundesallee 171
10889 Berlin

Further Paying Agents and their specified offices are:

Citigroup Global Markets Deutschland AG
& Co. KGaA
Reuterweg 16
D-60323 Frankfurt am Main

Kredietbank S.A. Luxembourgise
43, boulevard Royal
L-2955 Luxemburg

(zusammen mit der Emissionsstelle: die “**Zahlstellen**”).

[Berechnungsstelle ist:

[Name, Anschrift]]

- (2) Die Zahlstellen handeln im Zusammenhang mit den Pfandbriefe ausschließlich als Erfüllungsgelhilfen der Pfandbriefschuldnerin, übernehmen keine Verpflichtungen gegenüber den Pfandbriefgläubigern und stehen in keinem Auftrags- oder Treuhandverhältnis zu diesen. Die Zahlstellen sind von den Beschränkungen des §181 BGB befreit.
- (3) Die Pfandbriefschuldnerin behält sich das Recht vor, jederzeit die Ernennung von Zahlstellen zu ändern oder zu beenden und Nachfolger oder weitere Zahlstellen zu ernennen. Den Pfandbriefgläubigern ist unverzüglich von jeder Änderung der Zahlstellen oder der angegebenen Geschäftsstelle einer Zahlstelle Mitteilung zu machen.
- (4) Falls es sich nicht um einen offensichtlichen Fehler handelt, sind Entscheidungen der Emissionsstelle [oder der Berechnungsstelle] endgültig und für die Pfandbriefschuldnerin sowie die Pfandbriefgläubiger verbindlich. Bei der Erfüllung ihrer Pflichten und Verantwortlichkeiten unter diesen Pfandbriefbedingungen handelt die Emissionsstelle [oder die Berechnungsstelle] ausschließlich als Erfüllungshilfe der Pfandbriefschuldnerin und steht in keinerlei Treuhandverhältnis gegenüber den Pfandbriefgläubiger.

§9. Zusammenlegung und weitere Emissionen

- (1) Die Pfandbriefschuldnerin kann ohne Zustimmung der Pfandbriefgläubiger nach Rücksprache mit der Emissionsstelle diese Pfandbriefe mit einer oder mehreren von ihr begebenen Tranchen anderer Pfandbriefe so zusammenlegen, dass diese Tranchen eine einheitliche Serie bilden, wenn beide Tranchen ab der Zusammenlegung (i) unter derselben Internationalen Wertpapier-Kennnummer (ISIN) bei jedem relevanten Clearingsystem (wie unten definiert) abgerechnet und abgewickelt werden können und (ii) in bezug auf sämtliche Zeiträume ab der Zusammenlegung im wesentlichen die gleichen Bedingungen haben.
- (2) Eine Zusammenlegung einer Tranche, die in Euro denominated ist, mit einer in einer anderen Währung denominateden Tranche erfolgt erst nach einer Redenominierung dieser anderen Tranche gemäß den Anleihebedingungen dieser anderen Tranche.

(together with the Fiscal Agent, the “**Paying Agents**”).

[Calculation Agent is:

[Name, address]]

- (2) In connection with the Pfandbrief Instruments, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Instrumentholders. The Paying Agents shall be exempt from the restrictions of §181 German Civil Code.
- (3) The Issuer reserves the right at any time to vary or terminate the appointment of any of the Paying Agents and to appoint successor or additional paying agents. Notice of any change in the Paying Agents or in the specified office of any Paying Agent shall promptly be given to the Instrumentholders.
- (4) Determinations made by the Fiscal Agent [or the Calculation Agent] will, in the absence of manifest error, be conclusive and binding on the Issuer and the Instrumentholders. In the discharge of its duties and responsibilities under these terms and conditions, the Fiscal Agent [or the Calculation Agent] is acting in its capacity as agent solely of the Issuer. The Fiscal Agent [or the Calculation Agent] does not have any fiduciary duty towards the Instrumentholders.

§9. Consolidation and Further Issues

- (1) The Issuer may also without the consent of the Instrumentholders and subject to consultation with the Fiscal Agent, consolidate the Pfandbrief Instruments with one or more Tranches of other notes issued by it so that such Tranches shall be consolidated and form a single series of Pfandbrief Instruments, provided that such Tranches with effect from their consolidation (i) can be cleared and settled on an interchangeable basis with the same International Securities Identification Number (ISIN) through each Relevant Clearing System (as defined below) and (ii) have, in respect of all periods subsequent to such consolidation, substantially the same terms and conditions.
- (2) The consolidation of a Euro-denominated Tranche of notes with a Tranche of notes denominated in another currency shall be subject to the redenomination of such other Tranche into Euro according to its terms and conditions.

- | | |
|---|---|
| <p>(3) Die Pfandbriefschuldnerin kann ohne Zustimmung der Pfandbriefgläubiger weitere Pfandbriefe, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung und/oder des Nennbetrages) denselben Bedingungen wie die Pfandbriefe dieser Anleihe unterliegen, in der Weise begeben, dass diese weitere Emission mit diesen Pfandbriefe zu einer einheitlichen Serie zusammengefasst wird.</p> | <p>(3) The Issuer may, without the consent of the Instrumentholders, issue further notes having the same terms and conditions as the Pfandbrief Instruments in all respects (except for the first payment of interest and/or the denomination) so that such further issue shall be consolidated and form a single series with the Pfandbrief Instruments.</p> |
| <p>(4) “Clearingsystem” bedeutet in dieser Bestimmung das Clearingsystem gemäß §1(5) sowie jedes Clearingsystem, das eine Wertpapiersammelbank für eine der beiden Tranchen ist oder das Haupt-Clearingsystem in dem Staat der ursprünglichen Nennbetragswährung einer Tranche, falls eine der beiden Tranchen vor der Zusammenlegung bei einem solchen Clearingsystem abgerechnet und abgewickelt wurden.</p> | <p>(4) “Clearing System” means in this paragraph the Clearing System pursuant to §1(5) and any clearing system which is a central securities depository for one of the two Tranches to be consolidated or the principal clearing system in the country of the original currency of denomination if one of the Tranches was cleared and settled in such clearing system immediately prior to consolidation.</p> |

§10. Mitteilungen

- (1) Alle die Pfandbriefe betreffenden Mitteilungen sind in einer von der Luxemburger Börse für solche Mitteilungen bestimmten Tageszeitung mit allgemeiner Verbreitung in Luxemburg (voraussichtlich dem “Luxemburger Wort”) zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) Die Pfandbriefschuldnerin ist berechtigt, eine Zeitungsveröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Pfandbriefgläubiger zu ersetzen, vorausgesetzt, dass solange Pfandbriefe an einer Börse notiert sind, die Regeln dieser Börse diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Mitteilung an das Clearing System als den Pfandbriefgläubigern mitgeteilt. *[Im Fall von Pfandbriefe, die an der Luxemburger Börse notiert sind, einfügen: Solange irgendwelche Pfandbriefe an der Luxemburger Börse notiert sind und die Regeln dieser Börse dies vorschreiben, sind alle die Pfandbriefe betreffenden Mitteilungen gemäß Absatz 1 bekannt zu machen.]*

§11. Anwendbares Recht und Gerichtsstand

- (1) Die Pfandbriefe und alle sich daraus ergebenden Rechte und Pflichten unterliegen ausschließlich dem Recht der Bundesrepublik Deutschland. Erfüllungsort ist Berlin.

§10. Notices

- (1) All notices concerning the Pfandbrief Instruments shall be published in a daily newspaper of general circulation in Luxembourg designated by the Luxembourg Stock Exchange for such notices (expected to be the “Luxemburger Wort”). Any notice so given will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) In lieu of publication in the newspapers set forth in subparagraph (1) above, the relevant notice may be delivered to the Clearing System, for communication by the Clearing System to the Instrumentholders, provided that, so long as any Pfandbrief Instruments are listed on any stock exchange, the rules of such stock exchange permit such form of notice. Any such notice shall be deemed to have been given to the Instrumentholders on the third day after the day on which the said notice was given to the Clearing System. *[In the case of Pfandbrief Instruments which are listed on the Luxembourg Stock Exchange: So long as any Pfandbrief Instruments are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, all notices concerning the Pfandbrief Instruments shall be published in accordance with subparagraph (1).]*

§11. Governing Law and Jurisdiction

- (1) The Pfandbrief Instruments and all the rights and duties arising therefrom, are governed exclusively by the laws of the Federal Republic of Germany. Place of performance is Berlin.

- (2) Nicht-ausschließlicher Gerichtsstand für alle aus den Pfandbriefe ergebenden Rechtsstreitigkeiten ist Berlin.
- (3) Die Pfandbriefgläubiger sind berechtigt, Forderungen gegen die Pfandbriefschuldnerin vor den Gerichten im Land, in welchem die Pfandbriefschuldnerin ihren Sitz hat, geltend zu machen. In diesen Fällen ist ebenfalls das Recht der Bundesrepublik Deutschland anzuwenden. Für etwaige Rechtsstreitigkeiten, die zwischen den Pfandbriefgläubigern und der Pfandbriefschuldnerin vor Gerichten in der Bundesrepublik Deutschland geführt werden, hat die Pfandbriefschuldnerin die Bankgesellschaft Berlin AG, Alexanderplatz 2, D-10178 Berlin, als Zustellungsbevollmächtigte bestellt.
- (2) Non-exclusive court of venue for all litigation arising from the Pfandbrief Instruments is Berlin.
- (3) The holders of the Pfandbrief Instruments are also entitled to assert their claims against the Issuer before courts in the jurisdiction of incorporation of the Issuer. In such cases the laws of the Federal Republic of Germany shall also be applied. For litigation, if any, between the holders of the Pfandbrief Instruments and the Issuer which is brought before courts in the Federal Republic of Germany, the Issuer has appointed Bankgesellschaft Berlin AG, Alexanderplatz 2, D-10178 Berlin as agent for service of process.

**PRO FORMA PRICING SUPPLEMENT FOR PFANDBRIEF INSTRUMENTS
(MUSTER KONDITIONENBLATT FÜR PFANDBRIEFE)**

**Pricing Supplement dated [●]
Konditionenblatt vom [●]**

**Issue of
Begebung von**

**[Aggregate Principal Amount of Tranche and Title of Pfandbrief Instruments]
(the “Pfandbrief Instruments”)
[Gesamtnennbetrag der Tranche und Titel der Pfandbriefe]
(die “Pfandbriefe”)**

**Issued under the
U.S.\$15,000,000,000 Euro Medium Term Note Programme
begeben unter dem
U.S.\$15.000.000.000 Euro Medium Term Note Programme
of
von
Landesbank Berlin – Girozentrale –
BGB Finance (Ireland) plc**

This document constitutes the Pricing Supplement relating to the issue of Pfandbrief Instruments issued under the U.S.\$15,000,000,000 Euro Medium Term Note Programme of Landesbank Berlin – Girozentrale – and BGB Finance (Ireland) plc (the “Programme”) and this Pricing Supplement must be read in conjunction with the Offering Circular dated 19 May 2004.

*Dieses Dokument stellt das Konditionenblatt für die unter dem U.S.\$15.000.000.000 Euro Medium Term Note Programme der Landesbank Berlin – Girozentrale – und der BGB Finance (Ireland) plc (das “**Programm**”) begebenen Pfandbriefe und ist in Verbindung mit dem Offering Circular vom 19 Mai 2004 (das “**Offering Circular**”) zu lesen.*

[This Pricing Supplement and the terms herein shall supplement, amend and/or replace the Terms and Conditions of the Pfandbrief Instruments set forth in the Offering Circular (the “**Non-consolidated Conditions**”). If and to the extent the Non-consolidated Conditions deviate from the terms of this Pricing Supplement, the terms of the Pricing Supplement shall prevail. All provisions in the Terms and Conditions corresponding to items in this Pricing Supplement which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Pfandbrief Instruments.

*Dieses Konditionenblatt und die darin enthaltenen Bedingungen ergänzen, ändern und/oder ersetzen die im Offering Circular enthaltenen Pfandbriefbedingungen (die “**nicht-konsolidierten Pfandbriefbedingungen**”). Soweit sich Abweichungen zwischen den nicht-konsolidierten Pfandbriefbedingungen und diesem Konditionenblatt ergeben, gelten die Bedingungen des Konditionenblatts. Bestimmungen der nicht-konsolidierten Pfandbriefbedingungen, welche den Punkten dieses Konditionenblatts entsprechen, die nicht ausgewählt oder vervollständigt oder die gestrichen sind, gelten als von den auf die Pfandbriefe anwendbaren Pfandbriefbedingungen gestrichen.]*

[The terms in this Pricing Supplement shall be incorporated in the Terms and Conditions of the Pfandbrief Instruments set forth in the Offering Circular by complementing those Terms and Conditions and by deleting all provisions not applicable to this Tranche of Pfandbrief Instruments (the “**Consolidated Conditions**”). These Consolidated Conditions shall substitute the Terms and Conditions set forth in the Offering Circular in their entirety and shall prevail if these diverge from this Pricing Supplement.

*Die in diesem Konditionenblatt enthaltenen Pfandbriefbedingungen werden in die im Offering Circular enthaltenen Bedingungen einbezogen, indem diese Pfandbriefbedingungen mit den Bedingungen dieses Konditionenblatts vervollständigt werden und alle nicht anwendbaren Bestimmungen gestrichen werden (die “**konsolidierten Pfandbriefbedingungen**”). Diese konsolidierten Pfandbriefbedingungen ersetzen die im Offering Circular enthaltenen Pfandbriefbedingungen und gehen diesen im Fall einer Abweichung vor.]*

Capitalised Terms shall have the meanings specified in the Terms and Conditions of the Pfandbrief Instruments if not otherwise defined herein. All references in this Pricing Supplement to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions of the Pfandbrief Instruments.

Großgeschriebene Begriffe haben die ihnen in den Pfandbriefbedingungen zugewiesene Bedeutung. Bezugnahmen in diesem Konditionenblatt auf Paragraphen und Absätze beziehen sich auf Paragraphen und Absätze der Pfandbriefbedingungen.

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

[Jeder folgende Punkt soll als anwendbar oder nicht anwendbar “NA” bezeichnet werden. Dabei wird die Nummerierung nicht verändert, wenn einzelne Paragraphen oder Absätze als nicht anwendbar bezeichnet werden. Kursiver Text enthält Anweisungen zur Vervollständigung des Konditionenblatts]

- | | | |
|----|---|---|
| 1. | Issuer:
<i>Pfandbriefschuldnerin:</i> | Landesbank Berlin – Girozentrale – |
| 2. | [(i)] Series Number:
<i>Nummer der Pfandbriefe:</i> | [●]
[●] |
| | [(ii)] Tranche Number (if fungible with an existing Series, details of that Series, including the date on which the Pfandbrief Instruments become fungible):
<i>Nummer der Tranche (falls fungibel mit einer bestehenden Pfandbriefe, Einzelheiten dieser Pfandbriefe, einschließlich des Tages, an dem die Pfandbriefe fungibel werden):]</i> | [●]
[●] |
| 3. | Specified Currency or Currencies:
<i>Währung(en):</i> | [●]
[●] |
| 4. | Aggregate Principal Amount:
<i>Gesamtnennbetrag:</i> | [●]
[●] |
| | [(i)] Series:
<i>der Serie:</i> | [●]
[●] |
| | [(ii)] Tranche:
<i>der Tranche:</i> | [●]
[●] |
| 5. | [(i)] Issue Price:
<i>Emissionspreis:</i> | [●] per cent. of the Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only)]
[●] % des Nennbetrags [zuzüglich aufgelaufener Zinsen ab [Datum einfügen] (nur bei fungiblen Tranchen)] |
| | [(ii)] Net proceeds:
<i>Emissionserlös:</i> | [●] (Required only for listed issues)
[●] (nur im Fall einer Börsenzulassung)] |
| 6. | Specified Denominations:
<i>Nennbetrag (-beträge):</i> | [●]
[●] |
| 7. | [(i)] Issue Date:
<i>Begebungstag:</i> | [●]
[●] |
| | [(ii)] Interest Commencement Date:
<i>Beginn der Verzinsung:</i> | [●]
[●] |

8. Redemption Date:
Rückzahlungstag: [specify date or (for Floating Rate Pfandbrief Instruments) Interest Payment Date falling in or nearest to the relevant month and year]
[genaues Datum oder (für variabel verzinsliche Pfandbriefe) letzter Zinszahlungstag im betreffenden Monat und Jahr]
9. Interest Basis:
Zinsmodalität: [● % Fixed Rate]
[●% Festzinssatz]
[[specify reference rate] +/- ● per cent. Floating Rate]
[[festzulegender Referenzzinssatz] +/- ● %]
[Zero Coupon]
[Null-Kupon-Pfandbrief]
[Index Linked Interest]
[Indexbezogene Verzinsung]
[Other (specify)]
[andere zu bestimmende Zinsmodalität]
(further particulars specified below)
(Einzelheiten sind unten aufgeführt)
10. Redemption/Payment Basis:
Rückzahlungsmodalität: [Redemption at par]
[Rückzahlung zum Nennbetrag]
[Index Linked Redemption]
[Indexbezogene Rückzahlung]
[Dual Currency]
[Rückzahlung in anderer Währung]
[Partly Paid]
[Rückzahlung einzelner Pfandbriefe]
[Instalment]
[Rückzahlung in Teilbeträgen]
[Other (specify)]
[andere zu bestimmende Rückzahlungsmodalität]
11. Change of Interest or Redemption/
Payment Basis:
*Wechsel der Zins- oder
Tilgungs-/Rückzahlungsmodalität:* [Specify details of any provision for convertibility of
Pfandbrief Instruments into another interest or
redemption/ payment basis]
[Einzelheiten jedweder Vereinbarung einer
Umstellung der Pfandbriefe auf eine andere Zins-
oder Tilgungs-/Rückzahlungsmodalität]
12. Call Options:
Schuldnerkündigungsrechte: [Issuer Call]
[Schuldnerkündigungsrecht]
[(further particulars specified below)
[Einzelheiten sind unten aufgeführt]
13. Status of the Pfandbrief Instruments:
Status der Pfandbriefe: Unsubordinated (§2)
Nicht nachrangig (§2)
14. Listing:
Börsenzulassung: [Luxembourg /Other (specify)/None]
[Luxemburger Börse/andere (zu bestimmen)/keine]
15. Method of distribution:
Art der Platzierung: [Syndicated/Non-Syndicated]
[syndiziert/nicht syndiziert]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Einzelheiten zur Verzinsung

16. Fixed Rate Note Provisions:
Festzinsmodalitäten:
- [Applicable/Not Applicable]
[anwendbar/nicht anwendbar]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Rate[(s)] of Interest:
Zinssatz (Zinssätze):
- per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
 % per annum [zahlbar [jährlich/halbjährlich/ vierteljährlich/monatlich] nachträglich]
- (ii) Interest Payment Date(s):
- in each year
 in jedem Jahr
[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]adjusted/not adjusted]
[Gemäß der [Geschäftstagekonvention und Finanzzentrum/zentren einfügen] angepasst/nicht angepasst]
- (iii) Fixed Coupon Amount(s):
Festzinsbetrag (Festzinsbeträge):
- per in Nominal Amount
 pro Stückelung
- (iv) Broken Amount(s):
Stückzinsen:
- [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]
[hier Angabe aller anfänglich oder am Ende anfallenden Stückzinsen, die nicht mit dem (den) Festzinsbeträgen übereinstimmen]
- (v) Day Count Fraction:
Zinstagequotient:
- [30/360 / Actual/Actual (ISMA/ISDA) / other (specify)]
[30/360 / Actual/Actual (ISMA/ISDA) / andere (zu bestimmen)]
- (vi) Fixed Interest Payment Date:
Festzinstermine:
- in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. Only relevant for euro-denominated Notes where Day Count Fraction is Actual/Actual (ISMA)]
 in jedem Jahr [Zinszahlungstage einfügen, außer im Fall langer oder kurzer Zinsperioden. Für diese Fälle den gewöhnlichen Zinszahlungstage einfügen (nur bei Euro-denominierten Schuldverschreibungen, wenn Actual/Actual (ISMA) gewählt ist)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Pfandbrief Instruments:
Sonstige Einzelheiten zur Zinsberechnungsmethode bei festverzinslichen Schuldverschreibungen:
- [Not Applicable/give details]
[nicht anwendbar/(Angabe von Einzelheiten)]

