SIMPLIFIED BASE PROSPECTUS

KfW

Frankfurt/Main
Federal Republic of Germany

KfW Note Programme

Notes issued under this Offering Programme are admitted for official quotation on the official market of the Frankfurt Stock Exchange and application has been made to list Notes issued under this Offering Programme on the regulated market (within the meaning of Council Directive 93/22/EEC of May 10, 1993 on investment services in the securities field, as amended) of the Luxembourg Stock Exchange. Notes issued under this Offering Programme may also be listed on an alternative stock exchange, as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue Notes which are not listed on any stock exchange.

The date of this Simplified Base Prospectus is June 24, 2005. The Simplified Base Prospectus is valid for one year from such date.

Arrangers

Barclays Capital | **Dresdner Kleinwort Wasserstein** | **JPMorgan**

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THIS PROSPECTUS

This prospectus (hereinafter, the "**Prospectus**") has been drawn up in order to permit the admission of Notes issued under this offering programme (the "**Programme**") to trading on the regulated market (within the meaning of Council Directive 93/22/EEC of May 10, 1993 on investment services in the securities field, as amended) of the Luxembourg Stock Exchange.

This Prospectus will fulfill the requirements for a simplified base prospectus pursuant to Chapter 2 of Part II of the proposed *Loi relative aux prospectus pour valeurs mobilières* (the "**Luxembourg Prospectus Act**"). It does not constitute a prospectus pursuant to Part I of the Luxemburg Prospectus Act transforming Directive 2003/71/EC (the "**Prospectus Directive**") into law in Luxemburg. Accordingly, this Prospectus does not purport to meet the format and the disclosure requirements of the Prospectus Directive and Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive, and it has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Directive. Notes issued under the Programme will therefore not qualify for the benefit of the single European passport pursuant to the Prospectus Directive.

This Prospectus may only be used for the purposes it has been published for.

Notes issued under the Programme (except Equity Linked Notes and Credit Linked Notes) during the period up to June 24, 2006 will also be admitted for trading and official quotation on the Frankfurt Stock Exchange pursuant to §§ 44 and 38 of the German Stock Exchange Admission Regulation (*Börsenzulassungs-Verordnung*) on the basis of an abbreviated listing prospectus (*Unvollständiger Prospekt*) written in the German language.

RESPONSIBILITY STATEMENT

KfW (the "**Issuer**") accepts responsibility for the contents of this Prospectus and has taken all reasonable care to ensure that the facts stated therein are true and accurate and that no material facts have been omitted.

NOTICE

The Issuer has covenanted to the Dealers that on or before each anniversary of the date of this Prospectus it will update or amend the Prospectus by the publication of a supplement thereto or a new Prospectus.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arrangers or any Dealer. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

This Prospectus is valid for one year following its date of issue and it and any amendment or supplement thereto as well as any Final Terms reflects the status as of their respective dates of issue. The offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has given an undertaking in connection with the listing of the Notes issued under the Programme on the Luxembourg Stock Exchange that, so long as any Note remains outstanding and listed on such exchange, in the event of any adverse change in the financial condition of the Issuer which is material in the context of the Programme and which is not reflected in the Prospectus, the Issuer will prepare a further supplement to the Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange. If the terms of the Programme are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, a new Prospectus will be prepared.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arrangers nor any Dealer accepts any responsibility for the accuracy and completeness of the information contained in this Prospectus or any amendment or supplement thereof, or any other document incorporated herein by reference nor for the information contained in any Final Terms. This Prospectus does not constitute an offer or an invitation by the Issuer or by the Arrangers or any of them to subscribe for or purchase any of the Notes.

The distribution of this Prospectus or any part hereof and any Final Terms and the offer, sale and delivery of any of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Final Terms comes are required to inform themselves about and to observe any such restrictions. For more information, see "Selling Restrictions".

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. Prospective purchasers should also consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer who is specified in the relevant Final Terms as the stabilising manager (or persons acting on its behalf) may overallot or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Dealer (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes.