17. Floating Rate Note Provisions: [Applicable/Not Applicable]
Modalitäten bei variabler Verzinsung: [anwendbar/nicht anwendbar]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
(falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Interest Period(s):
Zinsperiode(n):
- (ii) Specified Interest Payment Dates:
Festgelegte Zinszahlungstage:
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)] [andere (Einzelheiten einfügen)]
Geschäftstagsregelung:
- (iv) Business Centre(s) (Condition 5 (3)):
Zusätzliche(s) Maßgebliche(s)
Finanzzentrum (-zentren) (§ 5(3)):
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (give details)]
Art und Weise, in der der Zinssatz bestimmt wird: [Bestimmung vom Bildschirm/Bestimmung gemäß ISDA/andere Art der Bestimmung (Angabe von Einzelheiten)]
- (vi) Calculation Agent (if not the Fiscal Agent):
Berechnungstelle (falls nicht der Fiscal Agent):
- (vii) Screen Rate Determination:
Zinsbestimmung vom Bildschirm:
- Reference Rate:
Referenzzinssatz:
- Interest Determination Date(s):
Zinsfeststellungstag(e):
- Relevant Screen Page:
Maßgebliche Bildschirmseite:
- (viii) ISDA Determination:
Zinsbestimmung gemäß ISDA:
- Floating Rate Option:
Wahlrecht variable verzinslich:
- Designated Maturity:
vorbestimmte Laufzeit:
- Reset Date:
Neufeststellungstag:
- (ix) Margin(s): [+/-] per cent. per annum
Aufschlag/Abschlag (Marge): [+/-] % per annum
- (x) Minimum Rate of Interest: per cent. per annum
Mindestzinssatz: % per annum
- (xi) Maximum Rate of Interest: per cent. per annum
Höchstzinssatz: % per annum

(xii) Day Count Fraction: <i>Zinstagequotient:</i>	[see §3 of the Terms and Conditions of the Pfandbrief Instruments] [Gemäß §3 der Pfandbriefbedingungen zu bestimmen)]
(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Pfandbrief Instruments, if different from those set out in the Conditions: <i>Zusatzvereinbarungen, Regelungen betreffend Rundungen, Nenner und andere Einzelheiten im Zusammenhang mit der Berechnung von Zinsen bei variabel verzinslichen Pfandbriefen, sofern abweichend von den Pfandbriefbedingungen:</i>	[●] [●]
18. Zero Coupon Note Provisions	
<i>Nullkupon-Modalitäten</i>	[Applicable/Not Applicable] [anwendbar/nicht anwendbar] (If not applicable, delete the remaining subparagraphs of this paragraph) (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
(i) Accrual Yield: <i>Rendite:</i>	[●] per cent. per annum [●] % per annum
(ii) Reference Price: <i>Referenzkurs:</i>	[●] [●]
(iii) Any other formula/basis of determining amount payable: <i>Andere Formel/Berechnung des fälligen Betrags:</i>	[●] [●]
19. Index-Linked Interest Note Provisions	
<i>Indexbezogene Zinsmodalitäten</i>	[Applicable/Not Applicable] [anwendbar/nicht anwendbar] (If not applicable, delete the remaining subparagraphs of this paragraph) (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
(i) Index/Formula: <i>Index/Formel:</i>	[give or annex details] [Angabe von Einzelheiten, ggfls. als Anhang]
(ii) Calculation Agent responsible for calculating the interest due: <i>Berechnungsstelle für die Berechnung der fälligen Zinsen:</i>	[●] [●]

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:
Vereinbarungen zur Zinsbestimmung für den Fall, dass die Berechnung unter Bezugnahme auf einen Index und/oder eine Formel nicht möglich oder nicht sinnvoll ist:
- (iv) Interest Period(s):
Zinsperiode(n):
- (v) Specified Interest Payment Dates:
Zinszahlungstage:
- (vi) Business Day Convention:
Geschäftstageskonvention:
 [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]
 [Floating Rate Convention /Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / andere Regelung (Angabe von Einzelheiten)]
- (vii) Business Centre(s) (Condition 5(3)):
Finanzzentrum(-zentren) (§5(3)):
- (viii) Minimum Rate of Interest:
Mindestzinssatz: per cent. per annum
 % per annum
- (ix) Maximum Rate of Interest:
Höchstzinssatz: per cent. per annum
 % per annum
- (x) Day Count Fraction:
Zinstagequotient:
 [see Condition 3 of the Terms and Conditions of the Pfandbrief Instruments]
 [§ 3 der Pfandbriefbedingungen]
20. **Dual Currency Note Provisions**
Doppelwährungs-Modalitäten
 [Applicable/Not Applicable]
 [anwendbar/nicht anwendbar]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Rate of Exchange/method of calculating Rate of Exchange:
Umrechnungskurs/Art der Umrechnung:
 [give details]
 [Angabe von Einzelheiten]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:
Berechnungsstelle, falls zutreffend, für die Berechnung des fälligen Rückzahlungsbetrages und/oder fälliger Zinsen:
- (iii) Provisions applicable where calculation by references to Rate of Exchange impossible or impracticable:
Anwendbare Bestimmungen für den Fall, dass die Berechnung unter Bezugnahme auf einen Umrechnungskurs nicht möglich oder nicht sinnvoll ist:

- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
 [●]
Person, die die Art der Währung(en) für die Zahlung(en) bestimmt:

PROVISIONS RELATING TO REDEMPTION

Einzelheiten zur Rückzahlung

21. Call Option: [Applicable/Not Applicable]
Vorzeitige Rückzahlung nach Wahl der Pfandbriefschuldnerin: [anwendbar/nicht anwendbar]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (falls nicht anwendbar, entfallen die Unterabschnitte dieses Absatzes)
- (i) Optional Redemption Date(s): [●]
Tag(e) der vorzeitigen Rückzahlung: [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
 [●] je Pfandbrief in der Stückelung von [●]
Betrag bei vorzeitiger Rückzahlung / Amortisierungsnennbetrag (bzw. Beträge) und, falls zutreffend, Methode zu deren Berechnung:
- (iii) If redeemable in part:
Bei Rückzahlung in Teilbeträgen:
- (a) Minimum Redemption Amount: [●]
Minimum-Rückzahlungsbetrag: [●]
- (b) Maximum Redemption Amount: [●]
Maximum-Rückzahlungsbetrag: [●]
- (iv) Notice period: [●] [See §4(2)/specify other]
Kündigungsfrist: [●] [Siehe §4(2)/andere einfügen]
22. Put Option: Not Applicable
Kündigungsrecht der Gläubiger: nicht zutreffend
23. Final Redemption Amount of each Pfandbrief Instrument: [[●] per Instrument of [●] specified denomination / other/see Appendix]
Rückzahlungsbetrag bei Endfälligkeit: [●] je Pfandbrief in der Stückelung von [●]/anderer/siehe Anhang]
24. Early Redemption Amount: [●]
Betrag bei vorzeitiger Rückzahlung: [●]
 Early Redemption Amount(s) payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]
Betrag (Beträge) bei vorzeitiger Rückzahlung bei Vorliegen von Kündigungsgründen für die Pfandbriefgläubiger und Methode zu deren Berechnung (falls erforderlich oder falls abweichend von den Bedingungen):

GENERAL PROVISIONS APPLICABLE TO AN ISSUE OF PFANDBRIEF INSTRUMENTS

Allgemeine Angaben zu den Pfandbriefen

25. (i) Form of Pfandbrief Instruments:
Form (Verbriefung):
- Bearer Pfandbrief Instruments:**
[Temporary Global Instrument exchangeable for a Permanent Global Instrument]
[Permanent Global Instrument]
Inhaber-Pfandbriefe:
[Vorläufige Globalurkunde austauschbar gegen eine Dauerglobalurkunde]
[Dauerglobalurkunde]
- (ii) Applicable TEFRA rules:
Anwendbare TEFRA Regelung:
- [Not Applicable/C Rules/D Rules]
[Nicht anwendbar/C Rules/D Rules]
26. Financial Centre(s) or other special provisions relating to Payment Dates:
Zusätzliches Maßgebliches Finanzzentrum oder andere spezielle Vereinbarungen in Bezug auf Zahltag:
- [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period and dates, to which items 16 (ii), 17(iii) and 19(vi) relates]
[Nicht anwendbar /Angabe von Einzelheiten]
(Bitte beachten, dass diese Angabe sich auf den Ort der Zahlung bezieht und nicht auf die Länge der Zinsperiode, die in Punkt 17 (iii) geregelt ist)
27. Details relating to Partly Paid Pfandbrief Instruments: 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 Pfandbrief Instruments and interest due on late payment:
Einzelheiten in Bezug auf Teileingezahlte Pfandbriefe: Betrag jeder Zahlung unter Angabe des Emissionspreises und dem Tag, an dem die betreffende Einzahlung zu leisten ist, sowie (falls zutreffend) Rechtsfolgen bei Nichteinzahlung, einschließlich jedwedes Recht der Emittentin, bei verspäteter Einzahlung Pfandbriefe nicht zu übertragen und Zinsen nicht zu zahlen:
- [Not Applicable/give details]
[nicht zutreffend/Angabe von Einzelheiten]
28. Details relating to Instalment Pfandbrief Instruments amount of each instalment, date on which each payment is to be made:
Einzelheiten in Bezug auf in Teilbeträgen rückzahlbare Pfandbriefe: Betrag jeder Teilrückzahlung und Tag, an dem die Zahlung zu leisten ist:
- [Not Applicable/give details]
[nicht zutreffend /Angabe von Einzelheiten]
29. Redenomination, renominalisation and reconventioning provisions:
Währungsumstellung, Nennwertumstellung und Umstellungsbestimmungen:
- [Not Applicable/The provisions [in §5(5) of the Terms and Conditions of the Pfandbrief Instruments] [annexed to this Pricing Supplement] apply]
[nicht zutreffend/ die Bestimmungen in [§5(5)] [im Anhang zum Konditionenblatt] sind gültig]
30. Consolidation provisions:
Konsolidierungsbestimmungen:
- [Not Applicable/The provisions [in Condition 9] [annexed to this Pricing Supplement] apply]
[nicht zutreffend/ die Bestimmungen in [§9] [im Anhang zum Konditionenblatt] sind gültig]

31. Other terms or special conditions:
Sonstige oder spezielle Bestimmungen: [Not Applicable/give details]
 [Nicht anwendbar / Einzelheiten einfügen]
 [nicht zutreffend/Angabe von Einzelheiten]

DISTRIBUTION

Angaben zur Platzierung

32. (i) If syndicated, names of Managers:
Fall syndiziert, Namen der Manager: [Not Applicable/give names]
 [nicht zutreffend/Angabe von Einzelheiten]
- (ii) Stabilising Manager (if any):
*Für Kurspflege verantwortlicher
 Manager:* [Not Applicable/give name]
 [nicht zutreffend/Angabe von Einzelheiten]
34. If non-syndicated, name of Dealer:
Falls nicht syndiziert, Name des Dealers: [Not Applicable/give names]
 [nicht zutreffend/Angabe von Einzelheiten]
35. Additional selling restrictions:
Zusätzliche Verkaufsbeschränkungen: [Not Applicable/give details]
 [nicht zutreffend/Angabe von Einzelheiten]

OPERATIONAL INFORMATION

Angaben zur Abwicklung

36. ISIN Code:
ISIN Code:
37. Common Code:
Common Code:
38. German Security Code (WKN):
Wertpapierkennnummer/interne Kennnummer:
39. Clearing System(s):
Clearing System(e): [Clearstream Luxembourg/Euroclear]
 [Clearstream Frankfurt]
 [other/additional Clearing System]
 [anderes/zusätzliches Clearing System]
40. Delivery:
Lieferung: Delivery [against/free of] payment
 Lieferung [gegen/frei von] Zahlung
41. Additional Paying Agent(s) (if any):
Weitere Zahlstelle(n) (falls zutreffend):
42. Credit Linked Pfandbrief Instruments:
Credit Linked Pfandbriefe: [Please specific provisions to be inserted for a
 particular issue of Credit Linked Pfandbrief
 Instruments]
 [anwendbare Bestimmungen hier einfügen]

[The following information is to be included in the case of Pfandbrief Instruments to be listed on a Stock Exchange:

This Pricing Supplement comprises the details required to list the issue of Pfandbrief Instruments described herein pursuant to the U.S.\$15,000,000,000 Euro Medium Term Note Programme of Landesbank Berlin – Girozentrale – and BGB Finance (Ireland) plc (the “**Programme**”). Application is hereby made to list this issue of Pfandbrief Instruments pursuant to the Programme on the Luxembourg Exchange with effect from [insert the settlement date for the issue of the Pfandbrief Instruments].]

[Im Fall von börsenzugelassenen Pfandbriefen einfügen:

*Dieses Konditionenblatt enthält die gemäß dem U.S.\$15.000.000.000 Euro Medium Term Note Programme der Landesbank Berlin – Girozentrale – und der BGB Finance (Ireland) plc (das “**Programm**”) für eine Börsenzulassung der Pfandbriefe notwendigen Angaben. Hiermit wird Antrag auf Börsenzulassung der gemäß dem Programm begebenen Pfandbriefe an der Luxemburger Börse ab dem [Begebungstag der Pfandbriefe] gestellt.*

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Die Pfandbriefschuldnerin übernimmt die Verantwortung für dieses Konditionenblatt.

Landesbank Berlin – Girozentrale

By: By:.....

THE GERMAN PFANDBRIEF MARKET

In 2002 German Pfandbriefe (Public Sector Pfandbriefe and Mortgage Pfandbriefe, each as defined below) together constituted approximately 23 per cent. of Euro denominated fixed income securities issued by German issuers. This share exceeds that attributable to fixed income securities issued by the German federal government. Public Sector Pfandbriefe account for approximately 90 per cent. of the Pfandbrief market, with Mortgage Pfandbriefe accounting for the remaining 10 per cent. Individual issues of Public Sector Pfandbriefe are generally between €5 million and €500 million in size. Since 1995, however, Public Sector Pfandbriefe have been placed in the form of so-called jumbo issues, generally exceeding €500 million each. Since June of 1995, Public Sector Pfandbriefe in an aggregate principal amount exceeding €400 billion have been placed through such issues.

Legal framework for the issuers of German Pfandbriefe

German Pfandbriefe are debt securities issued by two types of special banks. Mortgage banks can issue German Pfandbriefe under the German Mortgage Bank Act (*Hypothekbankgesetz*) and Public Sector Credit Institutions (as defined below) can do so under the German Mortgage Bank Act on Pfandbriefe and Similar Debentures of Public Sector Institutions (*Gesetz über Pfandbriefe und verwandte Schuldverschreibungen öffentlich-rechtlicher Kreditanstalten*) (the “Public Sector Pfandbriefe Act”). Thus, Pfandbriefe are issued by (private) mortgage banks and Public Sector Credit Institutions such as *Landesbanken* to provide funding. The Public Sector Pfandbriefe Act stipulates that (Mortgage or Public Sector) Pfandbriefe issued by German public law credit institutions (the “Public Sector Credit Institutions”) must be issued in accordance with its provisions; otherwise they must not be called (Mortgage or Public Sector) Pfandbriefe by such issuers. In particular, issues of any Pfandbriefe must comply with the congruent cover requirements (*kongruentes Deckungsprinzip*) of the Public Sector Pfandbriefe Act. The issuers operate under strict statutory regulations concerning their banking activities and investments. In particular, the aggregate principal amount of all Mortgage and Public Sector Pfandbriefe may not exceed 60 times the issuer’s regulatory liable capital and 48 times in case of mixed mortgage banks. As a Public Sector Credit Institution, LBB is authorized to issue Mortgage Pfandbriefe (*Hypothekpfandbriefe*), Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*, also referred to as *Kommunalobligationen*) and other bonds to cover its funding needs.

Characteristics of German Pfandbriefe

German Pfandbriefe are traditional German law debt instruments and fall into two categories: Public sector Pfandbriefe covered by public loans (*Kommunaldarlehen*) (the “**Public Sector Pfandbriefe**”) and mortgage Pfandbriefe covered by mortgages (*Hypotheken*) (the “**Mortgage Pfandbriefe**”). Both are usually medium- to long-term instruments, in registered or bearer form, with a maturity commonly of no more than ten years. Pfandbriefe may bear interest at fixed or floating rates and may be, *inter alia*, issued as index linked or zero coupon Pfandbriefe. They cannot be redeemed by a Dealer to this Programme, or any subsequently appointed Dealers prior to their scheduled date of maturity. Pfandbriefe are recourse obligations of the issuing bank, and no separate vehicle is created for their issue as would be in the case of mortgage backed securities.

The maturity of the Pfandbriefe shall not materially exceed the maturity of the underlying assets.

The currency of the Pfandbriefe may only differ from the currency of payment on the assets underlying the Pfandbriefe if appropriate countermeasures have been taken to exclude any currency risk.

Asset Coverage in the German Pfandbrief Market

A separate asset pool is maintained for the Public Sector Pfandbriefe and for the Mortgage Pfandbriefe of each issuer. Specific assets within each pool are not segregated to cover individual issues of German Pfandbriefe. Instead, each pool covers all outstanding German Pfandbriefe issued by Public Sector Credit Institutions in the relevant category. The assets in each pool are listed in the appropriate register maintained by Public Sector Credit Institutions, and each pool is required to be replenished when necessary to ensure that all German Pfandbriefe issued by Public Sector Credit Institutions are fully covered.

Asset Pools

The Public Sector Pfandbriefe Act sets forth the following principal requirements regarding the asset pools:

- The aggregate principal amount of assets in the pool must at all times be greater than or equal to the aggregate principal amount of the outstanding German Pfandbriefe to which the pool relates.

- The aggregate interest yield on the asset pool must at all times be greater than or equal to the aggregate interest payable on the outstanding German Pfandbriefe to which the pool relates.
- The aggregate net present value of the assets in the pool must be greater than or equal to the net present value of the outstanding German Pfandbriefe to which the pool relates. For purposes of determining compliance with this requirement, the Public Sector Credit Institutions must calculate the relevant net present values on a daily basis.
- The maturity of the German Pfandbriefe issued may not materially exceed the maturity of the assets in the respective pool.

Ordinary Cover

The assets that qualify for inclusion in the pool as ordinary cover for Public Sector Pfandbriefe are mainly loans to or guaranteed by the German federal or state governments, municipalities (including local or state special purpose associations (*Zweckverbände*)) and German public law entities, the governments of member states of the European Union, other contracting states of the Agreement on the European Economic Area, Switzerland, the U.S., Canada or Japan, as well as loans to or guaranteed by regional governments or local authorities in these countries, loans to or guaranteed by certain multinational institutions and the governments of other European states that are full members of the Organisation for Economic Cooperation and Development.

Further permissible ordinary cover assets for public sector German Pfandbriefe are loans to non-profit administrative bodies of federal or regional governments or local authorities in member states of the European Union, other contracting states of the Agreement on the European Economic Area, as well as loans to or guaranteed by the European Communities, the European Investment Bank, the International Bank for Reconstruction and Development, the Council of Europe Development Bank and the European Bank for Reconstruction and Development. However, where it is not assured that the preferential rights granted to holders of German Pfandbriefe under the Public Sector Pfandbriefe Act upon insolvency of the bank will be recognised by the jurisdiction of the borrower, then the amount of such loans may not exceed 10 per cent. of the aggregate amount of domestic public sector loans and loans granted in jurisdictions in which the preferential right is acknowledged and loans to or guaranteed by the European Communities, the European Investment Bank, the International Bank for Reconstruction and Development, the Council of Europe Development Bank and the European Bank for Reconstruction and Development included in the pool.

In addition to the loans described above, claims arising from interest and currency swaps, as well as certain other derivatives transactions entered into on the basis of standardised master agreements with suitable banks or financial services institutions as counterparties may also be used as ordinary cover for Public Sector Pfandbriefe, provided that the claims of the Public Sector Credit Institution will not be adversely affected by an insolvency of the mortgage bank or the pool of cover assets. Any claims of the counterparties of the Public Sector Credit Institution arising from such transactions must also be covered by the assets in the cover pool. The claims arising from derivatives transactions included in the pool of cover assets must not exceed 12 per cent. of the public sector German Pfandbriefe outstanding plus the claims of counterparties of the Public Sector Credit Institution arising from derivatives transactions included in the cover assets.

The assets that qualify for inclusion in the pool as ordinary cover for Mortgage Pfandbriefe are mainly loans extended by the Public Sector Credit Institution secured by first mortgages on residential and commercial property in Germany and, subject to certain limitations, other member states of the European Union, contract states of the Agreement on the European Economic Area and Switzerland, in each case with a loan to value ratio not in excess of 60 per cent. As far as the inclusion of derivatives transactions in the cover pool for Mortgage Pfandbriefe is concerned, the same rules apply as to the inclusion of such transactions in the cover pool for public sector German Pfandbriefe.

Substitute Cover

Under the Public Sector Pfandbriefe Act, up to 10 per cent. of the aggregate amount of German Pfandbriefe outstanding may be covered by assets (“substitute cover”) other than public sector debt or mortgage loans, as the case may be. The proceeds of an issuance may be used as substitute cover temporarily by, among other things, depositing these funds with the Bank’s account with the Bundesbank or other suitable credit institutions until suitable qualifying assets are acquired for the pool. In addition, assets which may be used as substitute cover are primarily debt instruments issued or guaranteed by the German federal government, a special fund of the German federal government or a German state government, the European Communities, another member state of the European Union, another contracting state of the Agreement on the European Economic Area, Switzerland, the

U.S., Canada or Japan, another European full member state of the Organisation for Economic Cooperation and Development, as well as debt instruments issued or guaranteed by certain multi-national banks, as well, as cash deposits maintained with the German Bundesbank or other suitable banks. To the extent that the substitute cover assets are listed debt securities, they must be valued at an amount that remains below their respective market prices by five per cent. of their nominal value, but such amount may not exceed the nominal value of such securities.

Supervision

Public Sector Credit Institutions are subject to supervision by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”) pursuant to the German Banking Act (*Kreditwesengesetz* – “*KWG*”). Under the KWG, the BaFin conducts annual audits to determine the status of the mortgage bank’s business affairs and to discover potential credit risks. In addition, the BaFin conducts audits at two- to three-year intervals which focus on newly acquired assets, the issuing banks’ lending policy and compliance with statutory coverage requirements in general.

Consequences of Insolvency: Preferential Claim on Assets

If a Public Sector Credit Institution were to become insolvent, which could occur as a result of either the bank’s inability to pay its debts (*Zahlungsunfähigkeit*) or an excess of its liabilities over its assets (*Überschuldung*), the BaFin would have sole authority to apply to the insolvency court for the opening of insolvency proceedings involving such a bank. Promptly upon the opening of such insolvency proceedings, the insolvency court, in consultation with the BaFin, would appoint a receiver to operate the bank. Any insolvency proceeding with respect to the Public Sector Credit Institution would not relate to the two pools of assets covering German Pfandbriefe. Accordingly, the assets constituting cover for the German Pfandbriefe would not fall into the insolvency estate of the Public Sector Credit Institution and would not be available for the satisfaction of the Public Sector Credit Institution’s general creditors. The German Pfandbriefe would remain outstanding and the Public Sector Credit Institution would use the payments received on the underlying pool of cover assets for payments on the related German Pfandbriefe in the same manner as prior to the insolvency proceedings. In essence, the German Pfandbrief operations of the Public Sector Credit Institution would continue to operate as if they were a separate legal entity that is not subject to the insolvency proceedings.

In the event that, upon the opening of insolvency proceedings with respect to a Public Sector Credit Institution, the pool of assets covering the Public Sector or Mortgage Pfandbriefe of the credit institution were to be over-indebted or insufficient to make payments as they fall due on the related German Pfandbriefe, the BaFin could apply to the insolvency court for the opening of separate insolvency proceedings with respect to the pool of cover assets concerned. A pool of assets would only be “over-indebted” if the liabilities arising from the German Pfandbriefe covered by the pool of assets were to exceed the value of the pool of assets, and a pool of assets would only be “unable to pay its debts as they fall due” if the pool of assets did not yield sufficient funds in order to pay interest on and principal of the German Pfandbriefe backed by the pool of assets as such payments become due.

If the Public Sector Credit Institution complies with the provisions of the Public Sector Pfandbriefe Act, the assets comprising a pool should always be sufficient to avoid insolvency proceedings with respect to a pool of assets (unless, in the case of public sector German Pfandbriefe, the public sector issuers of the underlying obligations were to default). In the event of insolvency proceedings with respect to a pool of assets, the German Pfandbriefe covered by such pool of assets would become due, and the holders of such German Pfandbriefe would be repaid with the proceeds from the sale or liquidation of such pool of assets by the insolvency receiver. If the proceeds from the sale or liquidation of such pool of assets were insufficient to repay the holders of the related outstanding German Pfandbriefe, such holders would also have recourse to any assets of the issuer outside the pool in insolvency proceedings with respect to the Public Sector Credit Institution. However, as regards such assets, holders of German Pfandbriefe would rank equally with other unsecured and unsubordinated creditors of such credit institution.

Mortgage Register (*Hypothekenregister*) and Coverage Register (*Deckungsregister*)

Mortgages and other assets which back up Pfandbriefe either as primary cover or substitute cover have to be registered individually by the issuer in a mortgage register. Similarly, public loans and other assets which back up Public Sector Pfandbriefe either as primary cover or substitute cover have to be registered individually by the issuer in a coverage register. The mortgage and coverage registers will be held by the issuer of the Pfandbriefe. Any assets so registered may not be disposed of, charged or waived by the issuer. However, any disposing

decisions (*Verfügung*) in respect of them is effective. Unlike under the Mortgage Bank Act, no independent individual is appointed by the FBSA as trustee to supervise the asset registers.

Anstaltslast and Gewährträgerhaftung

It should be pointed out that the understanding reached between the EU Commission and the delegation headed by Mr. Koch-Weser on 17 July 2001 concerning State Aid does not affect the quality of Pfandbriefe issued by *Landesbanks*, as the credit worthiness of Pfandbriefe does not depend on the continuation of the *Anstaltslast* or the *Gewährträgerhaftung* of a *Landesbank* (see “Understanding with the European Commission on *Anstaltslast* (Maintenance Obligation) and the *Gewährträgerhaftung* (Guarantee Obligation)” below).

USE OF PROCEEDS

It is intended that the net proceeds of any issue of Debt Instruments under the Programme will be used by the relevant Issuer for its general corporate purposes and/or to meet the financing requirements of Bankgesellschaft Berlin AG and its subsidiaries.

INTRODUCTION TO THE BANKGESELLSCHAFT BERLIN GROUP

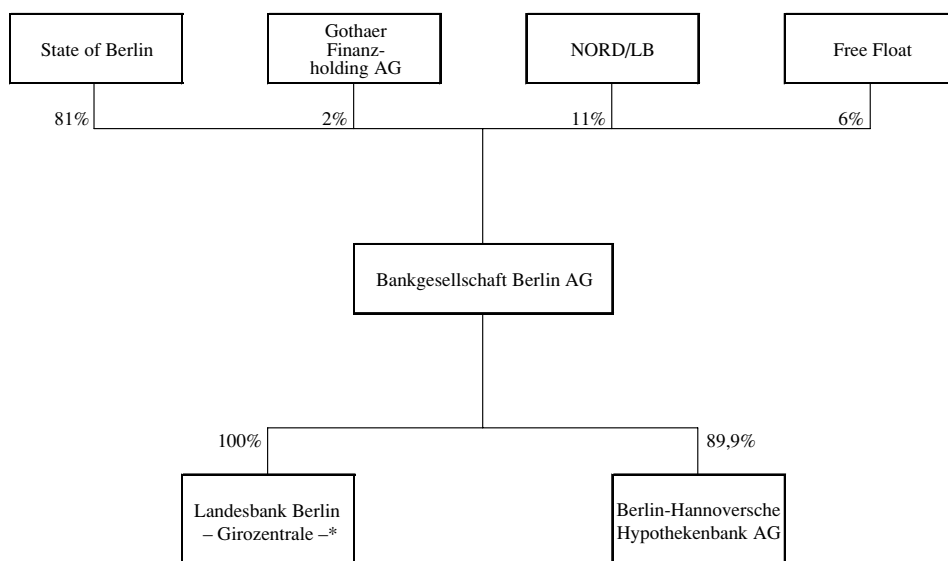
Formation

On 1 January 1994, three of Berlin's major banking institutions were linked under the umbrella of a new parent company entity, Bankgesellschaft Berlin AG ("**BGB**"). This followed a decision in 1992 by the Senate of the State of Berlin to unite its bank shareholdings, with the objectives of forming a major banking Group in the city and strengthening the position of Berlin as a financial centre. BGB, together with its subsidiaries (the "**Group**"), employs on average 11,525 people (as of 31 December 2003), most of them in Berlin. The major subsidiaries of BGB are Berlin-Hannoversche Hypothekenbank AG ("**Berlin Hyp**") and Landesbank Berlin – Girozentrale – ("**LBB**").

Berlin Hyp and LBB between them cover the commercial, mortgage and savings banking markets with a regional focus on the Berlin/Brandenburg region and continue to serve their particular markets as individual entities. BGB, as the parent company, assumes strategic leadership functions such as Group planning and controlling, personnel and central administration, while offering certain services in support of the banking operations such as auditing and electronic data processing. Additionally, BGB is the centre of competence for the Group's capital markets activities. The Group's brands in retail banking are Berliner Bank and Berliner Sparkasse.

BGB Finance (Ireland) plc ("**BGB Finance**") is a wholly owned subsidiary of BGB and LBB and its function is to act as an international funding vehicle for the Group's long and medium term capital market transactions.

A simplified corporate structure diagram is set out below:



* **Consolidation** – BGB's silent partnership in LBB has a nominal value of EUR 844 million. Contractual claims on the silent partnership were limited to 75.01% of Landesbank Berlin's assets and earnings and furthermore excluded its Investitionsbank Berlin division. In 1998 Bankgesellschaft Berlin AG acquired 100% of the claims for earnings for the remaining 24.99% share in Landesbank Berlin owned by the city-state of Berlin (*Land Berlin*)

The Relationship between the Group and the State of Berlin

As a result of the public sector status of the LBB and associated principles of German administrative law, the State of Berlin has certain responsibilities with respect to LBB. These are summarised below. The State of Berlin does not participate in the day-to-day management of either company, and its responsibilities are of a legal, rather than a commercial, nature.

Bankgesellschaft Berlin AG

The State of Berlin is the majority shareholder in BGB with a holding of 81 per cent. of BGB's equity share capital. However, there is no explicit guarantee by the State of Berlin of BGB's liabilities. Further, the State of Berlin does not have any obligations in the nature of *Anstaltslast* (Maintenance Obligation) or *Gewährträgerhaftung* (Guarantee Obligation) with respect to BGB. (For further discussion of these concepts, see the paragraph below entitled "Landesbank Berlin – Girozentrale –").

Landesbank Berlin – Girozentrale –

Due to the status of LBB as an incorporated public sector institution, there is a special relationship between LBB and the State of Berlin. This relationship arises under the German administrative law principle of *Anstaltslast* (Maintenance Obligation) which mandates that the State of Berlin, having created LBB, has a responsibility to LBB for the performance of LBB's obligations. This legal liability requires the State of the Berlin to keep LBB in a position to perform its functions and to enable it, in the event of financial difficulties, through the allocation of funds or in some other appropriate manner, to perform its obligations when due. Creditors of LBB do not, however, have a direct claim against the State of Berlin for enforcement of this *Anstaltslast* (Maintenance Obligation).

Additionally, LBB also benefits from the *Gewährträgerhaftung* (Guarantee Obligation). Under the *Gesetz über die Errichtung der Landesbank Berlin – Girozentrale – ("LBB Act")* this *Gewährträgerhaftung* (Guarantee Obligation) gives LBB's creditors a direct claim against the State of Berlin, if and to the extent such creditors should be unable to obtain satisfaction out of the assets of LBB.

For the limitations of *Anstaltslast* (Maintenance Obligation) or *Gewährträgerhaftung* (Guarantee Obligation) see "Understanding with the European Commission on *Anstaltslast* (Maintenance Obligation) and the *Gewährträgerhaftung* (Guarantee Obligation)" below.

Berlin-Hannoversche Hypothekenbank AG

The State of Berlin has provided a guarantee of Berlin Hyp's obligations but this is limited to those liabilities of the entity which is now Berlin Hyp existing as of 31 December 1992. It should be noted, however, that the recourse of creditors with respect to such liabilities to the State of Berlin is limited to the extent to which the assets of Berlin Hyp are insufficient to cover the claims of such creditors.

Understanding with the European Commission on *Anstaltslast* (Maintenance Obligation) and the *Gewährträgerhaftung* (Guarantee Obligation)

In the debate on the guarantee mechanisms of German public banks, the European Commission and the Koch-Weser delegation (representing the German Federal Government and the German "Länder") agreed, on 17 July 2001, on the modification of the current liability principles as well as on the transitional arrangements to implement the new structure. This new arrangement offers Landesbanks legal certainty and planning stability.

On the basis of the "platform model" stipulated in the "Understanding" of 17 July 2001, *Gewährträgerhaftung* (Guarantee Obligation) will be abolished after a four year transitional period lasting from 19 July 2001 to 18 July 2005, and the *Anstaltslast* (Maintenance Obligation) will be replaced by a "normal commercial relationship" between the owners and the public financial institution concerned.

The German "Länder" have amended legislation governing Landesbanks and savings banks by 31 December 2002 so that it complies with these changes to the guarantee mechanisms. This fact has been affirmed officially by Commissioner Mario Monti in a press release on 15 January 2003.

Legal protection of bona fide acts and the prohibition of ex post facto laws for existing liabilities and those created during the four-year transitional period ("grandfathering"):

The Federal Republic of Germany's law on the prohibition of ex post facto laws ensures that the legislator cannot interfere in existing legal positions in a way that would disadvantage investors in Landesbanks ("grandfathering"). The "Understanding" meets the requirements of this principle.

Liabilities from unadjusted activities which have been contracted before 18 July 2001 (inclusive) are "existing liabilities" in view of the principle of legal protection of bona fide acts, even if the date of the signature of the contract document and the value date fall after 18 July 2001. In such cases, grandfathering will be unlimited in time until maturity.

For liabilities created during the four-year transitional period from 19 July 2001 to 18 July 2005, the *Gewährträgerhaftung* (Guarantee Obligation) applies (as of 19 July 2005, due to grandfathering) on condition that its date of maturity does not fall after 31 December 2015. The *Anstaltslast* (Maintenance Obligation) and the *Gewährträgerhaftung* (Guarantee Obligation) apply in this case until 18 July 2005.

Liabilities created from 19 July 2001 whose maturity does not go beyond 18 July 2005 come completely under the *Anstaltslast* (Maintenance Obligation) and the *Gewährträgerhaftung* (Guarantee Obligation).

For the fulfilment of commitments under the *Gewährträgerhaftung* (Guarantee Obligation), the following procedure is provided in the interest of the capital markets, which is implemented in the Savings and Landesbanks Acts:

“The owners of the savings banks and the ... Landesbank on 18.7.2005 are responsible for the honouring of all liabilities of the respective institution existing at this date. For the liabilities agreed by 18.7.2001 this applies without time limit; for those agreed afterwards until 18.7.2005, this applies only if their maturity does not go beyond 31.12.2015. The owners will immediately honour their obligations from *Gewährträgerhaftung* vis-à-vis the creditors of liabilities agreed until 18.7.2005 as soon as they have stated, when these liabilities come due, in due manner and in writing that the creditors of these liabilities cannot be satisfied out of the assets of the institution. ... Several owners are collectively responsible, in their internal relationships according to their shares [or: according to the provisions in the by-law of the institution.]”

This procedure does not require a notification in accordance with state aid law. It includes the possibility of offering undertakings in immediate time relation with the date of settlement. Internationally recognised rating agencies have basically confirmed the good rating of the Landesbanks.

The continuous information of the owners by the Landesbank and their participation in various committees of the Landesbank ensures that the owners are always informed with regard to the liquidity and credit standing position. This “early warning system” of the Landesbanks warrants that the specific owner is able to react immediately.

BANKGESELLSCHAFT BERLIN AG

History, Incorporation and Domicile

Bankgesellschaft Berlin AG, as a corporate entity, was formerly known as Berliner Bank AG. Berliner Bank AG was incorporated under German law as a joint stock company (*Aktiengesellschaft*) for an unlimited period of time on 5 July 1950. It adopted its current name as part of the restructuring of the bank holdings of the State of Berlin, which became effective on 1 January 1994, at which time it became the parent company for such holdings, at the same time maintaining its existing listing on the Berlin Stock Exchange. BGB is now listed on all German exchanges. Since 1 January 1994, BGB has functioned as the parent company for the Group, whilst also conducting the capital markets business for the Group.

BGB has its head and registered office at Alexanderplatz 2, D-10178 Berlin, Federal Republic of Germany. BGB has been entered in the Register of Companies of the County Court (*Amtsgericht*) of Berlin-Charlottenburg under registration number HRB 527. BGB maintains a registered branch office in London.

Objectives

The objective of BGB as laid down in its Articles of Association is the management of a corporate Group consisting of banks and the pursuit of banking business – with the exception of investment transactions – in all branches of bank operations and those commercial transactions pertaining thereto. Subject to, and in accordance with the German Banking Act (*Gesetz über das Kreditwesen*), BGB may carry on all business that is conducive to meeting the objectives of BGB, including the purchase, management and disposal of property, the acquisition of interests in other companies, as well as the formation and purchase of such companies and the establishment of branches in Germany and abroad. BGB is also authorised to carry on its business activities through subsidiaries, affiliates or jointly held companies and to engage in joint venture and co-operation agreements with other companies.

Capitalisation of BGB and the Group

The following table shows the capitalisation of BGB and the capitalisation of the Group respectively, as of 31 December 2003.

<i>Capitalisation of BGB</i>	(in millions of EUR)
Liabilities to banks	49,061
Liabilities to customers	2,801
Securitised liabilities	4,052
Other liabilities	2,480
Subordinated Capital	1,853
Provisions.	1,224
Equity	2,178
	<hr/>
Total capitalisation	63,649
	<hr/> <hr/>

<i>Capitalisation of the Group</i>	(in millions of EUR)
Liabilities to banks	51,459
Liabilities to customers	48,175
Securitised liabilities	40,006
Other liabilities	4,792
Subordinated Capital	2,752
Provisions.	2,539
Equity	3,563
	<hr/>
Total capitalisation	153,286
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Since 31 December 2003, there have been no material changes in the capitalisation of BGB or the capitalisation of the Group except that LBB has issued notes in an aggregate nominal amount of €1,250,000,000 on 11 February 2004.

Governing Bodies

In addition to the General Meeting of Shareholders, in accordance with the German Stock Corporation Act (*Aktiengesetz*) BGB has two governing bodies, the Board of Management (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*).

(a) Board of Management

According to the Articles of Association, the Board of Management must consist of three or more members. The actual number of members of the Board of Management is determined by the Supervisory Board. The Board of Management must report regularly to the Supervisory Board, in particular, on proposed business policy and strategy, profitability and on the current business of BGB as well as on any exceptional matters which arise from time to time. Current membership numbers five and is as follows:

Name

Hans-Jörg Vetter (Chairman)
Serge Demolière
Uwe Kruschinski
Norbert Pawlowski
Dr. Thomas Veit

The business address of the members of the Board of Management is Alexanderplatz 2, 10178 Berlin, Federal Republic of Germany. BGB may legally be represented by two members of the Board of Management or one member of the Board of Management together with one holder of a commercial procuration (*Prokurist*), registered in the Commercial Register.

(b) Supervisory Board

According to the Articles of Association, the Supervisory Board must consist of 20 members. In accordance with the German Stock Corporation Act (*Aktiengesetz*) and the law mandating employee participation in management (*Mitbestimmungsgesetz, 1976*), the Supervisory Board must consist of ten representatives of the shareholders, and ten employee representatives. Two of the shareholders' representatives are selected by the State of Berlin. The primary responsibilities of the Supervisory Board are to advise the Board of Management and to monitor BGB's management. Current membership is as follows:

<i>Name</i>	<i>Principal Occupation</i>
Dr. h.c. Klaus G. Adam (Chairman)	Chairman of the Management Board at Landesbank Rheinland Pfalz, Mainz
Helmut Tesch* (Deputy Chairman)	Chairman of the Central Personnel Committee and the Personnel Committee at Landesbank Berlin – Girozentrale –, Berlin
Dr. h.c. Manfred Bodin	Chairman of the Board of Management of Norddeutsche Landesbank Girozentrale, Hanover
Dagmar Brose*	Deputy Chairwoman of the Works Council at Bankgesellschaft Berlin AG, Berlin
Thomas Dobkowitz	Management Consultant, Berlin
Dr. Michael Endres	Former member of the Board of Directors at Deutsche Bank AG, Frankfurt/Main – Chairman of the Board of Directors at Gemeinnützige Hertie-Stiftung, Frankfurt/Main
Claudia Fieber*	Member of the Integration Group BB-LBB
Hartmut Friedrich*	Deputy Regional Manager at ver.di Berlin-Brandenburg region, Berlin
Dr. Thomas Guth	Managing Director at Gesellschaft für Industriebeteiligungen Dr. Schmidt AG & Co., Berlin
Dr. Klaus Murmann	Chairman of the Board of Management at Sauer-Danfoss Inc., Ames, Iowa
Bernd Reinhard*	Chairman of the Works Council at the Berliner Bank, Branch of Bankgesellschaft Berlin AG, Berlin
Andreas Rohde*	Member of the Works Council at Bankgesellschaft Berlin AG, Berlin
Dr. Thilo Sarrazin	Senator of Finance, Berlin
Hans-Christian Seidel*	Bank Manager at Landesbank Berlin – Girozentrale –, Berlin
Dr. Heinz-Gerd Stein	Member of the Executive Board(retired) at Thyssen Krupp AG, Düsseldorf
Joachim Tonndorf*	Head of Department, Financial Services at ver.di Berlin-Brandenburg region, Berlin
Frank Wolf*	Financial Services Secretary at ver.di Berlin-Brandenburg region, Berlin
Harald Wolf	Senator of Economic Affairs, Employment and Women, Berlin
Bernd Wrede	Former Chairman of the Executive Board at Hapag-Lloyd AG, Hamburg
Bärbel Wulff*	Deputy Chairwoman of the Central Personnel Committee and the Personnel Committee at Landesbank Berlin – Girozentrale –, Berlin

The business address of the members of the Supervisory Board is Alexanderplatz 2, 10178 Berlin, Federal Republic of Germany.

* Employee representatives

Auditors

The current auditors of BGB and the Group are PWC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (former C&L Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft), Lise-Meitner-Strasse 1, 10589 Berlin. They have been BGB's auditors since 6 June 1997.