SUMMARY OF THE PROGRAMME AND OF THE TERMS AND CONDITIONS

The Issuer may, at any time, issue notes ("**Notes**") under the Programme. The conditions of a particular issue of Notes will be agreed with the respective Dealer(s) on a case-by-case basis.

The following summary does not purport to be a complete description of the provisions applicable to the Programme or to the Notes issued thereunder.

Issuer	KfW
Guarantee	The Federal Republic of Germany guarantees the servicing of the Notes under Article 1a of the Law Concerning the KfW (the "**KfW Law**").
Arrangers	Barclays Bank PLC Dresdner Bank Aktiengesellschaft J.P. Morgan Securities Ltd.
Dealers	There are no sponsoring Dealers with respect to the Programme, and, accordingly, there is no dealer agreement between the Issuer and a group of Dealers. Instead, the Issuer has promulgated Standard Dealer Terms. The Programme provides (a) for the purchase of Notes by one or more Dealers (underwritten issues) (i) on a non-syndicated basis, in which case the Issuer and the Dealer(s) will enter into a Subscription Agreement for non-syndicated issues, or (ii) on a syndicated basis, in which case the Issuer and the Dealers will enter into a Subscription Agreement for syndicated issues, as well as (b) for the purchase of Notes by third parties whose offers have been solicited by the Dealer(s) (non-underwritten Issues) appointed under a Distribution Agreement between the Issuer and such Dealer(s). Any such Subscription Agreement or Distribution Agreement will incorporate the Standard Dealer Terms by reference.
Fiscal Agent	KfW or Deutsche Bank Aktiengesellschaft or any other financial institution appointed as Fiscal Agent in respect of a particular Series of Notes, as specified in the applicable Final Terms. The Issuer has promulgated Fiscal Agency Rules which will be incorporated by reference into the Fiscal Agent Appointment Agreement made between the Issuer and the relevant Fiscal Agent (other than KfW).
Luxembourg Paying Agent	Deutsche Bank Luxembourg S.A. or any other financial institution appointed as Luxembourg Paying Agent in respect of a particular Series of Notes, as specified in the applicable Final Terms.
Calculation Agent/ Determination Agent	The Calculation Agent in respect of a particular Series of Notes will generally be the Fiscal Agent. However, the relevant Dealer or Lead Manager or another financial institution may instead act as Calculation Agent, as specified in the applicable Final Terms. The Issuer may appoint a Determination Agent in respect of a particular Series of Notes, as specified in the applicable Final Terms. In such event, the Calculation Agent will be bound by the determinations made by the Determination Agent in respect of the bases (such as interest rates, conversion rates, prices, indices or otherwise) communicated by the Determination Agent to the Calculation Agent for the calculations to be made by the Calculation Agent.
Specified Currencies	Subject to applicable legal or regulatory restrictions, Notes may be denominated in Euros or any other currency or currency unit, as may be agreed between the Issuer and the relevant Dealer(s).
Maturities	Notes may be issued with maturities of 90 days or longer.
Distribution	The Notes may be offered by way of public or private placement, on a syndicated or non-syndicated basis or by auction. The method of distribution of each issue will be stated in the applicable Final Terms.
Method of Issue	Notes will be issued in tranches (each a "**Tranche**") consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but having different issue dates, interest commencement dates, issue prices and/or dates for first interest payments, may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series.
Form of Notes	Notes will be issued in bearer form only and will be represented by one or more global Notes ("**Global Notes**") which will not be exchangeable for definitive Notes. Notes with an initial maturity of more than one year (including Notes with a maturity of one year or less that may be unilaterally rolled over or extended) will be issued in accordance with U.S. Treasury Regulation Section 1.163-5(c)(2)(i) (C) (the "TEFRA C Rules") or U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "TEFRA D Rules").