Business of the Group

In December 2001, the Group announced that it needed an intensive restructuring concept to be able to survive. The restructuring concept is to establish the Group on the basis of four pillars:

As a customer-oriented bank with an excellent position in the retail banking business ("**Retail Banking Division**") and regional corporate banking business ("**Regional Corporate Banking Division**"), with capital markets ("**Capital Markets Division**") and real estate financing ("**Real Estate Financing Division**") throughout Germany geared towards investors and residential construction companies.

The result of bundling the activities of the Berliner Bank and Berliner Sparkasse brands under the umbrella of Landesbank Berlin, forms an important milestone of the Retail Banking Division and in the reconstruction of the Group. It was reached on July 1, 2003. Under the umbrella of LBB, the two Berliner Bank and Berliner Sparkasse brands are now run as separate entities. As a result of the EU decision, the Berliner Bank unit must be spun off from the Group by February 1, 2007 at the latest and sold to a separate investor.

The Regional Corporate Banking Division successfully restructured the regional branches in the State of Brandenburg by focusing on the Potsdam branch. In Berlin, the branches and sales processes were concentrated on the commercial client centres of Berliner Sparkasse. The merger of the Regional Corporate Banking and Public Sector business areas was completed.

The new strategic reorientation was further implemented for the Capital Markets Division. The development of an integrated sales strategy across the product areas and the associated reorganisation of responsibilities and processes between the trading divisions were carried out. The reduction of risk assets in the Corporate Banking and Structured Finance divisions is to be continued unchanged.

In the Real Estate Financing Division, the Group is focusing on the requirements of German and foreign investors, real estate companies and co-operatives as well as selected property developers. The business area concentrates on economically strong conurbations such as Berlin, Dusseldorf, Frankfurt am Main, Hamburg and Munich. Berlin Hyp clients can also use the range of services offered by the Hanover site.

The Group maintains branches of BGB, LBB and Berlin Hyp in London and LBB also maintains a branch in Luxembourg. Subsidiaries of the Group operate in Luxembourg and Dublin.

The subsidiaries IBAG Immobilien und Beteiligungen Aktiengesellschaft ("**IBAG**"), LPFV Finanzbeteiligungs – und Verwaltungs GmbH ("**LPFV**") and the Immobilien- und Baumanagement der Bankgesellschaft Berlin GmbH ("**IBG**") form the Real Estate Services Division ("**Real Estate Services Division**") of the Group. The operating real estate business is largely focused on IBAG, whereas IBAG and IBG do not manage any new business and IBG is in the process of deoperationalisation. LPFV central objective is to minimise losses from the utilisation of guarantees issued by the Group. The Real Estate Services Division is no longer regarded as core division for the Group and will be spun off. (*Refer to Risks: Business policy and strategic decisions and Risks from the Real Estate Services and implementation of the Risk Shielding Agreement*).

LANDESBANK BERLIN – GIROZENTRALE –

History, Incorporation and Domicile

The business origins of Landesbank Berlin – Girozentrale – go back to 1818 when the first Prussian savings bank was founded (the “**Berliner Sparkasse**”).

After the 2nd world war the successor entity of the Berliner Sparkasse was separated into two entities, one of which operated as a savings bank for the people of West Berlin and the other as a savings bank for the people of East Berlin.

After the unification of West Berlin and East Berlin, these entities were merged and LBB was established in September 1990, by converting the new entity into a Landesbank.

LBB was constituted pursuant to the provisions of the *Gesetz zur Errichtung der Landesbank Berlin – Girozentrale* – (“**LBB Act**”) on 1 October 1990. It is a financial institution established under public law (*rechtsfähige Anstalt des Öffentlichen Rechts*). LBB has its head office at Bundesallee 171, D-10889 Berlin, Federal Republic of Germany.

In 1994 LBB, a public law institution, was integrated into the Group structure and placed under the umbrella of BGB as the parent company entity by means of the steps set out below.

First, the State of Berlin and LBB entered into an “atypical silent partnership”, whereby the State of Berlin participated as a silent partner in LBB (excluding Investitionsbank Berlin) and lodged as a capital contribution a claim against LBB. Such capital contribution represents a participation of 68.11% of the corporate value of LBB (later increased to 75.01%). The State of Berlin became a silent partner of LBB up to the amount of its participation.

The State of Berlin transferred its silent participation in LBB in two steps to BGB and received as consideration shares of BGB. The State of Berlin held and is holding 24.99% directly in LBB.

The State of Berlin then transferred this 75.01 per cent. interest in LBB to BGB in return for the issue of shares in BGB. A domination agreement (“*Vertrag zur Begründung einer einheitlichen Leitung*”) between BGB and LBB was entered into, which overrides the “silent” nature of the 75.01 per cent interest and gives BGB rights to exercise management control over LBB. BGB does not have any rights of control over Investitionsbank or Landesbausparkasse. Under the terms of the domination agreement (“*Vertrag zur Begründung einer einheitlichen Leitung*”), any control exercised by BGB over LBB must comply with statutory requirements and may not be given to the disadvantage of LBB. Due to a safeguarding of interest agreement between BGB and the State of Berlin, BGB may exercise a substantial influence on the nomination of candidates for the Board of Directors. A consequence of the agreements is that BGB is entitled to a proportionate share of LBB’s profits and losses (excluding the profits and losses of Investitionsbank). The agreements may not be unwound prior to 31 December 2023 and only on five years’ notice. In 1998 the State of Berlin sold to BGB all future claims of the State of Berlin against LBB in relation to any payments to be distributed out of the net income for the year and out of any proceeds in the event of a liquidation. The State of Berlin is required to retain all voting rights in LBB (subject to the “safeguarding of interests” agreement) in order for its *Anstaltslast* (Maintenance Obligation) and *Gewährträgerhaftung* (Guarantee Obligation) (as further explained previously in “Introduction to the Bankgesellschaft Berlin Group – The Relationship between the Group and the State of Berlin” and below in “Position of Creditors”) to operate under German law.

Objectives

According to the statutory provisions pursuant to which it is constituted, LBB’s objectives are to conduct banking business of all types and other business serving the purpose of LBB. In all its business activities, LBB must support the State of Berlin in the satisfaction of public duties under consideration of social, ecological and structural aspects.

LBB has an obligation to conduct its business in accordance with commercial principles, taking into account the public welfare.

LBB is subject to governmental supervision and regulation exercised by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* (“**BaFin**”)), an independent federal authority with regulatory powers, and the Deutsche Bundesbank in accordance with the German Banking Act (*Gesetz über das*

Kreditwesen) of 10 July 1961 (as amended) and subject to supervision by the relevant supervisory body of the Senate of the State of Berlin.

Position of Creditors

As a result of the agreements concluded between BGB as the parent entity and LBB when the new Group structure was established in 1994, BGB and LBB are regarded under German law as a “contractual Group of companies” (*Vertragskonzern*). Consequently, by operation of article 302 of the German Stock Corporation Act, BGB is liable to compensate LBB for any year’s net loss incurred whilst these agreements are in place. All assets of BGB are potentially available to be realized to compensate LBB for such losses. This would include the shareholdings of BGB and Berlin Hyp. This process constitutes the primary method by which LBB would receive sufficient funds to meet any claim. If, however, insufficient funds were received as a result of this process then the State of Berlin would be required under the German administrative law principal of *Anstaltslast* (Maintenance Obligation) to ensure that LBB remains in a position so that it is able to perform its obligations when due. For further detail on the State of Berlin’s obligations in respect of LBB, see “Introduction to the Bankgesellschaft Berlin Group – The Relationship between the Group and the State of Berlin”.

As a result of LBB’s status as a public law institution and the fact that it is subject to *Anstaltslast* (Maintenance Obligation), LBB is not able to declare itself bankrupt, nor is it able to be declared bankrupt.

Capitalisation of LBB

The following table shows the capitalisation of LBB as of 31 December 2003.

	(in millions of EUR)
Liabilities to banks	27,622
Liabilities to customers	36,623
Securitised liabilities	22,991
Other liabilities	1,619
Subordinated capital	748
Provisions	761
Equity	2,283
	<hr/>
Total capitalisation	92,647
	<hr/> <hr/>

Since 31 December 2003, there have been no material changes in the capitalisation of LBB except that LBB has issued notes in an aggregate nominal amount of €1,250,000,000 on 11 February 2004.

Governing Bodies

LBB has three governing bodies, the Board of Management (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the Guaranty Authority Meeting (*Gewährträgersversammlung*).

(a) Board of Management

According to the statutory provisions pursuant to which it is constituted, the Board of Management must consist of two or more members. The actual number of members of the Board of Management is determined by the Supervisory Board. The Board of Management must report regularly to the Supervisory Board, in particular, on proposed business policy and strategy, profitability and on the current business of LBB as well as on any exceptional matters which arise from time to time. Current membership numbers six and is as follows.

Name

Hans-Jörg Vetter (Chairman)
 Dr. Johannes Evers
 Uwe Kruschinski
 Hans Jürgen Kulartz
 Norbert Pawlowski
 Prof. Dr. Dieter Puchta

(b) Supervisory Board

According to the LBB-Act the Supervisory Board of LBB consists of 14 members, nine of whom are proposed by the Senate of Berlin and elected by the Guaranty Authority Meeting and five of whom are representatives of the employees. The primary responsibility of the Supervisory Board is to advise the Board of Management and to monitor LBB's management.

Current members of the Supervisory Board are:

<i>Name</i>	<i>Principal Occupation</i>
Dr. h.c. Klaus G, Adam	Chairman of the Management Board of Landesbank Rheinland-Pfalz, Mainz
Harald Wolf	Senator of Economic Affairs, Employment and Women, Berlin
Dr. Thilo Sarrazin	Senator of Finance, Berlin
Peter Strieder	Former Senator of Urban Development, Berlin
Thomas Dobkowitz	Management consultant
Dr. Michael Endres	Former member of the Board of Management of Deutsche Bank AG
Dr. Thomas Guth	Managing Director at Gesellschaft für Industriebeteiligungen Dr. Schmidt AG & Co., Berlin
Dr. Heinz-Gerd Stein	Former member of the Board of Management of ThyssenKrupp AG
Bernd Wrede	Former Chairman of the Board of Management at Hapag-Lloyd AG
Astrid Maurer*	Savings Bank Professional
Helmut Tesch*	Banking Officer; Chairman of the Joint Staff Council and the Staff Council at Landesbank Berlin – Girozentrale –
Rainer Toobe*	Banking Officer; Chairman of the Staff Council at Investitionsbank Berlin
Frank Walde*	Savings Bank Economist
Bärbel Wulff*	Savings Bank Economist; Deputy Chairwoman of the Joint Staff Council and the Staff Council at Landesbank Berlin – Girozentrale –

* Employee representatives

(c) Guaranty Authority Meeting

The members of the Guaranty Authority Meeting are selected by the Senate, it consists of 4 members of the Senate; Staatssekretäre can act in place of them.

Auditors

The current auditors of LBB are PWC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Lise-Meitner-Strasse 1,10589 Berlin.

Business of LBB

LBB has its origins as a savings bank for private customers. Accordingly, its current customer base is mainly private individuals and small and medium sized companies located in and around Berlin. It has a dominant share of the personal current account market in Berlin. LBB is able to fund itself at very competitive rates due to its credit rating and its ability to acquire funding through its retail customer deposit base.

The Retail Banking and Regional Corporate Banking arms of LBB and BGB were combined in LBB with legal effect from 1 July 2003. The brands Berliner Bank and Berliner Sparkasse will remain independent divisions, however, they are now based on one joint production platform in LBB which enables the Group to further streamline its organization and to achieve considerable cost reductions.

For further detail refer to chapter "Risk: EU financial assistance proceedings relating to restructuring assistance for BGB and the transfer of the former Wohnungsbaukreditanstalt to LBB" and chapter "Risk: Business policy and strategic decisions".

Investitionsbank Berlin

Investitionsbank Berlin ("**IBB**") is an organisationally and economically autonomous institution run as a separate division of LBB. It was created late in 1992 to provide finance to assist the State of Berlin to promote investment in and around the city and in particular to provide residential housing finance and generally to act as a regional

development bank. Although LBB owns IBB, LBB's parent company BGB does not have access to the earnings of IBB. IBB's earnings are compulsorily capitalised i.e. they are allocated directly to reserves or distributed directly to the State of Berlin. Since they are paid into the open reserves of LBB, they do however count as part of the Tier 1 capital of BGB.

Investitionsbank Berlin will be separated from the Group and transferred into an independent legal entity in 2005 at the latest, see "Recent Developments", "Legal Risks" "Spin-off of IBB from LBB".

BERLIN-HANNOVERSCHE HYPOTHEKENBANK AG

History, Incorporation and Domicile

Berlin-Hannoversche Hypothekbank AG ("**Berlin Hyp**") is the mortgage bank of the Group created from the merger of Berliner Hypotheken- und Pfandbriefbank AG and Braunschweig-Hannoversche Hypothekbank AG in June 1996, effective as from 1 January 1996.

Berlin Hyp became incorporated under German law as a joint stock company (*Aktiengesellschaft*) on 1 January 1993. Berlin Hyp has its head offices at Budapester Str. 1, 10787 Berlin and Landschaftstr. 8, 30159 Hanover, Federal Republic of Germany. Berlin Hyp has been entered in the Register of Companies of the County Court of Berlin-Charlottenburg under registration number HRB 56530 and the District Court of Hanover under registration number HRB 6931.

Objectives

The objectives of Berlin Hyp are to conduct the business of a mortgage bank subject to and in accordance with the German Banking Act (*Gesetz über das Kreditwesen*) and the German Mortgage Bank Act (*Hypothekbankgesetz*). Berlin Hyp may carry out all business within this regulatory framework that is conducive to meeting the objectives of Berlin Hyp. Berlin Hyp is also authorised to carry on its business activities through subsidiaries, affiliates or jointly held companies and to engage in joint venture and co-operation agreements with other companies.

Business of Berlin Hyp

Berlin Hyp is an integral part of the Group's strategy in the Real Estate Financing division and will provide mortgage finance to both the residential and commercial sectors. It has an unconsolidated capital base of approximately EUR 582 million and assets of approximately EUR 40 billion (per 31 December 2003). Berlin Hyp funds its lending activities by the issuance of mortgage bonds (*Pfandbriefe*), by interbank borrowing and the issuance of other types of securities.

BGB FINANCE (IRELAND) PLC

History, Incorporation and Domicile

BGB Finance (Ireland) plc was incorporated and registered in Ireland under the Companies Acts, 1963-1990 with limited liability as a public limited company for an unlimited period of time on 17 November 1995. The registered and principal office of BGB Finance is at 5 Georges Dock, IFSC, Dublin 1. BGB Finance has been entered in the Register of Companies of Ireland with registered number 241057. It has no registered branch offices and no subsidiaries.

Objectives

The objectives of BGB Finance as set out in its Memorandum of Association are *inter alia*, the issuance of securities, instruments or obligations of any nature whatsoever, including debt securities and all such other things as may be conducive to attainment of, *inter alia*, such objective.

Capitalisation of BGB Finance

The following table shows the capitalisation and long term and medium term indebtedness of BGB Finance as at 31 December 2003.

	<i>(EUR '000)</i>
Notes due 2004	425,953
Notes due 2005	617,305
Notes due 2006	167,428
Notes due 2007	402,759
Notes due 2008	101,903
Notes due 2009	1,074,120
Notes due 2010	429,219
Notes due 2011	250,000
Notes due 2012	479,323
Notes due 2013	66,754
Notes due 2015	3,702
Notes due 2018	87,952
Notes due 2019	143,505
Notes due 2020	67,405
Notes due 2021	14,808
Notes due 2027	111,070
Notes due 2029	104,550
Total Long Term and Medium Term Debt	<u>4,547,756</u>
Issued Share Capital	
– 1,000,002 Ordinary Shares of €0.50 each out of a total authorised share capital of €2,500,000,000	500
– Capital Conversion Reserve Fund as a result of renominalisation on the 5 November 2002 .	11
Profit & Loss Account (as at 31 December 2003).	247
Total Capitalisation.	<u>4,548,514</u>

Since 31 December 2003, there have been no material changes in the capitalisation of BGB Finance.

Governing Bodies

Other than the General Meeting of Shareholders, BGB Finance has one governing body, the Board of Directors. According to the Articles of Association of BGB Finance, the Board of Directors must consist of 2 or more directors.

The current four members are Mr. Serge Demolière, Mr. David Allen, Mr. Martin Müller, and Mr. Carlos Santistevan.

Auditors

The auditors of BGB Finance are PricewaterhouseCoopers Chartered Accountants, George's Quay, Dublin 2.

Business of BGB Finance

The business of BGB Finance is to issue international debt for the long and medium term funding of the Group.

RECENT DEVELOPMENTS OF THE BANKGESELLSCHAFT BERLIN GROUP AND RISKS

Overview of the 2003 financial year

The continuation of the strategic reorientation of the Bank, adopted in November 2001, towards becoming a strong regional bank in the greater Berlin area with capital markets and real estate financing throughout Germany was also the main focus of the business policy in the 2003 financial year. Business activities of the Group outside of this objective were further reduced. This also includes the Group separating itself from major subsidiary companies and participations. Another important component of the restructuring concept, adopted in 2001, was the transfer of the Berliner Bank branch of BGB to Landesbank Berlin. The restructuring of Real Estate Services was resolutely continued.

In parallel to the continuation of the Group restructuring, the pending financial assistance proceedings of the European Commission (EU Commission) relating to the approval of financial assistance offered by the State of Berlin to BGB was supported. A positive decision was reached on February 18, 2004 regarding the application.

Both the consolidated operating result and the consolidated result of ordinary business activities (earnings after taxes, excluding effects from the EU decision) show that the Group also made considerable progress in the second year of the restructuring even though the economic situation in Berlin in particular remained strained and the banking environment was generally difficult.

In the operating result of the Group (operating result after risk provisioning – without changes to the reserve according to section 340f of the German Commercial Code), a positive value is reported for the first time in 2003 after three years with negative results (€ 218 million after € -48 million in the previous year).

Primarily due to the reduction in expenditure for financial investments, for losses assumed and for restructuring, it was possible to achieve profitability again in the consolidated result of ordinary business activities (earnings after taxes, excluding effects from the EU decision) (€ 24 million after € -699 million in the previous year).

The approval given in February 2004 by the EU Commission relating to the financial assistance granted by the State of Berlin is the main milestone on the path to restructuring to secure the existence of Bankgesellschaft. The provisioning for the implementation of the EU decision amounting to € 317 million and valuations amounting to € 23 million took the imposed conditions into account. Consolidated earnings after taxes reported in line with commercial law were therefore € -316 million.

Consolidated balance sheet for the Group

The consolidated **balance sheet total** as at December 31, 2003 fell by € 21.5 billion or 12.3% to € 153.3 billion compared with the previous year (€ 174.8 billion). A crucial factor in this development was the restructuring-related decline of receivables and liabilities due to and from customers and banks, as well as the subsidiaries no longer consolidated as at the balance sheet date due to their sale.

As at the balance sheet date, the **nominal volumes of derivatives business** amounted to € 548.4 billion (previous year: € 691.5 billion). 92.6% of this volume related to interest rate-related transactions. The largest item here was interest rate swaps at € 391.3 billion (77.0% of interest rate-related transactions).

In line with Principle I of the German Banking Act (risk of counterparty default), derivatives business, with a nominal volume of € 548.4 billion, corresponds to a weighted credit risk equivalent of € 1.2 billion (previous year: € 1.4 billion).

The lending volume in the Group fell by € 13.9 billion to € 89.0 billion (previous year: € 102.9 billion). Loans and advances to banks accounted for € 2.0 billion of this decrease and amounts due from customers accounted for € 11.9 billion.

Assets

Loans and advances to banks fell by € 2.7 billion or 8.7% to € 28.1 billion (previous year: € 30.8 billion). The decline in loans and advances due on demand was largely offset by longer-term loans and advances.

Loans and advances to customers fell by € 11.9 billion or 13.3% to € 77.7 billion. This development is primarily due to the reduction in terms of over five years, in particular for long-term mortgage loans from the mortgage bank. € 2.4 billion relates to the divestment of Allbank and Zivnostenska banka.

Risk provisioning in the lending business amounted to € 5,312 million (previous year: € 5,535 million). In terms of the total lending volume, this results in an increase in the ratio from 5.1% to 5.6%, due to the reduction of the lending volume.

Debt securities and other fixed-interest securities totalled € 32.9 billion. The € 6.6 billion fall against the previous year is primarily due to loans and bonds relating to other issuers.

The increase in the item **shares and other non fixed-income securities** of € 0.6 billion or 16.5% to € 3.9 billion results from an increase in the trading portfolio.

The reduction in **other assets** results in part from the decline in asset items from the portfolios of the trading portfolio and from the value corrections of the profit-sharing right of LBB.

Liabilities

Deposits by banks fell by € 7.9 billion or 13.3% to € 51.5 billion, of which € 7.5 billion relates to liabilities due on demand.

Customer savings declined by € 8.9 billion or 15.6% to € 48.2 billion, due in part to the divestment of Allbank and Zivnostenska banka as well as the volume reductions of the other Group banks.

The decline in **securitised liabilities** is largely due to the maturities of debt securities issued at Berlin Hyp and BGB.

Provisions were slightly above the level of the previous year (€ 2.5 billion, after € 2.3 billion in the previous year); this includes € 317 million reported for the implementation of the decision by the EU Commission. In the remaining types of provisioning, the allocations are compensated by write-backs and utilisation. The provisions posted in the 2001 annual financial statements for the portion of loss to be borne by LPFV of € 100 million were fully utilised in the 2003 financial year.

As a result of the **net loss for the year** of € 316 million in particular, Group equity declined. Effects that increase shareholders' equity resulting from the accounting rules to be applied for the first time in the financial year are offset by negative effects of Group accounting (in particular the consolidation of securities and reporting of profit-sharing rights). **Group equity** amounts to € 3.6 billion (previous year: € 3.9 billion).

Capital ratios

As at December 31, 2003, the total bank regulatory capital resources of the Group pursuant to the German Banking Act amounted to € 5.7 billion. In relation to the risk items amounting to € 57.4 billion, this results in an overall key ratio pursuant to the German Banking Act Principle I of 9.9% and a core capital ratio of 6.1%. The overall key ratio for the AG was 10.5% and the core capital ratio was 7.2% (after approval of the annual financial statements).

Consolidated Profit and Loss Accounts for the Group

Although the virtually stagnant German economy did not provide any supportive impetus for the development of business within the Group, the consolidated operating result showed that the restructuring of the Group again progressed successfully in 2003.

Income from the operating result of ordinary business activities was almost at the level of the previous year, with a 12.3% reduction of the balance sheet total. Together with the significant reduction of € 167 million or 10.8% in administrative expenditure achieved in 2003, this is decisive for the considerable increase in the consolidated operating result from € -48 million to € 218 million (excluding effects from the EU decision). Amounting to € 340 million, provisioning and valuation measures as a result of the positive EU decision relating to the financial assistance proceedings had a negative impact.

The consolidated earnings after taxes reported for the 2003 financial year in line with commercial law is only comparable to a limited degree as a result of **the provisioning for the implementation of the decision by the European Commission**. Provisioning was set up and valuations were carried out for the following for the implementation of the decision by the European Commission relating to the approval of the financial assistance:

	<i>€ million</i>
Disposal of Real Estate Services, which is subject to the detailed agreement	122
Sale of the Berliner Bank branch	177
Liquidation of BG (Ireland) plc	18
Value correction of the 25% profit-sharing rights of LBB	23
	<hr/>
Total	340
	<hr/> <hr/>

These effects negatively impact the following P&L items:

	<i>€ million</i>
Net other operating income and expenditure	23
Earnings from financial investments	15
Other items, net (extraordinary expenditure)	302
	<hr/>
Total	340
	<hr/> <hr/>

Net interest income

The decline in net interest income of € 42 million to € 1,664 million is primarily due to the strategic reduction of the balance sheet volume. Margin increases had a compensating impact. While interest expenses amounted to € 5,001 million, 21.1% below the figure of the previous year, interest income fell slightly by 18.4% to € 6,419 million, with almost constant income from strategic interest management measures. The current income, included in the net interest income, from participations and affiliated companies, profit pooling and associated companies rose by € 79 million to € 92 million. The main influencing factor here was proceeds from the sale of associated companies.

Overall, in terms of net interest income, the interest rate spread was 1.03% (previous year: 0.96%). Excluding the measures relating to strategic interest management, it amounted to 0.93% (previous year: 0.86%).

Net commission income

At € 314 million, net commission income was € 28 million or 8.2% below the figure for the previous year of € 342 million.

With an increased share of the commission from payment services/account management, the development of the structure of the net commission income showed progress in the restructuring into a strong regional bank with significant retail business.

At € 139 million, commission from payment services/account management represents a considerable income component of the net commission income. At € 96 million, the securities and issue business was slightly below the level of the previous year due to restrained customer activities as a result of the economic situation.

As a result of the continuation of the planned concentration of Retail Banking and Regional Corporate Banking on the greater Berlin area and due to selective new business in the lending area, linked to strict criteria, net commission income was lower, at € 25 million, than in the previous year (€ 41 million). The decline results primarily from guarantee commission.

Commission from card business and other services was down on the previous year, at € 36 million and € 18 million respectively.

Profit from financial transactions

The profit from financial transactions reached € 12 million (previous year: € -24 million). In contrast to the previous year, this item was only impacted to a limited extent by the valuation of the portfolio of own shares in the 2003 financial year (+ € 0.3 million; previous year: € -15.9 million). The open market value reserves in the trading division decreased slightly.

Administrative expenditure

Administrative expenditure at the Group fell by € 167 million or 10.8% to € 1,379 million (previous year: € 1,546 million). With regard to cost savings realised, personnel costs accounted for € 109 million, and other administrative expenditure, including normal depreciation, accounted for € 58 million. As a result of the restructuring of the Group and stringent cost management, administrative expenditure has again reached the level of the 1995 financial year.

Personnel costs totalled € 744 million, after € 853 million in the previous year. A decisive factor in this was the shedding of 3,116 jobs (-21.7%) in the financial year, in line with restructuring. Of these jobs, 1,743 employees left the Group as a result of the sale of Zivnostenska banka and Allbank.

Other administrative expenditure decreased by € 47 million or 8.0% to € 543 million.

Net other operating income and expenditure

At € -42 million, net other operating income and expenditure from ordinary business activities (excluding effects from the EU decision) was down on the value of the previous financial year (€ 5 million). A decisive factor is a write-down amounting to € 57 million on the 25% profit-sharing rights of LBB reported on the balance sheet as other assets. This was carried out on the basis of the previous applied valuation procedure. In view of the intended simplification of the Group structure in connection with the privatisation stipulated by the EU Commission, a write-down was also carried out in the amount of € 23 million.

Adjusted for these value corrections, the net other operating income and expenditure totalled € 15 million, € 10 million up on the previous year's value (€ 5 million). The adjusted net other operating income and expenditure consists of the net other operating income and expenditure (€ 25 million, previous year: € 7 million) and other taxes (€ 10 million, previous year: € 2 million).

Net other operating income and expenditure comprises the corresponding profits from the banks belonging to the Group. The main business activities of the service companies were integrated into banks or transferred to Group third parties by means of outsourcing. In addition, expenditure (except for personnel costs) and income from the Real Estate Services operating business of the Group (IBAG, IBG and LPFV) are posted here.

Risk provisioning

For **risk provisioning in the lending business**, a net total of € 409 million (previous year: € 617 million) was transferred, of which € 140 million at BGB, € 85 million at LBB (including IBB) and € 147 million at Berlin Hyp.

Net **earnings from securities in the liquidity reserve**, which amounted to € 58 million (previous year: € 86 million), were realized predominantly at Landesbank Berlin and Berlin Hyp.

In view of the planned legal independence of Investitionsbank Berlin, **reserves pursuant to section 340f of the German Commercial Code** (€ 176 million) were written back. This write-back amount and the additional allocation amounting to € 26 million was used for the allocation of the reserve pursuant to section 340g of the German Commercial Code. This serves to strengthen the core capital basis of IBB after the spin-off.

Earnings from financial investments

Consolidated earnings from financial investments totalled € -91 million (previous year: € -449 million). On the basis of the valuation method, which remained unchanged from the previous year, securities held in fixed assets (EURO STOXX-50 unit shares) amounting to € 138 million (previous year: € 399 million) had to be written down. The average unit price over the past twelve months formed the basis for determining the carrying value on the valuation date, whereby the current market price represented the lower limit. At year-end 2003, the unit shares were valued at market price.

The shares in the Berlin Capital Fund held by BGB and LBB as well as the participations portfolio accounted for the significant value adjustments and provisioning. Income from the sale of shares in Zivnostenska banka, which were reduced in the Group as a result of profits reinvested during the period of Group affiliation, compensated for this expenditure.

With regard to the implementation of the decision by the EU Commission, the amount posted in line with commercial law for earnings from financial investments includes € 15 million for de-consolidation effects from the disposal of Real Estate Services.

Other items, net

This summary item mainly includes expenditure from losses assumed and the items extraordinary expenditure and extraordinary income.

At € 29 million, assumed losses were down on the previous year (€ 39 million) and mainly result from the property companies belonging to the Group.

Extraordinary income and expenditure were crucially determined by the restructuring of the Group and the associated reorientation in the areas of personnel, operating expenditure and premises management.

Of the restructuring provisions posted as at December 31, 2002, € 95 million was used or deployed for specific purposes. In the reporting year, € 75 million was allocated and € 18 million was written back. Current expenditure from the restructuring accounted for € 26 million.

With regard to the **implementation of the decision by the EU Commission**, the amount posted in line with commercial law for the extraordinary expenditure included provisioning expenditure amounting to € 302 million. The planned disposal of Real Estate Services in accordance with the detailed agreement, the sale of the Berliner Bank branch and the liquidation of the Bankgesellschaft Berlin (Ireland) plc subsidiary are taken into account here.

Taxes on income

As a result of the capitalisation of deferred tax assets in the 2003 financial year, the item income tax expenditure shows a positive income effect overall.

Outlook

The Group achieved a turnaround with a pleasingly positive operating result for the 2003 financial year. Moreover, the approval of the restructuring assistance on February 18, 2004 by the EU Commission benefits planning security at the Group. This means that the reorientation of the Group can be continued. The EU decision also sets the course for further standardisation in business operations, which forms the basis for the successful stabilisation of earnings and repositioning of BGB and the Group in all business segments.

The finer points of the measures agreed to within the framework of the approval will be translated into a corresponding implementation plan after they have been analysed in detail. Fulfilment of the commitments, which impact the entire Group, can only be achieved in close co-operation with the State of Berlin, as a party involved in the financial assistance proceedings.

Furthermore, the success of the restructuring will be closely tied in with further progress in relation to the strategic reorientation towards becoming a strong regional bank with capital markets and real estate financing throughout Germany, as well as the development of the general economic situation.

2004 will be more strongly characterised by the consolidation of the market position of the Group and the further improvement of its efficiency and profitability in all business segments. In future, based on the results of the second half of 2003, we will be intensifying our focus on the client business.

An important measure in 2004 will be the conclusion of the project started in 2003 to spin off Investitionsbank Berlin (IBB) as a legally independent development bank. The associated tasks and structures are regulated by the approval of the IBB legislation planned for the spring and the related agreement. The operational implementation of the spin-off activities is at an advanced stage. The Board of Management therefore assumes that the spin-off will be completed by January 1, 2005 at the latest. The involvement of the State of Berlin is essential in order for the spin-off to succeed.

Real Estate Services must be sold or liquidated by December 31, 2005 in accordance with a commitment to the EU Commission. On this date, any existing participations in Real Estate Services companies, as described in the decision, are then to be transferred to the State of Berlin in line with market conditions. A corresponding plan for the spin-off is to be drawn up by the Bank. New real estate funds or other real estate investment products are no longer being developed.

Once the schedule and procedure have been determined, the agreed sale of Berliner Bank by February 2007 will be introduced in the second half of 2005 with concrete implementation steps.

In addition, the continuation of the measures to achieve the cost targets and the associated reduction of personnel costs will remain a focus of the restructuring in 2004.

The proposed merger of the business activities of BGB and Landesbank Berlin by the end of 2005 represents an important step towards achieving a more transparent Group structure. Project work has started and the first necessary steps towards implementation are set to be taken in 2004.

The withdrawal from nationwide Corporate Banking and project financing, as well as the sale of other participations, will continue to be pursued.

With the implementation of the planned measures relating to profitability and strategic orientation, the Board of Management considers the Group to be well positioned for the period of the discontinuation of liability assumed and guarantor's liability in 2005.

With regard to all restructuring activities, it is important to note that the projects required to prepare for external banking industry requirements (Basel II and accounting in line with IAS) and the implementation for the commitments to the EU Commission carry operational implementation risks.

Once the identified effects of the EU decision have been incorporated in the 2003 result, the Board of Management does not anticipate any special charges from expenditure for resulting structural measures in this respect.

The reconstruction and restructuring measures already successfully implemented, the positive experiences in relation to the progressive change to the Group along with the more optimistic economic outlook all underpin the Board of Management's expectations for 2004 of once more achieving a positive overall result in the Group.

Risks

Landesbank Berlin (LBB) and Immobilien- und Baumanagement der Bankgesellschaft Berlin GmbH (old IBG) declarations of exemption from liability for personally liable partners of individual limited partnerships

At the start of 2001, as already reported in the last Annual Reports, the Board of Management of LBB informed the Supervisory Board that, between 1994 and 1997, two of its members at that time and one former member of the Board of Management had given declarations of exemption from liability to various individuals who had assumed the position of a personally liable partner in various real estate funds. According to the declarations, LBB exempts these individuals from their full liability to third parties as personally liable partners.

In connection with the LBB declarations of exemption, various declarations of exemption circulated by the management of the former IBG at the time also came to light, which were also made available to individuals as personally liable partners of real estate funds. In terms of the outcome, the content of the declarations of exemption issued by IBG fundamentally equates to those of LBB.

The exemption of individuals was the subject of a regulatory audit by the Federal Financial Supervisory Authority (BAFin). In letters dated February 12, 2002 and August 20, 2002, the Federal Financial Supervisory Authority (BAFin) announced that it considered the declarations of exemption that it had seen to be invalid in terms of civil law. LBB was of the same opinion. The declarations of exemption therefore do not have any relevance with regard to commercial and regulatory law.

Landesbank Berlin (LBB) declaration of exemption from liability to personally liable partners of Weberbank Privatbankiers KGaA (Weberbank)

As already reported in the last Annual Reports, in 1994, LBB had internally agreed a ceiling with the personally liable partners of Weberbank with regard to their personal liability. LBB exempted the personally liable partners from their legal obligation as personally liable partners of Weberbank above this ceiling. The Board of Management of LBB informed the Federal Financial Supervisory Authority of this immediately after these declarations were announced in January 2002. In a letter dated June 25, 2002, the Federal Financial Supervisory Authority stated that it considered these declarations of exemption to be loans to associated persons or companies in the context of the German Banking Law, which had been issued in violation of the regulatory conditions. The declarations of exemption were therefore to be returned by the partners whom they benefited. LBB requested the beneficiaries to comply accordingly. A return has not occurred to date. LBB shares the opinion of the Federal Financial Supervisory Authority with regard to the assessment of the declarations of exemption as loans to associated persons or companies. Consequently, as a result of violating the banking regulatory requirements when

extending loans, it views the declarations of exemption as invalid. These declarations of exemption do not therefore have to be taken into account in terms of commercial and regulatory law, as in the previous year.

EU financial assistance proceedings relating to restructuring assistance for BGB and the transfer of the former Wohnungsbaukreditanstalt Berlin (WBK) to Landesbank Berlin – Girozentrale –

The European Commission approved the restructuring assistance for BGB on February 18, 2004 under the condition that BGB sells Berliner Bank in a procedure to be finalized by 1 October 2006 with the sale being completed by 1 February 2007. The Commission also noted the intention of the State of Berlin to sell Berlin Hyp either separately or as part of the sale of BGB by the end of 2007. The approval encompasses the injection of capital by the State of Berlin in August 2001 amounting to € 1.755 billion, the “risk shielding” of the State of Berlin from December 2001/April 2002 consisting of various guarantees with a nominal maximum amount of € 21.6 billion as well as the “repayment agreement” (term in line with the decision by the EU Commission; referred to as “neutralisation agreement” in the 2002 annual report) between the State of Berlin and LBB dated December 2002, which was concluded in view of any decision in favour of restitution taken by the Commission in the proceedings relating to the examination of the financial assistance aspect of the transfer of WBK to LBB. The Commission approved the repayment agreement in the decision dated February 18, 2004 under the condition that, in addition to the 2002 annual financial statements, the reporting date January 1, 2004 should also be material for calculating the core capital ratio. For Bankgesellschaft, there is no doubt that the decision by the Commission on February 18, 2004 means that the neutralisation agreement has become valid in the version that the Berlin House of Representatives approved on February 20, 2003. Neither is there any doubt that the additionally planned tie-up with the Group’s core capital ratio as of January 1, 2004, the positive effects of this assistance will be restricted to the required amount. However, in the case of a negative outcome to the LBB/IBB assistance proceedings, the result would be complete neutralisation of a restitution claim.

A part of the commitment by the Federal government relates to the spin-off of IBB’s government assistance programme. Accordingly, the Federal Republic of Germany must ensure that IBB’s government-assistance programme is continued in an independent development bank of the State of Berlin with effect from January 1, 2005 at the latest and that the IBB special-purpose reserve of the State is used for available capital resources at the new development bank. When spinning off IBB from LBB, the IBB special-purpose reserve must be separated from LBB to the extent that it is possible as at January 1, 2004 without falling short of a core capital ratio of 6.0% in the Group (after the spin-off of IBB), whereby no more than € 1.1 billion may remain at LBB in each case. The share of the special-purpose reserve still required for the capitalisation of the BGB Group, but not exceeding € 1.1 billion, will be invested in LBB either directly or indirectly by the State of Berlin by way of a contribution in kind as dormant holdings in LBB and interest thereon will be calculated at the normal market rate. BGB is assuming that by implementing these conditions, which in particular include co-ordination with the EU Commission regarding the amount of the interest of the dormant capital contribution of the State of Berlin, no financial assistance risks will result from the LBB/IBB proceedings for the future.

BGB is prepared to fulfil the restructuring plan and the conditions imposed by the Commission and the obligation agreements entered into by the Federal government and the State of Berlin, which the EU Commission imposed as a prerequisite to approving the restructuring assistance, and to be involved in the relevant measures of the Federal government and the State of Berlin in relation to this. The State of Berlin must also share in the commitments in full. For BGB, there is no doubt that the Federal government and the State of Berlin will adopt the necessary measures in order to meet the commitments.

It cannot be ruled out that third parties instigate legal redress against the decision by the Commission dated February 18, 2004. However, the Bank is assuming that any legal redress will not be successful as the Commission has a great deal of discretion according to the jurisdiction of the European Court when assessing and approving restructuring assistance.

Relevance to financial assistance of the involvement of Norddeutsche Landesbank in the capital increase

In addition to the State of Berlin, Norddeutsche Landesbank – Girozentrale – was also involved in the capital increase for BGB pursuant to the resolution of the Annual General Meeting on August 29, 2001 with approximately € 166 million. In the resolution to initiate formal proceedings dated April 9, 2002, the EU Commission stipulated that this injection of capital could also potentially represent financial assistance from the State, which would require approval.

The Commission did not believe that a definitive assessment of this measure was necessary in its decision dated February 18, 2004, as the weight of this measure in relation to the approved assistance is marginal and therefore

does not have any bearing on the decision already taken. BGB therefore assumes that there are no more concerns from a financial assistance perspective regarding the injection of capital by NordLB.

Invalidity of the declarations of proxy in agency agreements relating to concluding loan agreements

As a result of the repeated legal decisions of the Federal Court of Justice, comprehensive agency agreements concluded between a customer and a broker, who, for example, is not a lawyer or a tax consultant, are invalid due to incompatibility with the German Legal Advice Act pursuant to section 134 of the German Commercial Code. Therefore, the declaration of proxy to the broker included in these agency agreements to conclude with the bank the loan agreement necessary for financing a property or a share is also invalid. In turn, the consequence of this is that the loan agreement concluded as a result of the declaration of proxy is provisionally invalid, i.e. can only become valid with the customer's approval.

Furthermore, the loan agreement also remains effective even without the approval of the customer if certain estoppel principles are applied, i.e. if the bank had already received the original of the declaration of proxy issued by the customer at the time the loan agreement was concluded or if there was already contact in advance not only with the broker, but also with the customer directly.

As a result of this legal situation, some customers have now turned to the Bank with reference to the invalidity of the loan agreement. A large percentage of these complaints has proven to be legally unfounded following an in-depth examination of the respective facts. If cases occur in which customers could have a claim to repayment of the instalments paid to date plus interest in accordance with the current legal situation, it is, however, essential to ensure that the Bank for its part has a claim against the recipient for repayment of the loan proceeds plus interest in line with market conditions.

Business policy and strategic decisions

The planned substantial reduction in staff costs and operating expenditure will be achieved in part through waiving bonuses and through optimisation of processes. A further part must be achieved in keeping with the speed at which business is scaled back. The risks of reducing staff costs and operating expenditure arise when the control and processing requirements of the business and reduction processes are not in line with the reduction of services. In order to counter risks arising from reconstruction measures (possible undershooting of expenditure and personnel cost reductions due to measures not being implemented or delayed implementation), qualitative and strategic control of the implementation process will be established in addition to the financial control of the restructuring objectives, and reports are made to the full Board of Management on a monthly basis. The reconstruction objectives resulting from the factors "increasing earnings", "scaling back risk items" and "reducing risk assets" will be reported to the Board of Management for each business area on the basis of the quarterly figures.