	Notes issued in accordance with the **TEFRA C Rules** ("**TEFRA C Notes**") will be represented by a permanent Global Note in bearer form, without interest coupons, in a principal amount equal to the aggregate principal amount of such Notes ("**Permanent Global Note**").
	Notes issued in accordance with the **TEFRA D Rules** ("**TEFRA D Notes**") will be represented initially by a temporary global Note in bearer form, without interest coupons, in a principal amount equal to the aggregate principal amount of such Notes (the "**Temporary Global Note**"). Such Temporary Global Note will be exchangeable for one or more Permanent Global Note(s) beginning 40 days after the date of issue of the Temporary Global Note comprising the relevant Tranche upon delivery of certifications of non U.S.-beneficial ownership in the form available from time to time at the specified office of the Fiscal Agent.
	The Issuer expects that Notes denominated in U.S. dollars will be issued as TEFRA D Notes.
	Notes not issued in accordance with the TEFRA C or the TEFRA D Rules, i.e. Notes with an initial maturity of one year or less, will be represented by a Permanent Global Note.
Types of Notes	Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Discount Notes. Notes may be of any other type, such as Dual Currency Notes, Instalment Notes, Index Linked Notes, Equity Linked Notes, FX-Linked Notes or may have any other structure, all upon the terms set out in the applicable Final Terms.
Status of Notes	The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking pari passu among themselves and pari passu with all other unsecured and unsubordinated obligations of the Issuer.
Redemption	The Notes may be redeemable only at their stated maturity or before their stated maturity at the option of the Issuer and/or Holder of the Notes or for other reasons, all as specified in the applicable Final Terms.
	There will be no call option for tax reasons.
Taxation	All payments by the Issuer in respect of the Notes will be made without deduction of taxes and other duties, except where such deduction is required by law.
Events of Default	None
Negative Pledge	None
Listing	Notes are admitted for official quotation on the official market of the Frankfurt Stock Exchange and application has been made to list Notes on the regulated market of the Luxembourg Stock Exchange. Notes may also be listed on any other Stock Exchange, as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue Notes which are not listed on any Stock Exchange.
Governing Law	German law
Selling Restrictions	The distribution of Notes will comply with all restrictions under any applicable law in connection with the offering and sale of each issue. See p. 53 below.
Clearance and Settlement	Notes will be accepted for clearing through one ore more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking AG, Frankfurt am Main ("**CBF**"), Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**").
Ratings	The Programme has been rated Aaa by Moody's Investors Service Limited, AAA by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies Inc., and AAA by Fitch Ratings Limited. Notes issued under the Programme may be rated by any or all of the Rating Agencies named in the previous sentence or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subjected to suspension, reduction or withdrawal at any time by the assigning rating agency.
Use of Proceeds	The net proceeds from the sale of the Notes under the Programme will be used in the general business of the Issuer.

ISSUE PROCEDURES

General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the Terms and Conditions of the Notes set forth below (the "**Terms and Conditions**") as completed, modified, supplemented or replaced by the provisions of the Final Terms (the "**Final Terms**"). The Final Terms relating to each Tranche of Notes will specify:

- whether the Conditions are to be **Long-Form Conditions** or **Integrated Conditions** (each as described below); and
- whether the Conditions will be in the **German language** or the **English language** or both (and, if both, whether the German language version or the English language version is controlling).

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

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

As to the controlling language of the respective Conditions, the Issuer anticipates that, in general, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed between the Issuer and the relevant Dealer:

- in the case of Notes sold and distributed on a syndicated basis, German will be the controlling language;
- in the case of Notes publicly offered, in whole or in part, in the Federal Republic of Germany, or distributed, in whole or in part, to non-professional investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to non-professional investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of the Fiscal Agent and KfW, as specified on the back cover of this Prospectus.

Long-Form Conditions

If the Final Terms specifies that Long-Form Conditions are to apply to the Notes, the provisions of the applicable Final Terms and the Terms and Conditions, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

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

Where Long-Form Conditions apply, each global note representing the Notes of the relevant Series will have the Final Terms and the Terms and Conditions attached.

Integrated Conditions

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

- all of the blanks in all applicable provisions of the Terms and Conditions will be completed according to the information contained in the Final Terms and all non-applicable provisions of the Terms and Conditions (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or
- the Terms and Conditions will be otherwise modified, supplemented or replaced, in whole or in part, according to the information set forth in the Final Terms.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each global note representing Notes of the relevant Series.