The large number of legally stipulated and reconstruction-related project activities, for example relating to IFRS accounting rules, the spin-off of IBB and the companies within Real Estate Services or the separate disposal of Berliner Bank mean that a large volume of resources are tied up.

Risk from the spin-off of IBB from LBB

The Houses of Parliament of Berlin (Abgeordnetenhaus von Berlin) has decided to aim for a retrospective spin-off of IBB from LBB as of January 1st, 2004. This retrospective spin-off might have a negative effect on the profit and loss accounts of the Group.

Risks from the Real Estate Services business and implementation of the detailed agreement

The Group faces two types of risks in relation to the implementation of the detailed agreement. The first set of risks stems from the fact that the State does not accept claims under certain circumstances if matters that are covered by the detailed agreement were not processed in line with the contract (non-compliance with the State's information and approval rights). The assessment whether or to what extent risks must be reported in connection with the implementation of the detailed agreement is based on the following types of risk:

Risks that arise when approval rights, rights to issue instructions and management rights are not observed,
Risks from differences in the interpretation of shielding mechanisms,
Risks from non-compliance with the obligation to reduce losses,
Risks that are not covered by the detailed agreement.

The second set of risks comprises activities where necessary approvals are refused for objective reasons. Consequently, this leads to cost risks as the resulting continuing current expenditure is not shielded by the detailed agreement.

Endeavours are being made for the committees of the State of Berlin and BGB to formally conclude the ordinance regulating responsibility and procedure (ZuVo) planned in the detailed agreement in 2004, which is set to regulate the particulars of the approval conditions and approval procedure in detail. Nevertheless, the contents of the version already available have been used as the basis for the co-operation since the end of 2003 with the joint understanding of the parties involved.

Practical experience when using the detailed agreement and ZuVo demonstrate that there is still a need for clarification and co-ordination here. With the controlling company (BCIA) founded by the State of Berlin at the end of 2002, the aim is jointly co-ordinated and therefore safe and binding procedures on the basis of the agreements reached. Despite all the difficulties, the matters submitted for approval have been regulated to date. Improving the processes, and ultimately also the co-operation between the parties involved in the sense of pragmatic and efficient procedures, is and remains the only targeted route that can and must lead to cost savings, minimisation of losses and avoidance of flawed measures.

IBAG and **IBG** submitted a conclusive list of the positions covered by the book value guarantee (“positive list”) to the State by the March 31, 2003 deadline. The joint determination of the positive list in line with the detailed agreement is still pending as no agreement has yet been reached with the State for sub-divisions.

The particular structure of the detailed agreement covers risk management, which is implemented at a Real Estate Services level (IBAG, IBG und LPFV) and at a Group level, not only of Group risks, but also the risks assumed by the State of Berlin. These are managed by the Group and monitored by a corresponding risk management and controlling system.

The various stages of risk management are first implemented at the level of the relevant companies. The particular significance of risks arising from Real Estate Services means that decentralised risk management is closely related to the overall bank risk management process at Group level.

In 2003, activities to further improve overall risk management once again centred on the following areas:

- The completion of structures to ensure that the detailed agreement with the State of Berlin and with the controlling company BCIA set up by the State of Berlin for this purpose is handled in line with the contract
- Further improvement of the risk management system.

LPFV Finanzbeteiligungs- und Verwaltungs GmbH (LPFV) is a wholly-owned subsidiary of BGB. In the agreements dated December 28, 2000, LPFV assumed risks from Real Estate Services with contractual effect from IBG and certain companies that were subsidiaries and second-tier subsidiaries at that time. LPFV was exempted from these risks as a result of conclusion of the detailed agreement, should the portion of the loss to be borne exceed € 100 million. This excludes specific funds and funds that were launched after December 31, 2000. As the portion of the loss to be borne has been used up in the development of business in 2003, approval requests relating to the accepted obligation pursuant to the detailed agreement need to be submitted to BCIA for a decision.

Within the Group, the tasks and functions of a contract and asset management company in relation to the detailed agreement were transferred to LPFV Finanzbeteiligungs- und Verwaltungs GmbH.

The measures relating to the reorientation of LPFV from a set-up and ongoing organisational perspective started in 2002 were almost concluded in 2003. The assessment and settlement procedure of the various guarantees, both in relation to the exempted Group companies as well as the State of Berlin, were successfully established.

Two key measures were implemented in connection with this:

- Completion of a guarantee manual, which acts as a central set of regulations and documents the coordinated standards of guarantee processing of all types of guarantees across the entire guarantee chain and which has been used since the summer of 2003 by all companies to whom a guarantee has been made.
- Conclusion of a pilot project relating to the introduction of an integrated risk controlling system on the basis of a database, forecasting and reporting system for recording, assessing and managing risks.

The current business risks of **IBAG Immobilien und Beteiligungen AG (IBAG)** result from the risks remaining at the IBAG Group from the existing real estate business of the former IBG Group, including the portfolio of residential and commercial real estate still available, both complete and still under construction, and from organisational deficiencies of the former IBG Group that have since been largely rectified.

The “closed-end real estate funds” business area is the responsibility of **IBV Immobilien Beteiligungs- und Vertriebsgesellschaft der IBAG-Gruppe mbH (IBV)** within the IBAG Group. In the 2003 financial year, as in the previous year, no new closed-end real estate funds were initiated. During the course of the restructuring, the core business of IBV is centred on management and administration of the closed-end real estate funds initiated previously under IBG as the parent company.

After analysis of all closed-end real estate funds managed directly by IBV, specific commercial options with regard to earnings and risk aspects in particular were developed in conjunction with LPFV. In addition, for the 2001 and 2002 financial years, a current account statement was prepared for the funds in which IBV exercises the management function. In terms of content, during the preparation of this current account statement, measures were taken to ensure that the requirement criteria passed by the associations during the 2003 financial year (Verband geschlossener Immobilienfonds, VGI) were fully met, thus achieving a high level of transparency.

Subscribers of various funds have instigated prospectus liability proceedings against IBV. In one case of proceedings relating to the fund IBV Fonds Deutschland 3, the court decided in favour of the plaintiff. IBV has lodged an appeal against the verdict. No hearing dates have as yet been set for any other proceedings. Further actions by subscribers have since been brought.

Furthermore, IBV is itself involved to a considerable extent in closed-end real estate funds. The management is assuming that the dividend distribution of the funds roughly corresponds to the refinancing costs of the unit shares.

The non fund-linked real estate portfolio of the IBAG Group is currently concentrated on approx. 90 property companies with around 190 properties (volume currently approximately € 1 billion). The objectives of the restructuring of IBAG are still to combine risks and opportunities relating to the portfolio of non fund-linked real estate assets in the Group, to create transparent structures and to reduce the number of property companies. The establishment of a new corporate structure for the non fund-linked property companies was continued in order to give companies a commercial function and to simplify the structures. In this connection, extensive measures were introduced in 2003, in particular the clarification of prerequisites in line with company law, liability law and taxation.

In the business area “non fund-linked real estate assets”, significant property sales were realised in the year under review despite the difficult market situation. In this way, the non fund-linked real estate portfolio of the IBAG Group was substantially reduced by € 2.4 billion from around € 3.4 billion originally to now almost € 1 billion since the start of the restructuring measures in autumn 2001. The accompanying risk reduction was almost fully realised in particular as a result of the withdrawal of some countries from international business (England, Holland, USA). The rapid sale of the real estate portfolio, while safeguarding assets, remains an important factor for the future success of the Group.

Within IBAG, two important objectives in particular were achieved in 2003:

Adoption of a risk manual and implementation of an early warning system across companies

Introduction of a real estate database and establishment of an in-house risk tool for property-related risk assessment.

The restructuring was also successfully continued, leading to a further substantial reduction in personnel, location and cost risks. Across the companies, by the end of the 2003 reporting year, the majority of the original 33 Group locations, with the exception of the main offices in Berlin and Nuremberg, were closed and the personnel and operating costs were permanently reduced. All participations that are not part of the core business were or are to be liquidated or sold.

In 2003, Immobilien- und Baumanagement der Bankgesellschaft Berlin GmbH (IBG) continued as scheduled with the expansion of the management and controlling structures started in 2002. The implementation of a risk management system continued as a result of the introduction of a risk manual coordinated with the Group in September 2003.

Over the course of 2003, IBG almost completely withdrew from the EuroSpeedway Lausitz – Lausitzring project.

As a result of the exemption agreement with LPFV and the detailed agreement, IBG is exempt from material risks. Nevertheless, the contractual obligations from the existing fund business result in operating expenditure for controlling and contract management, which is not covered by the exemption agreements. As the company does not have any material income in line with its strategy, the current expenditure and payment obligations from the settlement of the agreements result in capital and liquidity risks, which require regular measures to provide capital cover and the provision of liquidity by the shareholders.

Risks from the Investitionsbank Berlin (IBB) government-assistance programme

The government-assistance programme in the Real Estate division is still characterised by the continued price slump in the Berlin real estate market and the accompanying fall in the credit rating of borrowers. Moreover, the fact that there has been hardly any improvement in economic development to date is still not having a positive effect on the credit rating of companies. Overall, IBB has taken account of this situation by further developing credit risk management and through adequate risk provisions.

In the context of public subsidy of residential housing, IBB financed residential property on the basis of the guideline on promoting rental and cooperative housing construction in Berlin dated April 3, 1992 (second development subsidy Berlin). Appropriate provisioning was made for the latent risks of default inherent in such financing volumes. There are other latent risks inherent in the lendings portfolio for subsidising residential property ownership, for which adequate risk provisions were also made.

The discontinuation of ongoing assistance for social residential construction for the residential construction programme between 1987 and 1997 represents the risk of a loss of income and indirect credit risks for Investitionsbank Berlin.

When evaluating the risks in IBB's lending business, particular attention is to be paid to the fact that IBB still does not carry any risk for the major share of the mortgage portfolio with regard to potential interest loss risks and loan loss risks due to the basic contract with the State of Berlin as well as an approved framework guarantee from the State.

EU financial assistance proceedings relating to guarantor's liability and liability assumed at state clearing banks

The State of Berlin has implemented the conditions of the "Brussels Agreement" reached in the summer of 2001 relating to guarantor's liability and liability assumed at state clearing banks.

The liability assumed for Landesbank will be revoked as at July 19, 2005. The conditions of the guarantor's liability were changed in such a way that liabilities arising after July 18, 2005 do not come under the guarantor's liability and liabilities that arise in the period between July 18, 2001 and July 18, 2005 only come under the guarantor's liability if their maturity date does not extend beyond December 31, 2015. The guarantor's liability is not affected in relation to liabilities substantiated before July 18, 2001.

For future business activities of Landesbank Berlin – Girozentrale – the Group is assuming that it is sufficiently prepared for the discontinuation of liability assumed and guarantor's liability. At this point in time, it is not possible to accurately predict the changes to the refinancing possibilities resulting from this discontinuation. Consequently, it is impossible to precisely quantify the extent of the negative effect of the discontinuation of the aforementioned liability on the earnings, financing and net assets situation of the individual Group companies.

Bankgesellschaft Berlin Group Balance Sheet as of 31 December 2003

Assets	See Notes number	in €'000	in €'000	in €'000	in €'000	Previous year in €'000
Cash reserve						
a) Cash in hand				648,492		577,785
b) Balance at central banks				652,687		814,636
of which: at the Bundesbank		611,429				(757,886)
c) Balance with post office banks				0		0
					1,301,179	1,392,421
Debt issues of public institutions and bills rediscountable at central banks	10					
a) Treasury bills and treasury discount notes and similar public institution debt instruments				0		45,216
of which: rediscountable at the Bundesbank		0				(0)
b) Bills of exchange				817		3,081
of which: rediscountable at the Bundesbank		817				(3,081)
					817	48,297
Loans and advances to banks	1, 3, 4, 5					
a) Due on demand				4,705,064		11,014,637
b) Other loans and advances				23,415,470		19,783,678
of which: Mortgage loans from Hypothekenbank		9,908				(10,006)
Public sector loans from Hypothekenbank		2,794,645				(3,305,501)
					28,120,534	30,798,315
Loans and advances to customers	1, 3, 4, 5, 10				77,708,023	89,578,886
of which: Mortgage loans from Hypothekenbank		15,161,863				(17,797,627)
Other Loans secured by charges over property		14,304,382				(15,658,149)
Public sector loans		28,792,202				(25,812,066)
Debt securities and other Fixed-income securities	2, 3, 4, 5, 6, 8, 10					
a) Money market securities						
aa) issued by public institutions			23,974			30,320
of which: eligible as security at the Bundesbank		0				(0)
ab) from other issuers			63,843			434,223
of which: eligible as security at the Bundesbank		35,049				(434,223)
b) Bonds and debt securities				87,817		464,543
ba) issued by public institutions			3,568,720			4,970,720
of which: eligible as security at the Bundesbank		2,176,630				(2,919,794)
bb) from other issuers			28,372,750			33,333,160
of which: eligible as security at the Bundesbank		17,244,762				(19,989,681)
c) Own debt securities				31,941,470		38,303,880
Nominal value		1,050,899		944,239		827,024
					32,973,526	39,595,447
Shares and other non fixed-income securities	3, 4, 5, 6, 8				3,922,579	3,367,483
Participations	6, 8				359,000	407,034
of which: in banks		102,696				(102,862)
in financial service providers		257				(1,830)
Shares in associated companies	6, 8				31,771	95,284
of which: in banks		5,598				(5,701)
Shares in affiliated companies	6, 8				212,011	285,433
of which: in banks		0				(0)
in financial service providers		0				(1,046)
Assets held in trust	7				181,025	220,238
of which: trustee loans		143,553				(150,342)
Equalisation claims against public institutions incl. debt securities arising from their exchange	11				367,447	561,375
Intangible assets	6, 12				88,696	21,891
Tangible assets	6, 12				491,233	580,216
Own shares					55,267	54,992
notional value		70,390				(70,390)
Other assets	13				6,982,705	7,191,900
Prepayments and accrued income	14					
a) from the issue and loan business				414,574		513,198
b) other				75,604		91,797
					490,178	604,995
Total assets:					153,285,991	174,804,207

Liabilities	See Notes number	in € '000	in € '000	in € '000	in € '000	Previous year in € '000
Deposits by banks	1, 3, 4					
a) Due on demand				2,985,002		10,509,746
b) With agreed term or notice period				48,474,156		48,839,636
of which:						
Registered mortgage bonds issued by Hypothekenbank		334,398				(415,758)
Other registered mortgage bonds issued		1,883,346				(1,815,450)
Registered public mortgage bonds issued by Hypothekenbank		228,320				(281,932)
Other registered public mortgage bonds issued		2,357,302				(2,416,850)
					51,459,158	59,349,382
Customer savings	1, 3, 4					
a) Savings deposits						
with agreed notice period						
aa) of three months			7,803,223			8,942,016
ab) of more than three months			221,670			281,848
				8,024,893		9,223,864
c) Other liabilities						
ca) Due on demand			11,205,579			13,009,406
cb) With agreed term or notice period			28,944,773			34,858,014
of which:						
Registered mortgage bonds issued by Hypothekenbank		1,897,204				(2,131,137)
Other registered mortgage bonds issued		1,766,491				(1,892,395)
Registered public mortgage bonds issued by Hypothekenbank		1,577,039				(1,868,503)
Other registered public mortgage bonds issued		2,444,013				(2,500,985)
				40,150,352		47,867,420
					48,175,245	57,091,284
Securitised liabilities	1, 2, 3, 4					
a) Debt securities issued						
aa) Mortgage bonds issued by Hypothekenbanks			6,615,060			5,644,800
ab) Other mortgage bonds			1,290,815			1,775,279
ac) Public Pfandbriefe issued by Hypothekenbank			12,665,013			16,550,937
ad) Other public Pfandbriefe			10,475,631			12,186,779
ae) Other debt securities			8,823,281			7,747,781
				39,869,800		43,905,576
b) Other securitised liabilities				136,315		262,372
of which:						
money market securities		0				(126,209)
own acceptances and promissory notes outstanding		130,918				(102,977)
					40,006,115	44,167,948
Liabilities held in trust	7				181,025	220,238
of which: trustee loans		143,553				(150,342)
Other liabilities	15				3,355,891	3,805,462
Accruals and deferred income	16					
a) from the issue and loan business				934,881		1,001,829
b) other				117,468		113,303
					1,052,349	1,115,132
Provisions						
a) Provisions for pensions and similar obligations	17			623,122		646,955
b) Tax provisions				217,301		185,789
c) Other provisions	18			1,698,126		1,470,092
					2,538,549	2,302,836
Special items with an equity portion					0	87
Subordinated liabilities	3, 4, 19				2,752,135	2,862,618
Profit participation capital	20				85	85
of which: due within two years			0			(0)
Fund for general banking risks					201,985	0
Shareholders' equity	21					
a) Subscribed capital				2,554,741		2,554,741
b) Capital reserve				1,956,044		1,956,044
c) Retained earnings						
ca) Legal reserve			3,272			3,272
cb) Reserve for own shares			55,267			54,992
cd) Special-purpose reserve of Investitionsbank Berlin			1,342,326			1,342,326
ce) Other retained earnings			249,289			129,516
				1,650,154		1,530,106
d) Adjustments for minority interests				56,729		70,321
e) Consolidated profit / consolidated loss				-2,654,214		-2,222,077
					3,563,454	3,889,135
					Total liabilities:	153,285,991
						174,804,207
Contingent liabilities						
a) Contingent liabilities from forwarded bills of exchange					0	0
b) Liabilities from guarantees and warranties (refer to Notes for the Group)					2,629,030	4,200,012
c) Liability from the appointment of collateral for external liabilities					708	158,843
					2,629,738	4,358,855
Other obligations						
a) Repurchase obligations from non-genuine pension transactions					14,777	14,777
c) Irrevocable loan commitments					5,846,742	9,208,009
					5,861,519	9,222,786

Bankgesellschaft Berlin Group Profit and Loss Account (1 January 2003 to 31 December 2003)

Income	See Notes number	in €'000	in €'000	in €'000	Previous year in €'000
Interest income from	22, 27				
a) Lending and money market transactions			5,480,281		6,617,341
b) Fixed-income securities and debt register claims			938,773		1,253,180
				6,419,054	7,870,521
Current income from					
a) Shares and other non fixed-income securities	22,27		154,243		161,365
b) Participations			39,623		8,681
c) Shares in affiliated companies			4,139		12,418
				198,005	182,464
Result from participations in associated companies	22			48,490	–
Income from profit pooling, profit and loss transfer agreements and partial profit and loss transfer agreements	22			193	2,720
Commission income	23, 27			399,295	415,035
Net result from financial transactions	24, 27			12,258	–
Other operating income	27, 28			691,559	530,199
Income from the release of special items with an equity portion				0	2
Extraordinary income	29			31,409	11,947
Net loss for the year				316,432	698,700
			Total income:	8,116,695	9,711,588

Expenditure	See Notes number	in €'000	in €'000	in €'000	in €'000	Previous year in €'000
Interest payable	22				5,001,434	6,338,995
Fees and commission payable	23				85,257	72,867
Net expenditure from financial transactions	24				–	24,410
General administrative expenditure						
a) Personnel costs						
aa) Wages and salaries			583,459			675,231
ab) Social security costs and costs relating to pensions and provisions of which: for pensions		51,794	160,449			177,900 (55,969)
b) Other administrative expenditure	25			743,908 543,365		853,131 590,361
					1,287,273	1,443,492
Depreciation and value adjustments on intangible and tangible assets	6				93,441	107,846
Other operating expenses	28				746,416	523,762
Depreciation and value adjustments on loans and advances and specific securities as well as allocations to provisions in the lending business	26				175,295	505,530
Depreciation and value adjustments on participations, holdings in affiliated companies and securities held as fixed assets					91,491	448,893
Losses arising from profit and loss transfer agreements					29,569	39,417
Earnings from holdings in associated companies	22				–	10,377
Extraordinary expenditure	29				404,380	111,619
Taxes on earnings	30, 31				–10,073	82,301
Other taxes, not posted under "Other operating expenses"					10,227	2,079
Expenditure arising from transfers to the fund for general banking risks					201,985	–
					Total expenditure:	8,116,695
						9,711,588
Net profit/loss for the year					–316,432	–698,700
Profit/loss carried forward from the previous year					–2,231,065	–1,552,353
					–2,547,497	–2,251,053
Withdrawals from retained earnings						
b) from the reserve for own shares					0	15,948
e) from other retained earnings					275	22,269
					275	38,217
Allocations to retained earnings						
b) to the reserve for own shares					275	0
d) to the special-purpose reserve of Investitionsbank Berlin					0	823
e) to other retained earnings					0	15,948
					275	16,771
Profit/loss/rights to profit due to minorities of which calculation of right to profit				104,314	106,717	–7,530
Consolidated profit/consolidated loss					–2,654,214	–2,222,077