EMISSIONSBEDINGUNGEN DER SCHULDVERSCHREIBUNGEN

Diese Tranche von Schuldverschreibungen wird gemäß den von der KfW bekannt gegebenen Fiscal Agency Rules mit Datum vom 24. Juni 2005 in ihrer jeweiligen Fassung (die „**Fiscal Agency Rules**") begeben. Ablichtungen der Fiscal Agency Rules können kostenlos am Sitz der Emittentin in Frankfurt am Main oder der Hauptniederlassung der Deutsche Bank Luxembourg S.A. in Luxemburg bezogen werden.

Im Falle von nicht-konsolidierten Bedingungen, einfügen:

[Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben des beigefügten endgültigen Bedingungen (die „endgültigen Bedingungen") vervollständigt, geändert, ergänzt oder ganz oder teilweise ersetzt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; sofern die endgültigen Bedingungen die Änderung, Ergänzung oder (vollständige oder teilweise) Ersetzung bestimmter Emissionsbedingungen vorsehen, gelten die betreffenden Bestimmungen der Emissionsbedingungen als entsprechend geändert, ergänzt oder ersetzt; alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den endgültigen Bedingungen nicht ausdrücklich ausgefüllt oder die gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Emissionsbedingungen gestrichen, so dass die Bestimmungen der endgültigen Bedingungen Geltung erhal-ten. Kopien der endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle des Fiscal Agent und bei den bezeichneten Geschäftsstellen einer jeden Zahlstelle erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.**]**

§ 1
WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN

(1) *Währung; Stückelung*. Diese Tranche von Schuldverschreibungen (die „Schuldverschreibungen") der KfW (die „Emittentin") wird in **[festgelegte Währung einfügen]** (die „festgelegte Währung") im Gesamtnennbetrag von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**) (der „Gesamtnennbetrag") in der Stückelung von **[festgelegte Stückelung einfügen]** (die „festgelegte Stückelung") begeben.

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

Im Falle von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, einfügen:

[(3) *Dauerglobalurkunde*. Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die „Dauerglobalurkunde") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von dem Fiscal Agent oder in dessen Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.**]**

Im Falle von TEFRA D-Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, einfügen:

[(3) *Vorläufige Globalurkunde – Austausch*.

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die „vorläufige Globalurkunde") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine oder mehrere Dauerglobalurkunden (die „Dauerglobalurkunde") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von dem Fiscal Agent oder in dessen Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde ist frühestens 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde nach Vorlage von Bescheinigungen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten), gegen die Dauerglobalurkunde austauschbar. Zinszahlungen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß dieses Absatzes (b) dieses § 1(3) auszutauschen. Wertpapiere, die im Aus-

TERMS AND CONDITIONS OF THE NOTES

This Tranche of Notes is issued pursuant to the Fiscal Agency Rules promulgated by KfW dated June 24, 2005 as amended, supplemented or restated from time to time (the "**Fiscal Agency Rules**"). Copies of the Fiscal Agency Rules may be obtained free of charge from the head office of the Issuer in Frankfurt am Main or the principal office of Deutsche Bank Luxembourg S.A. in Luxembourg.

In the case of Long-Form Conditions insert:

[The provisions of these Terms and Conditions apply to the Notes as completed, modified, supplemented or replaced, in whole or in part, by the terms of the final terms which is attached hereto (the "Final Terms"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent and at the specified office of any Paying Agent provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Holders of such Notes.**]**

§ 1
CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination*. This Tranche of Notes (the "Notes") of KfW (the "Issuer") is being issued in **[insert Specified Currency]** (the "Specified Currency") in the aggregate principal amount of **[insert Aggregate Principal Amount]** (in words: **[insert Aggregate Principal Amount in words]**) (the "Aggregate Principal Amount") in the denomination of **[insert Specified Denomination]** (the "Specified Denomination").

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

In the case of Notes which are represented by a Permanent Global Note insert:

[(3) *Permanent Global Note*. The Notes are represented by a permanent global note (the "Permanent Global Note") without coupons. The Permanent Global Note shall be signed manually by two authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.**]**

In the case of TEFRA D Notes which are initially represented by a Temporary Global Note insert:

[(3) *Temporary Global Note – Exchange*.

(a) The Notes are initially represented by a temporary global note (the "Temporary Global Note") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by one or more permanent global notes (the "Permanent Global Note") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note beginning 40 days after the date of issue of the Temporary Global Note upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this subparagraph (b) of this § 1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 5(3)).**]**

tausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 5(3) definiert) zu liefern.]

(4) *Clearingsystem*. Jede Dauerglobalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. „Clearingsystem" bedeutet **[bei mehr als einem Clearingsystem einfügen**: jeweils] folgendes: **[**Clearstream Banking AG, Frankfurt am Main („CBF")**] [,] [**und**] [**Clearstream Banking, société anonyme, Luxembourg („CBL")**] [,] [**und**] [**Euroclear Bank S.A./N.V., als Betreiberin des Euroclear Systems („Euroclear")**] [,] [**und**] [anderes Clearingsystem angeben]**.

(5) *Gläubiger von Schuldverschreibungen*. „Gläubiger" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Geschäftstag*. In diesen Bedingungen bezeichnet „Geschäftstag" einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie **[im Falle von TARGET Geschäftstagen, einfügen:** das Trans-European Automated Real-time Gross Settlement Express Transfer System („TARGET") betriebsbereit sind[.**]** **[**und**]** **[im Falle von Geschäftstagen in einem oder mehreren bestimmten Finanzzentren, einfügen:** Geschäftsbanken und Devisenmärkte in den jeweils bezeichneten Finanzzentren Zahlungen abwickeln und für allgemeine Geschäfte geöffnet sind.**]**

§ 2
STATUS

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind.

§ 3
ZINSEN

Im Falle von festverzinslichen Schuldverschreibungen einfügen:

[(1) *Zinssatz und Zinszahlungstage*.

[Im Falle von Schuldverschreibungen mit einer Zinszahlung einfügen:

Die Schuldverschreibungen werden bezogen auf den ausstehenden Gesamtnennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 4(1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinszahlung erfolgt am **[Zinszahlungstag einfügen]** (der „Zinszahlungstag") **[sofern der Zinszahlungstag nicht der Jahrestag des Verzinsungsbeginns ist, einfügen**: und beläuft sich auf **[Gesamtzinsbetrag für die Schuldverschreibungen einfügen].]**

[Im Falle von Schuldverschreibungen mit mehr als einer Zinszahlung, einfügen:

Die Schuldverschreibungen werden bezogen auf den ausstehenden Gesamtnennbetrag verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (wie in § 4(1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinsen sind nachträglich am **[Festzinstermin(e) einfügen]** eines jeden Jahres zahlbar (jeweils ein „Zinszahlungstag"), vorbehaltlich einer Anpassung gemäß § 5 (5). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]**, vorbehaltlich § 5 (5) **[sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist einfügen**: , und beläuft sich auf **[anfänglichen Bruchteilzinsbetrag für die Schuldverschreibungen einfügen].] [Sofern der Fälligkeitstag kein Festzinstermin ist, einfügen**: Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinstermin einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag für die Schuldverschreibungen einfügen].]**

(2) *Auflaufende Zinsen*. Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, fallen auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlichen Verzugszinssatz an [1].

(3) *Berechnung der Zinsen für Teile von Zeiträumen*. Sofern Zinsen für einen Zeitraum von weniger oder mehr als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).**]**

1 Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit bekannt gemachten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

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

(5) *Holder of Notes*. "Holder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

(6) *Business Day*. In these Conditions, "Business Day" means any day (other than a Saturday or a Sunday) on which the Clearing System as well as **[in the case of TARGET Business Days insert:** the Trans-European Automated Real-time Gross Settlement Express Transfer System ("TARGET") are open**[.] [**and**] [in the case of Business Days in one or more specified financial centres insert:** commercial banks and foreign exchange markets are open for general business and settle payments in the respective specified financial centres.**]**

§ 2
STATUS

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking pari passu among themselves and pari passu with all other unsecured and unsubordinated obligations of the Issuer.