Bankgesellschaft Berlin AG Balance Sheet as at 31 December 2003

Assets	See Notes number	in €'000	in €'000	in €'000	BGB AG in €'000	BGB AG with BB in €'000	Previous year in €'000
Cash reserve							
a) Cash in hand				2		134,706	113,932
b) Balance at central banks				95,447		229,021	500,434
of which: at the Bundesbank		93,967				227,541	498,307
					95,449	363,727	614,366
Debt issues of public institutions and bills rediscountable at central banks	10						
a) Treasury bills and treasury discount notes and similar public institution debt instruments				0		0	0
of which: rediscountable at the Bundesbank		0				(0)	(0)
(b) B/E				0		817	2,088
of which: rediscountable at the Bundesbank		0				(817)	(2,088)
					0	817	2,088
Loans and advances to banks	1, 2, 3, 4						
a) Due on demand				6,699,677		5,914,438	10,826,072
b) Other loans and advances				14,541,080		14,577,562	7,922,255
					21,240,757	20,492,000	18,748,327
Loans and advances to customers	1, 3, 4, 5, 6, 10				6,985,758	10,916,897	14,565,351
of which: secured by charges over property		75,587				(898,237)	(769,016)
Public sector loans		1,952,117				(2,039,880)	(1,360,154)
Debt securities and other fixed-income securities	2, 3, 4, 5, 6, 8, 10						
a) Money market securities							
aa) issued by public institutions			0			0	0
of which: eligible as security at the Bundesbank		0				(0)	(0)
ab) from other issuers			53,787			53,787	0
of which: eligible at the Bundesbank		24,994				(24,994)	(0)
				53,787		53,787	0
b) Bonds and debt securities							
ba) issued by public institutions			1,499,838			1,499,838	2,022,296
of which: eligible as security at the Bundesbank		967,066				(450,748)	(1,213,058)
bb) from other issuers			23,402,909			23,402,909	26,205,876
of which: eligible as security at the Bundesbank		14,810,529				(11,729,093)	(16,932,010)
				24,902,747		24,902,747	28,228,172
c) Own debt securities				253,303		253,303	290,571
Nominal value		370,961				(370,961)	(408,573)
					25,209,837	25,209,837	28,518,743
Shares and other non fixed-income securities	3, 4, 5, 8, 10				2,407,989	2,407,989	1,970,959
Participations	6, 8				76,282	76,282	110,174
of which: in banks		3,621				(3,621)	(3,621)
in financial service providers		257				(257)	(257)
Shares in affiliated companies	6, 8				2,071,489	2,071,489	2,644,599
of which: in banks		1,916,008				(1,916,008)	(2,487,328)
in financial service providers		0				(0)	(0)
Assets held in trust	7				0	14,271	14,709
of which: trustee loans		0				(14,271)	(14,709)
Equalisation claims against public institutions including debt securities arising from their exchange	10, 11				163,063	163,063	252,746
Intangible assets	6, 12				86,241	86,241	0
Tangible assets	6, 12				102,112	112,572	108,070
Own shares or shareholdings	21				55,267	55,267	54,992
Notional value		70,390				(70,390)	(70,390)
Other assets	3, 13				5,126,045	5,158,745	5,459,546
Prepayments and accrued income	14						
a) from the issue and loan business				18,026		(62,864)	(112,370)
b) other				10,859		(17,211)	(14,894)
					28,885	80,075	127,264
Total assets					63,649,174	67,209,272	73,191,934

Liabilities	See Notes number	in €'000	in €'000	in €'000	BGB AG in €'000	BGB AG with BB in €'000	Previous year in €'000	
Deposits by banks	1, 3, 4							
a) due on demand				7,662,190		5,495,621	14,333,434	
b) with agreed term or notice period				41,398,661		41,514,883	33,675,894	
					49,060,851	47,010,504	48,009,328	
Customer savings								
a) Savings deposits								
aa) with agreed notice period of three months			0			774,776	1,082,315	
ab) with agreed notice period of more than three months			0			51,515	63,369	
b) Other liabilities				0		826,291	1,145,684	
ba) due on demand			1,564,544			5,573,401	5,885,345	
bb) with agreed term or notice period			1,236,191			1,824,859	3,232,961	
				2,800,735		7,398,260	9,118,306	
					2,800,735	8,224,551	10,263,990	
Securitised liabilities	1, 2, 3, 4							
a) Debt securities issued				3,969,263		3,969,263	5,714,915	
b) Other securitised liabilities				82,910		82,910	88,717	
of which:								
money market securities		0				(0)	(0)	
own acceptances and promissory notes outstanding		0				(0)	(0)	
					4,052,173	4,052,173	5,803,632	
Liabilities held in trust	7				0	14,271	14,709	
of which: trustee loans		0				(14,271)	(14,709)	
Other liabilities	3, 15				2,406,239	2,492,424	2,824,632	
Accruals and deferred income	16							
a) from the issue and loan business				31,301		(38,262)	(30,762)	
b) other				42,321		(43,988)	(34,673)	
					73,622	82,250	65,435	
Provisions								
a) Provisions for pensions and similar obligations	17			204,805		224,622	231,259	
b) Tax provisions				103,906		103,905	92,737	
c) Other provisions	18			914,900		972,821	697,987	
					1,223,611	1,301,348	1,021,983	
Subordinated liabilities	3, 19				1,853,484	1,853,484	2,465,062	
Shareholders' equity	21							
a) Subscribed capital				2,554,741		2,554,741	2,554,741	
b) Capital reserve				1,956,044		1,956,044	1,956,044	
c) Retained earnings								
ca) Legal reserve			1,534			1,534	1,534	
cb) Reserve for own shares			55,267			55,267	54,992	
cc) Other retained earnings			193,110			193,110	193,385	
				249,911		249,911	249,911	
d) Unappropriated profit / net loss for the year				-2,582,237		-2,582,429	-2,037,533	
					2,178,459	2,178,267	2,723,163	
					Total liabilities	63,649,174	67,209,272	73,191,934
Contingent liabilities								
b) Liabilities from guarantees and warranties (refer to Notes)					2,068,610	2,311,927	3,047,658	
					2,068,610	2,311,927	3,047,658	
Other obligations								
c) Irrevocable loan commitments					2,588,840	2,741,017	4,095,149	
					2,588,840	2,741,017	4,095,149	

Bankgesellschaft Berlin AG Profit and Loss Account (1 January 2003 to 31 December 2003)

Expenditure	See Notes number	in €'000	in €'000	in €'000	BG AG in €'000	BG AG with BB in €'000	Previous year in €'000	
Interest payable	22				1,313,124	1,383,369	1,982,507	
Fees and commission payable	23				38,952	47,524	41,160	
Net expenditure from financial transactions	24, 27				0	0	28,700	
General administrative expenditure	25							
a) Personnel costs								
aa) Wages and salaries			160,470			183,848	221,819	
ab) Social security costs and costs relating to pensions and provisions			39,111			44,934	59,563	
of which: for pensions		11,681				13,147	24,175	
				199,581		228,782	281,382	
b) Other administrative expenditure				275,940		333,262	382,709	
					475,521	562,044	664,091	
Depreciation and value adjustments on intangible and tangible assets	6				78,105	79,242	10,566	
Other operating expenses					250,095	251,064	110,193	
Depreciation and value adjustments on loans and advances and specific securities and allocations to provisions in the lending business	26				136,224	150,438	250,430	
Depreciation and value adjustments on participations, holdings in affiliated companies and securities held as fixed assets					149,809	149,809	537,778	
Losses arising from profit and loss transfer agreements					105,340	105,340	63,796	
Extraordinary expenditure					258,145	259,991	73,067	
Taxes on earnings					1,051	1,242	11,538	
Other taxes, not posted under "Other operating expenses"					1,611	1,612	105	
					Total expenditure	2,807,977	2,991,675	3,773,931
Net profit/loss for the year					-544,704	-544,895	-696,062	
Profit/loss carried forward from the previous year					-2,037,533	-2,037,533	-1,341,471	
					-2,582,237	-2,582,428	-2,037,533	
Withdrawals from retained earnings								
b) from the reserve for own shares					0	0	15,948	
e) from other retained earnings					275	275	0	
					275	275	15,948	
Allocations to retained earnings								
b) to the reserve for own shares					275	275	0	
e) to other retained earnings					0	0	15,948	
					275	275	15,948	
Net loss for the year					-2,582,237	-2,582,428	-2,037,533	

Income	See Notes number	in €'000	in €'000	in €'000	BG AG in €'000	BG AG with BB in €'000	Previous year in €'000	
Interest income from	22, 27							
a) Lending and money market transactions				1,033,657		1,151,715	1,572,560	
b) Fixed-income securities and debt register claims				618,934		618,934	857,701	
				<u>1,652,591</u>	<u>1,652,591</u>	<u>1,770,649</u>	<u>2,430,261</u>	
Current income from								
a) Shares and other non fixed-income securities . .	22, 27			89,643		89,643	86,796	
b) Participations				8,170		8,170	4,915	
c) Shares in affiliated companies				26,740		26,740	38,151	
				<u>124,553</u>	<u>124,553</u>	<u>124,553</u>	<u>129,862</u>	
Income from profit pooling, profit and loss transfer agreements and partial profit and loss transfer agreements	22, 27				6,107	11,958	148,802	
Commission income	23, 27				95,280	152,389	163,506	
Net income from financial transactions	24, 27				4,701	5,093	0	
Other operating income	27				333,790	335,589	205,438	
Extraordinary income	27				46,251	46,549	0	
Net loss for the year					544,704	544,895	696,062	
					Total income	2,807,977	2,991,675	3,773,931

Landesbank Berlin – Girozentrale Balance Sheet as at 31 December 2003

Assets	Notes, point numbers			2003	2003	2002
		€'000	€'000	LBB with BB €'000	LBB without BB €'000	LBB PY €'000
Cash reserves						
a) cash in hand				645,587	510,883	425,151
b) balance with central banks				493,397	359,823	190,930
of which: at the German Bundesbank		461,611			(328,037)	(168,700)
				1,138,984	870,706	616,081
Debt issues of public institutions and bills rediscountable at central banks	10					
b) bills of exchange				817	0	993
of which: rediscountable at the German Bundesbank		817			(0)	(993)
				817	0	993
Loans and advances to banks	1, 3, 4, 5					
a) due on demand				4,059,254	1,937,122	3,582,747
b) other loans and advances				37,732,663	37,705,837	30,826,795
				41,791,917	39,642,959	34,409,542
Loans and advances to customers	1, 3, 4, 5, 10			41,037,796	37,106,657	39,993,229
of which:						
secured by mortgages		14,228,569			(13,405,918)	(14,637,969)
public sector loans		13,496,164			(13,408,401)	(11,159,009)
Data securities and other fixed-income securities	2, 3, 4, 5, 6, 8, 10					
a) Money market securities						
ab) from other issuers			9,093		9,093	0
of which:						
eligible as security at the German Bundesbank		0			(0)	(0)
b) bonds and debt securities						
ba) from public issuers			577,765		577,765	543,298
of which:						
eligible as security at the German Bundesbank		278,354			(278,354)	(232,777)
bb) from other issuers			5,116,060		5,116,060	6,149,265
of which:						
eligible as security at the German Bundesbank		2,860,431	5,702,918		(2,860,431)	(3,884,789)
c) own debt securities				67,174	5,702,918	6,692,563
Nominal value		64,692			67,174	127,190
					(64,692)	(120,345)
				5,770,092	5,770,092	6,819,753
Shares and other non fixed-income securities	3, 4, 5, 6, 8			730,362	730,362	515,368
Participations	6, 8			174,275	174,275	197,619
of which						
in banks		109,028			(109,028)	(109,028)
in financial service providers		0			(0)	(0)
Shares in affiliated companies	6, 8			473,562	473,562	508,836
of which						
in banks		304,377			(304,377)	(304,377)
in financial service providers		0			(0)	(0)
Assets held in trust	7			123,606	109,335	109,736
of which: trustee loans		108,871			(94,600)	(94,818)
Equalisation claims against the public sector including bonds arising from their conversion	10, 11			177,396	177,396	266,095
Tangible assets	6, 12			216,109	205,649	208,009
Other assets	13			710,036	677,336	573,389
Prepayments and accrued income	14			301,616	250,426	295,682
Total assets:				92,646,568	86,188,755	84,514,332

				2003	2003	2002
				LBB with	LBB	LBB
				BB	without BB	
Liabilities and shareholders' equity	Notes, point numbers	€'000	€'000	€'000	€'000	PY €'000
Deposits by banks	1, 3, 4					
a) due on demand				2,952,140	2,193,994	1,655,775
b) with agreed term or notice period				24,669,547	24,562,983	23,602,065
				<u>27,621,687</u>	<u>26,756,977</u>	<u>25,257,840</u>
Customer savings	1, 3, 4					
a) Savings deposits with agreed notice period						
aa) of three months			7,784,978		7,010,202	6,893,402
ab) of more than three months			209,704		158,189	185,501
				7,994,682	7,168,391	7,078,903
b) other liabilities						
ba) due on demand			9,099,887		5,091,031	5,092,597
bb) with agreed term or notice period			19,528,135		18,939,468	20,429,760
				28,628,022	24,030,499	25,522,357
				<u>36,622,704</u>	<u>31,198,890</u>	<u>32,601,260</u>
Securitised liabilities	1, 2, 3, 4					
a) debt securities issued				22,990,850	22,990,850	21,899,682
b) other securitised liabilities				0	0	126,209
of which:						
money market securities		0			(0)	(126,209)
				<u>22,990,850</u>	<u>22,990,850</u>	<u>22,025,891</u>
Trust liabilities	7			123,606	109,335	109,736
of which: trustee loans		108,871			(94,600)	(94,818)
Other liabilities	15			722,869	652,267	603,274
Accruals and deferred income	16			570,324	561,697	615,700
Provisions for liabilities and charges						
a) provisions for pensions and similar obligations	17			273,589	253,772	230,026
b) tax provisions				32,254	32,254	27,885
c) other provisions	18			455,337	397,416	396,915
				<u>761,180</u>	<u>683,442</u>	<u>654,826</u>
Subordinated liabilities	3, 19			748,388	748,388	332,281
Funds for general banking risks				201,985	201,985	0
Shareholders' equity	20					
a) dormant capital contribution				843,887	843,887	843,887
c) earnings reserves						
cc) statutory reserves						
Investitionsbank Berlin special-purpose reserve			1,342,326		1,342,326	1,342,326
cd) other earnings reserves						
the Bank's earnings reserve			83,757		83,757	83,757
				1,426,083		1,426,083
d) unappropriated profit				13,005	14,954	43,454
				<u>2,282,975</u>	<u>2,284,924</u>	<u>2,313,424</u>
Total liabilities and shareholders' equity:				<u>92,646,568</u>	<u>86,188,755</u>	<u>84,514,232</u>
Contingent liabilities						
b) liabilities from guarantees and warranties (also see Notes)				890,392	647,075	759,966
Other obligations						
a) repurchase obligations arising from pension sales with an option to repurchase				14,777	14,777	14,777
c) irrevocable loan commitments				3,070,398	2,918,221	4,085,833
				<u>3,085,175</u>	<u>2,932,998</u>	<u>4,100,610</u>

Landesbank Berlin – Girozentrale – Profit and Loss Account (1 January 2003 to 31 December 2003)

				LBB and BB	LBB excl. BB	LBB
Expenditure	Notes, point numbers	€'000	€'000	2003 €'000	2003 €'000	2002 €'000
Interest expenses	22			2,603,572	2,533,764	2,898,197
Fees and commission payable	23			26,238	17,666	16,234
Profit from financial transactions	24			0	0	9,186
General administration expenditure	25					
a) Personnel costs						
aa) wages and salaries			251,351		227,974	237,601
ab) social security costs and costs relating to pensions and benefits		24,944	75,199		69,376	59,193
of which: for pensions				326,550	23,478	13,852
b) Other administration expenditure				430,354	297,350	296,794
				756,904	373,032	332,026
					670,382	628,820
Depreciation and value adjustments on tangible and intangible assets	6			22,687	21,549	23,262
Other operating expenditure	28			42,122	39,575	42,262
Depreciation and value adjustments on loans and advances and certain securities plus allocations to provisions in the lending business	26			0	0	51,893
Depreciation and value adjustments on participations, shares in affiliated companies and securities held as fixed assets	6			51,687	51,687	41,744
Expenditure from loss absorption				9,750	9,750	26,485
Extraordinary expenditure	29			111,797	109,951	37,526
Taxes on income	30			-893	-893	19,911
Other taxes, if not shown under "Other operating expenditure"				6,902	6,901	1,146
Allocations to funds for general banking risks				201,985	201,985	0
Profits transferred as a result of profit- pooling, a profit transfer agreement or a partial profit transfer agreement				1,542	7,393	146,249
Net income for the year				13,005	14,954	44,277
				Total expenditure:	3,684,664	3,987,192
Profit / loss for the year				13,005	14,954	44,277
Allocations to earnings reserves						
d) to the Investitionsbank Berlin special- purpose reserve	20			0	0	823
Unappropriated profit				13,005	14,954	43,454

				LBB and BB	LBB excl. BB	LBB
Income	Notes, point numbers	€'000	€'000	2003 €'000	2003 €'000	2002 €'000
Interest income from	22					
a) lending and money market transactions			3,195,174		3,079,503	3,434,993
b) fixed-income securities and debt register claims			153,556		153,556	222,298
				3,348,730	3,233,059	3,657,291
Current income from						
a) shares and other non-fixed income securities	22		13,950		13,950	14,331
b) participations			10,297		10,297	9,152
c) shares in affiliated companies			9,957		9,957	29,260
				34,204	34,204	52,743
Income from profit-pooling, profit transfer agreements or partial profit transfer agreements				29	29	161
Commission income	23			266,517	209,408	195,952
Profit from financial transactions	24			974	581	-
Income from revaluations relating to bad and doubtful debt, specific securities and writing back provisions in the lending business	26			127,438	141,652	0
Other operating income	28			47,803	44,427	79,814
Extraordinary income	29			21,603	21,304	1,231
				Total income:	3,684,664	3,987,192

BGB Finance (Ireland) plc Balance Sheet as at 31 December 2003

		At 31 December 2003 €'000	At 31 December 2002 €'000
Assets			
Loans and advances to banks	6	925	4,217
Debt securities and other fixed income securities	7	4,547,756	5,066,770
Prepayments and accrued income		100,791	115,157
Total assets		<u>4,649,472</u>	<u>5,186,144</u>
Liabilities			
Debt securities in issue	8	4,546,796	5,065,704
Other liabilities – taxation		9	35
Proposed dividend		0	3,000
Accruals and deferred income		101,871	116,251
Total liabilities		<u>4,648,676</u>	<u>5,184,990</u>
Shareholders' funds – equity interests			
Called up share capital	9	500	500
Capital Conversion Reserve Fund	9	11	11
Profit and loss account		285	643
		<u>796</u>	<u>1,154</u>
Total liabilities and shareholders' funds		<u>4,649,472</u>	<u>5,186,144</u>

BGB Finance (Ireland) plc Profit and Loss Account as at 31 December 2003

		Year ended 31 December 2003 €'000	Year ended 31 December 2002 €'000
Interest receivable and similar income from Continuing operations			
Interest receivable and similar income arising from debt			
Securities and other fixed income securities		254,138	349,462
Less: Interest payable and similar charges		<u>-254,091</u>	<u>-349,349</u>
Net interest income		47	113
Fees and commissions receivable		1,280	2,056
Fees and commissions payable		-640	-1,028
Other operating income		-92	358
Total operating income – continuing operations		595	1,499
Administrative expenses	2	-991	-1,101
Profit on ordinary activities before taxation	3	-396	398
Taxation on profit on ordinary activities	4	38	-45
Profit on ordinary activities after taxation		-358	353
Dividends paid and proposed	5	-4,200	-4,200
Retained profit for the financial year		-358	-3,847
Profit and loss account at beginning of year		643	4,490
Profit and loss account at end of year		<u>285</u>	<u>643</u>

TAXATION

The information below is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Debt Instruments. Prospective purchasers are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Debt Instruments.

Germany

The following section is a short summary of certain German taxation principles that may be or may become relevant with respect to the Notes or the Pfandbrief Instruments, respective (the “**Debt Instruments**”). This section does not purport to be a comprehensive description of all of the German tax consequences that may be relevant to holders of the Debt Instruments (“**Noteholders**”). The summary is based on German domestic tax laws currently in force and as applied in practice as of the date of this Programme. Provisions may change at short-term notice, possibly with retroactive effect.

Prospective Noteholders are advised to consult their tax advisers as regards the tax consequences of the acquisition, holding and disposition or transfer without consideration, respectively, of the Debt Instruments. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective prospective Noteholders.

Germany

Taxation of German tax residents

Persons tax resident in the Federal Republic of Germany (in particular persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon) on their worldwide income, regardless of its source, including interest from debt of any kind, such as the Notes or as the case may be, the Pfandbrief Instruments. Capital gains from the sale of Debt Instruments are taxable if (i) the Debt Instruments are held as business assets or (ii) the sale occurs within one year after the acquisition of the Debt Instruments.

Accrued unpaid interest paid as a part of the sales price of the Debt Instruments, income from the sale or assignment of Coupons and income from the collection of Coupons by a former Noteholder (“**Accrued Interest**”) is deemed to be interest and taxed accordingly in case of Noteholders holding the Debt Instruments as private assets (“**Private Noteholders**”).