§ 3
INTEREST

In the case of Fixed Rate Notes insert:

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

[In the case of Notes with one interest payment insert:

The Notes shall bear interest on the outstanding Aggregate Principal Amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 4(1)). The payment of interest shall be made on **[insert Interest Payment Date]** (the "Interest Payment Date") **[if the Interest Payment Date is not the anniversary of the Interest Commencement Date insert**: and will amount to **[insert amount for the outstanding Aggregate Principal Amount of the Notes]**.**]**

[In the case of Notes with more than one interest payment insert:

The Notes shall bear interest on the outstanding Aggregate Principal Amount at the rate of **[insert Rate of Interest]** per cent. per annum from (and including) **[insert Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 4(1)). Interest shall be payable in arrear on **[insert Fixed Interest Date(s)]** in each year (each such date, an "Interest Payment Date"), subject to adjustment in accordance with § 5 (5). The first payment of interest shall, subject to § 5 (5), be made on **[insert First Interest Payment Date] [if the First Interest Payment Date is not the anniversary of the Interest Commencement Date insert**: and will amount to **[insert Initial Broken Amount for the Aggregate Principal Amount of the Notes]**.**] [If the Maturity Date is not a Fixed Interest Date insert**: Interest in respect of the period from **[insert Fixed Interest Date preceding the Maturity Date]** (inclusive) to the Maturity Date (exclusive) will amount to **[insert Final Broken Amount for the Aggregate Principal Amount of the Notes]**.

(2) *Accrual of Interest*. The Notes shall cease to bear interest from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding Aggregate Principal Amount of the Notes from and including the due date to but excluding the date of the actual redemption of the Notes at the default rate of interest established by law [1].

(3) *Calculation of Interest for Partial Periods*. If interest is required to be calculated for a period of less or more than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).**]**

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

Im Falle von variabel verzinslichen Schuldverschreibungen einfügen:

[(1) *Zinszahlungstage*.

(a) Die Schuldverschreibungen werden bezogen auf ihren ausstehenden Gesamtnennbetrag ab dem **[Verzinsungsbeginn einfügen]** (der „Verzinsungsbeginn") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) „Zinszahlungstag" bedeutet, vorbehaltlich einer Anpassung gemäß § 5 (5),

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

[(ii) im Fall von festgelegten Zinsperioden einfügen: (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der **[Zahl einfügen]** [Wochen] [Monate] **[andere festgelegte Zeiträume einfügen]** nach dem vorausgehenden Zinszahlungstag oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.**]**

(2) *Zinssatz*. **[Bei Bildschirmfeststellung einfügen:** Der Zinssatz (der „Zinssatz") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, der Angebotssatz (wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist) (ausgedrückt als Prozentsatz per annum) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) angezeigt wird **[im Fall einer Marge einfügen:** [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)**]**, wobei alle Festlegungen durch die [Berechnungsstelle] [Bestimmungsstelle] erfolgen.

„Zinsperiode" bezeichnet den jeweils [drei-] [sechs-] [zwölf-] Monats-Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

„Zinsfestlegungstag" bezeichnet den [zweiten] **[zutreffende andere Zahl von Tagen einfügen]** [TARGET] [Londoner] **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor Beginn der jeweiligen Zinsperiode.

[Im Fall einer Marge einfügen: Die „Marge" beträgt **[Marge einfügen]** % per annum.**]**

„Bildschirmseite" bedeutet **[Bildschirmseite einfügen]**.

[Falls der Gebrauch einer anderen Basis zur Bestimmung eines Referenzsatzes vereinbart wird, vollständige Einzelheiten dieser Basis hier und in den anwendbaren endgültigen Bedingungen einfügen.]