Furthermore, if Debt Instruments qualify as a financial innovation (*Finanzinnovation*) and accordingly fall within the scope of section 20 para. 2 no. 4 of the German Income Tax Act (*Einkommensteuergesetz*; “**EStG**”), income received upon sale, transfer or redemption of Debt Instruments by a Private Noteholder may be regarded as taxable interest income (“**Deemed Interest**”). Deemed Interest will be calculated as the difference between the issue price and the redemption amount at maturity (“**Issue Discount**”) in case a Noteholder has acquired the Debt Instruments upon issuance (“**Initial Noteholder**”) and has held the Debt Instruments until maturity. If a Noteholder sells the Debt Instruments before maturity or the Debt Instruments are redeemed from a Noteholder who is not an Initial Noteholder the assessment base for income tax is such part of the Issue Discount as attributable to the holding period of the Noteholder as the compound interest element (*Besteuerung nach der Emissionsrendite*), provided that the Noteholder proves Issue Discount and holding period to the tax authorities. If it is not possible to determine an Issue Discount at the time of the issuance of the Notes or such Issue Discount or the holding period are not proven by the Noteholder, tax will be imposed on the difference between the proceeds from the sale or redemption and the purchase price or issue price (*Besteuerung nach der Marktrendite*). If the Debt Instruments are held as business assets the annual increase in value of the Debt Instruments, as calculated at the time of acquisition, must be taken into account *pro rata temporis* as interest income.

Where the Debt Instruments are held as business assets interest income, Accrued and Deemed Interest, and capital gains will also be subject to trade tax.

Taxation of non-German tax residents

Persons neither tax resident nor deemed tax resident in Germany pursuant to German tax law are subject to income tax or corporate income tax (plus solidarity surcharge thereon) and trade tax in Germany with regard to interest, Deemed Interest and Accrued Interest and capital gains if realised in respect of the Debt Instruments if these are held as business assets of a German permanent establishment.

Withholding tax

A withholding tax on interest (“*Zinsabschlagsteuer*”) is imposed in Germany. If a Debt Instrument is kept or administered in a domestic securities deposit account by a German credit institution or financial services institution, which term includes a German branch of a foreign credit institution or financial services institution but excludes a foreign branch of a German financial institution, or a German Issuer (“**German Disbursing Agent**”) withholding tax will be levied at a rate of 30 per cent. upon interest payments, Accrued Interest or Deemed Interest on (a) German tax residents and (b) persons not resident in Germany if according to German income tax law the interest received from the Debt Instruments falls into a category of income from German sources under section 49 EStG such as income effectively connected with a German trade or business. As regards Deemed Interest withholding tax will be assessed on an amount equal to the difference between the issue or purchase price of the Debt Instruments and the redemption amount or sales proceeds if the Holder has kept the Debt Instruments in a custodial account since the time of issuance or acquisition, respectively. Otherwise withholding tax is applied to 30 per cent. of the amounts paid in partial or final redemption of the Debt Instruments or the proceeds from the sale of the Debt Instruments. The aforementioned tax rates are increased by the solidarity surcharge (*Solidaritätszuschlag*) amounting to 5.5 per cent. of the respective tax rate. The total withholding tax burden therefore amounts to 31.65 per cent. The withholding tax (including solidarity surcharge) is an advance payment on the income tax liability if the recipient of the interest payment is subject to German income taxation by assessment.

Taxation if Debt Instruments qualify as equity instruments

If a Debt Instrument qualifies as equity instrument from a German tax perspective, income and deemed income may be subject to income taxation, trade tax and, even if interest on the Debt Instrument is not paid out by a German credit institution or financial services institution, to withholding tax.

Ireland

Taxation of Income

In general, persons who are resident in Ireland are liable to Irish taxation on their world wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. Since the Irish Finance Act, 1988 there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

It is possible that a Note issued by BGB Finance would be regarded as property situate in Ireland on the grounds that a debt is situate where the debtor resides. If this proved to be the case, interest earned on such Notes would be regarded as Irish source interest income. Accordingly, pursuant to general Irish tax rules, a non-resident. in receipt of such income would be technically liable to Irish income tax. However, since the passing of the Irish Finance Act, 1995, interest paid to persons not ordinarily resident in Ireland by a company carrying on “relevant trading operations” in the IFSC (such as BGB Finance) are exempt from Irish Income Tax. “Relevant trading operations” means trading operations specified in a certificate given by the Irish Minister for Finance pursuant to section 39B of the Irish Finance Act, 1980 (a “Certificate”) now enacted as Section 446 of the Taxes Consolidation Act, 1997 (Section 446). Accordingly interest payments made by BGB Finance on the Notes to persons not ordinarily resident in Ireland will not be liable to Irish tax provided that such interest is paid by BGB Finance in the course of its Relevant Trading Operations.

Withholding Taxes

In general, withholding tax at the rate of 20 per cent., must be deducted from interest payments made by an Irish company. However, Section 246 of the Taxes Consolidation Act, 1997 (Section 246) provides that this general obligation to withhold tax does not apply in respect of interest payments made to non-residents by companies holding Certificates in the course of carrying on their Relevant Trading Operations. This exemption does not apply to interest payments made to Irish Noteholders. Where, however, the Irish Noteholder holds a Certificate, BGB Finance may be able to obtain the permission of the Irish Revenue Commissioners to make interest payments to such persons without the obligation to deduct withholding tax. It should be possible to obtain this permission provided the payment and the receipt of interest is made and received by BGB Finance and the Noteholder respectively in the course of their Relevant Trading Operations.

Apart from Section 246, Section 64 Taxes Consolidation Act, 1997 (Section 64) provides for the payment of interest on “Eurobonds” without deduction of tax in certain circumstances. A Eurobond is defined in Section 64 as a security which:

- i. is issued by a company;
- ii. is quoted on a recognised Stock Exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established);
- iii. is in bearer form; and
- iv. carries a right to interest.

There is no obligation to withhold tax on Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland; and
 - (i) the quoted Note is held in a recognised clearing system (the Irish Authorities have by order, designated Euroclear and Clearstream, Luxembourg as recognised clearing systems); or
 - (ii) the person who is the beneficial owner of the quoted Note and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

Yearly interest paid on Notes issued by LBB to any person resident in Ireland will theoretically be subject to Irish withholding tax (currently 20 per cent.). However, where a non-resident issuer (such as LBB) does not have a presence in Ireland, this obligation to withhold is not in practice enforced. In any event this obligation to withhold tax on interest would not apply in respect of interest on Notes which are quoted on a recognised stock exchange where:

- (c) the person by or through whom the payment is made is not in Ireland or
- (d) the payment is made by or through a person in Ireland and
 - (i) the quoted Note is held in a recognised clearing system or
 - (ii) the person who is the beneficial owner of the quoted Note and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

Capital Gains Tax

Noteholders who are resident or ordinarily resident in Ireland may be liable to Irish capital gains tax on chargeable gains resulting from the disposal or redemption of the Notes. A Noteholder who is neither resident nor ordinarily resident in Ireland may also be liable to Irish capital gains tax on the disposal or redemption of the Note where the Noteholder carries on a trade in Ireland through a branch or agency to which the Notes are attributable.

Stamp Duty

In general the issue of bearer Notes is not liable to Irish stamp duty unless the Notes constitute a charge or incumbrance upon property in Ireland. If the Notes do constitute a charge or incumbrance upon property in Ireland, duty is charged at a rate of 0.1 per cent of the amount secured subject to a maximum of Euro 630.00.

The transfer by delivery of bearer Notes is not liable to Irish stamp duty. If however, a written instrument of transfer of either bearer or non-bearer Notes is executed then there would be Irish stamp duty payable if:

- (a) the instrument is executed in Ireland or
- (b) it relates to property situate in Ireland or anything done or to be done in Ireland.

As pointed out above it is possible that a Note issued by BGB Finance would be regarded as property situate in Ireland. However, a written transfer of either a bearer or non-bearer Note in whatever currency denominated will not attract stamp duty where the Notes:

- i. do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;

- ii. do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;
- iii. are redeemable within thirty years of the date of issue and not thereafter;
- iv. are issued for a price which is not less than 90 per cent. of its nominal value; and
- v. do not carry a right to a sum in respect of repayment or interest which is related to certain movement in an index or indices specified in any instrument or other document relating to the Notes.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish domicile resident or ordinarily resident disponent or if the disponent's successor is resident or ordinarily resident in Ireland or any of the Notes are regarded as property situate in Ireland, the disponent's successor may be liable to Irish Gift or Inheritance Tax. As pointed out above, it is possible that Notes issued by BGB Finance may be regarded as property situate in Ireland. Accordingly if such notes are comprised in a gift or inheritance, the disponent's successor may be liable to Irish Gift or Inheritance Tax even though the disponent may not be domiciled or resident in Ireland.

European Union Savings Directive

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 January 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

SUBSCRIPTION AND SALE

The dealers specified under ‘Summary of the Programme’ (together with any additional dealers appointed under the Programme, the “**Dealers**”) have, in an amended and restated dealer agreement (the “**Dealer Agreement**”) dated 17 February 2004, agreed with the Issuers and Guarantors a basis upon which they or any of them may from time to time agree to purchase Debt Instruments. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Debt Instruments, the price at which such Debt Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuers and Guarantors in respect of such purchase. The Dealer Agreement makes provisions for the resignation or replacement of existing Dealers and the appointment of additional or other dealers. It also contemplates that Debt Instruments may be sold on a syndicated basis pursuant to subscription agreements or corresponding documents.

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed or will agree that, except as permitted by the Dealer Agreement, it has not offered and sold, and will not offer or sell. Notes of any Issue (a) as part of their distribution at any time and (b) otherwise until 40 days after the later of the date of issue of the relevant Issue of Notes and the completion of the distribution of such Issue as certified to the Agent or the relevant Issuer by the relevant Dealer(s) within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each Dealer to which it sells Notes of such Issue during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Issue of Notes an offer or sale of Notes of such Issue within the United States by a Dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

In addition, certain Series of Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealers may agree, as indicated in the relevant Pricing Supplement. 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

In relation to each Tranche of Notes and Pfandbrief Instruments each Dealer has represented, warranted and agreed that:

- (a) No offer to public – listed Notes or Pfandbrief Instruments: in relation to Notes or, as the case may be, Pfandbrief Instruments which have a maturity of one year or more and which are to be admitted to the Official List of the UK Listing Authority, it has not offered or sold and will not offer or sell any such Notes or, as the case may be, Pfandbrief Instruments to persons in the United Kingdom prior to admission of such Notes or, as the case may be, Pfandbrief Instruments to listing in accordance with Part VI of the FSMA, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the FSMA;

- (b) No offer to public – unlisted Notes and Pfandbrief Instruments: in relation to Notes or, as the case may be, Pfandbrief Instruments which have a maturity of one year or more and which are not admitted to the Official List of the UK Listing Authority, it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date of such Notes or, as the case may be, Pfandbrief Instruments, will not offer or sell any such Notes or, as the case may be, Pfandbrief Instruments to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (c) Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes or, as the case may be, Pfandbrief Instruments in circumstances in which Section 21(1) of the FSMA would not apply to LBB or BGB Finance if LBB or BGB Finance were not authorised; and
- (d) General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom.

Federal Republic of Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

Ireland

In general, Irish companies must pay corporation tax on their trading income at the rate of 12.5 per cent. However, a company which holds a certificate (a “Certificate”) under section 446 Taxes Consolidation Act, 1997 (Section 446) qualifies for special relief. The effect of Section 446 relief is to reduce the rate of corporation tax on income arising from the trading operations specified in a Certificate to 10 per cent. provided the conditions attaching to the Certificate are met. Section 446 defines the trading operations specified in a Certificate as relevant trading operations (“Relevant Trading Operations”). A Certificate so given shall, unless it is revoked, remain in force until 31 December 2005.

BGB Finance has been approved by the Certification Advisory Committee of the Irish Department of Finance for certification by the Minister for Finance under Section 446. However, the Relevant Trading Operations of BGB Finance are confined to issuing bonds or other debt instruments to “qualified persons” which is defined to mean persons not ordinarily resident in Ireland, not Irish branches of non-resident companies and not under the control of Irish residents (hereinafter also referred to as “Irish Residents”) but excluding other persons who hold a certificate under Section 446 and specified collective investment undertakings as defined in Section 734(1) Taxes Consolidation Act, 1997 (as amended).

To the extent therefore that BGB Finance is engaged in activities outside the scope of its Relevant Trading Operations, its profits on such activities will be liable to Irish taxation at the rate of 12.5 per cent. Consequently each Dealer has represented and agreed that it will not offer, sell or deliver any Notes to Irish Residents without the prior consent of BGB Finance.

Each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, for as long as Part III of the Irish Companies Act, 1963 remains in force in relation to the Notes, it will not offer or sell any Notes issued by BGB Finance unless (i) such Notes have a maximum maturity of five years from the date of issue and are offered or sold to persons whose ordinary business it is to buy or sell shares or debentures as principal or agent or (ii) such offer does not constitute an offer to the public within the meaning of the Irish Companies Act, 1963 and that it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of Notes issued by BGB Finance to persons who are persons to whom the document may otherwise lawfully be issued or passed on.

Each Dealer has further represented and agreed that it has not offered or sold and will not, so long as Part XII of the Irish Companies Act, 1963 or any successor legislation remains in force in relation to the Notes, offer or sell

any Notes issued by an Issuer other than BGB Finance in Ireland except (i) to persons whose ordinary business it is to buy or sell shares or debentures as principal or agent or (ii) where listing particulars or supplementary listing particulars are first published or issued in the United Kingdom and where such listing particulars and supplementary listing particulars comply with the law for the time being in force in the United Kingdom or (iii) such Notes are not the subject of an offer to the public within the meaning of the Irish Companies Act, 1963 in Ireland or elsewhere, and that it has only issued or passed on, and will only issue or pass on, in Ireland any document received by it in connection with the issue of such Notes, to persons who are persons to whom the documents would otherwise lawfully be issued or passed on.

Each Dealer has further represented and agreed that in respect of Notes issued by BGB Finance with a maturity of less than one year (“Commercial Paper Notes”) it has complied and will comply with all applicable laws, regulations, restrictions and guidelines (as amended from time to time) of Irish authorities and relevant in the context of the issue of Commercial Paper Notes, including, but not limited to, all requirements as may be required from time to time in respect of the Notice of the Central Bank of Ireland dated 12 November 2002 (as amended from time to time) regarding the issuance of “commercial paper” and it shall, in relation to Commercial Paper Notes, submit (or procure the submission on its behalf of) such reports or information as may from time to time be required for compliance with laws, regulations, restrictions and guidelines.

Each Dealer has further represented and agreed that it has complied and will comply with all applicable provisions of the Investments Intermediaries Act, 1995 (as amended) with respect to anything done by it in relation to the Notes if operating in or otherwise involving Ireland.

Japan

Each Dealer has agreed and each additional Dealer to be appointed under the Programme will be required to agree, that the Debt Instruments have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and, accordingly, will undertake that it will not offer, sell or deliver any Debt Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

“**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and undertaken that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Debt Instruments or possesses or distributes the Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Debt Instruments 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 Issuers nor the Guarantors nor any other Dealer shall have any responsibility therefor.

Each Dealer has acknowledged that, other than with respect to the admission of the Debt Instruments to listing, trading and/or quotation by the relevant listing authorities, stock exchanges and/or quotation systems, no action has been or will be taken in any jurisdiction by either Issuer that would permit a public offering of the Debt Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

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 Pricing Supplement.

GENERAL INFORMATION

1. In connection with the application for the Debt Instruments to be issued under the Programme to be listed on the Luxembourg Stock Exchange, copies of the constitutive documents of each Issuer and a legal notice relating to the issue of each Series of Debt Instruments which are to be listed on the Luxembourg Stock Exchange will be registered with the *Régistre de Commerce et Sociétés à Luxembourg*, where such documents are or, as the case may be, will be available for inspection and where copies thereof can be obtained or, as the case may be, will be obtainable upon request. The Luxembourg Stock Exchange has allocated the number 11382 to the Programme for listing purposes.
2. Copies of the relevant Pricing Supplement in relation to each issue of Debt Instruments which is listed on the Luxembourg Stock Exchange will be available at the offices of the Luxembourg Listing Agent. Where an issue of Debt Instruments is not to be listed on the Luxembourg Stock Exchange or any other stock exchange, copies of the relevant Pricing Supplement will be available only for inspection by a Holder of such Debt Instruments.
3. The establishment of the Programme and the issuance of Debt Instruments thereunder was authorised by a resolution of the Board of Directors of BGB Finance dated 20 June 1996, and by a resolution of the Board of Management of LBB dated 30 January 1996. The increase in the programme amount from U.S.\$10,000,000,000 to U.S.\$15,000,000,000 was authorised by a resolution of the Board of Directors of BGB Finance dated 11 June 1998 and by a resolution of the Board of Management of LBB dated 24 March 1998. The updates of the Programme were authorised by resolutions of the Board of Directors of BGB Finance dated 19 June 2000, 12 February 2004 and 14 May 2004. No additional resolutions were taken.
4. The execution of the Guarantee was authorized by a resolution of the Board of Management of BGB dated 24 March 1998 and a resolution of the Board of Management of LBB dated 24 March 1998.
5. Other than as set forth under “Risks” above, there are no legal, arbitration or administrative proceedings against or affecting any of the Issuers or either of the Guarantors or any of their respective subsidiaries (and so far as each Issuer and each Guarantor is aware, having made due enquiry no such proceedings are pending or threatened) which have, or may have an effect on the financial position of such Issuer or Guarantor, as the case may be.
6. Each Debt Instrument in bearer form will bear the following legend:

“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 Section 165(j) and 1287(a) of the Internal Revenue Code of the United States”.
7. Since 31 December 2003 there has been no significant change in the financial or trading position nor any material adverse change in the financial position or prospects of any of the Issuers or any of the Guarantors or any of their respective subsidiaries.
8. Landesbank Berlin – Girozentrale –, BGB Finance (Ireland) plc and Bankgesellschaft Berlin AG do not issue interim unconsolidated accounts. The Group publishes unaudited consolidated quarterly interim accounts.
9. PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has audited the financial statements of Bankgesellschaft Berlin Group for the financial years ended 31 December 2002 and 2003 in accordance with the laws of the Federal Republic of Germany and has issued an unqualified opinion with an emphasise of matter paragraph (*hinweisender Zusatz*) on the financial statements for 2002.
10. PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has audited the financial statement of Bankgesellschaft Berlin AG for the financial years ended 31 December 2001, 2002 and 2003 in accordance with the laws of the Federal Republic of Germany and has issued an unqualified opinion with an emphasise of matter paragraph (*hinweisender Zusatz*) on the financial statements for 2002.
11. PricewaterhouseCoopers Chartered Accountants has audited the financial statements of BGB Finance (Ireland) plc for the financial years ended 31 December 2002 and 2003 [and is the current auditor for BGB Finance (Ireland) plc].

12. PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has audited the financial statements of Landesbank Berlin – Girozentrale – for the financial years ending 31 December 2002 and on 31 December 2003 in accordance with the laws of the Federal Republic of Germany and has issued an unqualified opinion with an emphasise of matter paragraph (*hinweisender Zusatz*) on the financial statement for 2002.
13. For the period of 14 days from the date of this Offering Circular and for the duration of the Programme, copies and, where available, English translations of the following documents will be available at the specified office at the Agent in Luxembourg and may be inspected during normal business hours at the registered office of the Issuers and the specified offices of the Agent and the Luxembourg Listing Agent, namely:
 - (a) the constitutive documents of each of the Issuers and each of the Guarantors;
 - (b) the Dealer Agreement;
 - (c) the Agency Agreement;
 - (d) the Guarantee;
 - (e) the audited financial statements of each Issuer and each Guarantor for the two financial years ended 31 December 2002 and 2003 together with all other audited and unaudited financial statements of each Issuer and Guarantor published subsequent to 31 December 2003 and any interim financial statements of BGB Group;
 - (f) any Pricing Supplement in relation to any issue which is listed on the Luxembourg Stock Exchange or any other stock exchange; and
 - (g) this Offering Circular and any Supplementary Offering Circular prepared in relation to the Programme.
14. The Debt Instruments have been accepted for clearance through CBL and Euroclear. The appropriate codes allocated by CBL and Euroclear for each Series of Debt Instruments, together with the relevant International Securities Identification Numbers and any other relevant identification number for any alternative clearing system will be contained in the Pricing Supplement relating thereto.

REGISTERED OR PRINCIPAL OFFICES OF THE ISSUERS AND THE GUARANTORS

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FISCAL AGENT AND PRINCIPAL PAYING AGENT

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Citigroup Global Markets

Deutschland AG

& Co. KGaA

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LEGAL ADVISERS

*To the Issuers and the Guarantors
as to German law*

*To BGB Finance (Ireland) plc
as to Irish law*

Bankgesellschaft Berlin AG

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Capital Markets
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To the Dealers as to German Law

Clifford Chance

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AUDITORS

To Bankgesellschaft Berlin AG

To Landesbank Berlin – Girozentrale –

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Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
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