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt, wird die [Berechnungsstelle] [Bestimmungsstelle] von der [Londoner] Hauptniederlassung [in der Euro-Zone] jeder der Referenzbanken (wie nachfolgend definiert) deren jeweilige Angebotssätze für Einlagen in der festgelegten Währung für einen Zeitraum, der der festgelegten Laufzeit entspricht (beginnend am ersten Tag der jeweiligen Zinsperiode), in Höhe eines repräsentativen Betrages und auf der Basis des Zinstagequotienten (wie nachstehend definiert) gegenüber führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) am Zinsfestlegungstag anfordern.

Falls zwei oder mehr solche Angebotssätze genannt werden, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf den nächsten ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozentpunkt, wobei 0,0005**] [falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozentpunkt, wobei 0,000005**]** aufgerundet wird) dieser Angebotssätze **[im Falle einer Marge einfügen:** [zuzüglich] [abzüglich] der Marge**]**. Falls weniger als zwei Angebotssätze genannt werden, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf den nächsten ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozentpunkt, wobei 0,0005**] [falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozentpunkt, wobei 0,000005**]** aufgerundet wird) der Angebotssätze, die von der [Berechnungsstelle] [Bestimmungsstelle] ausgewählte [Londoner] Großbanken [in der Euro-Zone] als denjenigen Satz nennen, zu dem sie um ca. 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) an dem betreffenden Zinsfestlegungstag Darlehen an führende europäische Banken in der festgelegten Währung für einen Zeitraum, der der festgelegten Laufzeit entspricht (beginnend am ersten Tag der jeweiligen Zinsperiode), und in Höhe eines repräsentativen Betrages gewähren, **[im Falle einer Marge einfügen:** [zuzüglich] [abzüglich] der Marge.**]**

„festgelegte Laufzeit" bedeutet ein Zeitraum, der einer Zinsperiode entspricht.

„repräsentativer Betrag" bedeutet ein Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

In the case of Floating Rate Notes insert:

[(1) *Interest Payment Dates*.

(a) The Notes shall bear interest on the outstanding Aggregate Principal Amount from (and including) **[insert Interest Commencement Date]** (the "Interest Commencement Date") to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

(b) "Interest Payment Date" means, subject to adjustment in accordance with § 5 (5),

[(i) in the case of Specified Interest Payment Dates insert: each **[insert Specified Interest Payment Dates].]**

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

(2) *Rate of Interest*. **[if Screen Rate Determination insert:** The rate of interest (the "Rate of Interest") for each Interest Period (as defined below) will, except as provided below, be the offered quotation (if there is only one quotation on the Screen Page (as defined below)) (expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11.00 a.m. ([Brussels] [London] time) on the Interest Determination Date (as defined below) **[if Margin insert**: [plus] [minus] the Margin (as defined below)], all as determined by the [Calculation Agent] [Determination Agent].

"Interest Period" means each [three] [six] [twelve] month period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"Interest Determination Date" means the [second] **[insert other applicable number of days]** [TARGET] [London] **[insert other relevant location]** Business Day prior to the commencement of the relevant Interest Period.

[If Margin insert: "Margin" means **[insert Margin]** per cent. per annum.]

"Screen Page" means **[insert relevant Screen Page]**.

[If another basis for determining any reference rate is agreed upon, insert full details thereof herein and in the applicable Final Terms.]

If, at such time, the Screen Page is not available or if no such quotation appears, the [Calculation Agent] [Determination Agent] will request the principal [Euro-zone] [London] office of each of the Reference Banks to provide a quotation of its rate at which deposits in the Specified Currency are offered by it at approximately 11.00 a.m. [Brussels] [London] time, on the Interest Determination Date to prime banks in the [Euro-zone] [London] interbank market for a period of the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount, assuming the Day Count Fraction (as defined below).

If at least two quotations are provided, the rate for that Interest Period will be the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert**: thousandth of a percentage point, with 0.0005] **[if the Reference Rate is not EURIBOR insert:** hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the quotations **[if Margin insert:** , [plus] [minus] the Margin]. If fewer than two quotations are provided as requested, the rate for that Interest Period will be the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert**: thousandth of a percentage point, with 0.0005] **[if the Reference Rate is not EURIBOR insert:** hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the rates quoted by major banks in [the Euro-zone] [London], selected by the [Calculation Agent] [Determination Agent], at approximately 11.00 a.m. [Brussels] [London] time, on that Interest Determination Date for loans in the Specified Currency to leading European banks for a period of the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount, **[if Margin insert:** [plus] [minus] the Margin].

"Designated Maturity" means a period equivalent to the Interest Period.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

„Referenzbanken" bezeichnen **[falls in den endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden, einfügen**: vier von der [Berechnungsstelle] [Bestimmungsstelle] ausgewählte Großbanken im [Londoner] Interbanken-Markt [in der Euro-Zone].] **[Falls in den endgültigen Bedingungen andere Referenzbanken bestimmt werden, sind sie hier einzufügen]**.

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

[Sofern ISDA-Feststellung gelten soll, sind die entsprechenden Bestimmungen einzufügen und die von der International Swap and Derivatives Association veröffentlichten 2000 ISDA-Definitionen beizufügen. Sofern eine andere Methode der Feststellung anwendbar ist, sind hier und in den anwendbaren endgültigen Bedingungen die entsprechenden Einzelheiten anstelle der Bestimmungen dieses Absatzes 2 einzufügen]

[Im Falle einer anderen Methode der Bestimmung des Zinssatzes, sind hier und in den anwendbaren endgültigen Bedingungen die entsprechenden Einzelheiten anstelle der Bestimmungen dieses Absatzes 2 einzufügen]

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

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

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

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

(4) *Zinsbetrag*. Die [Berechnungsstelle] [Bestimmungsstelle] wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Schuldverschreibungen zahlbaren Zinsbetrag (der „Zinsbetrag") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

(5) *Mitteilung von Zinssatz und Zinsbetrag*. Die [Berechnungsstelle] [Bestimmungsstelle] wird veranlassen, daß der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin, der Zahlstelle und den Gläubigern gemäß § 10 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden [TARGET] [Londoner] **[zutreffende andere Orte einfügen]** Geschäftstag und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepaßt (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, der Zahlstelle sowie den Gläubigern gemäß § 10 mitgeteilt.

(6) *Verbindlichkeit der Festsetzungen*. Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der [Berechnungsstelle] [Bestimmungsstelle] für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, den Fiscal Agent[, die Zahlstellen] und die Gläubiger bindend.

(7) *Auflaufende Zinsen*. Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlichen Verzugszinssatz an [1].]

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1 Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit bekannt gemachten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

As used herein, "Reference Banks" means **[if no other Reference Banks are specified in the Final Terms, insert:** four major banks in the **[**London**] [**Euro-zone**]** interbank market, selected by the **[**Calculation**] [**Determination**]** Agent**]**. **[If other Reference Banks are specified in the Final Terms, insert names here]**.

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

[If ISDA Determination applies insert the relevant provisions and attach the 2000 ISDA Definitions published by the International Swap and Derivatives Association. If other method of determination applies, insert herein and in the applicable Final Terms the relevant details in lieu of the provisions of this subparagraph (2)]

[If another basis for determination of the interest rate applies, insert herein and in the applicable Final Terms details in lieu of the provisions of this subparagraph (2)]

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

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

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

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

(4) *Interest Amount*. The **[**Calculation Agent**] [**Determination Agent**]** will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the outstanding Aggregate Principal Amount of the Notes and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

(5) *Notification of Rate of Interest and Interest Amount*. The **[**Calculation Agent**] [**Determination Agent**]** will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § 10 as soon as possible after their determination, but in no event later than the fourth **[**TARGET**] [**London**] [insert other relevant location(s)]** Business Day thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 10.

(6) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the **[**Calculation Agent**] [**Determination Agent**]** shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent **[**, the Paying Agents**]** and the Holders.

(7) *Accrual of Interest*. The Notes shall cease to bear interest from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding Aggregate Principal Amount of the Notes from and including the due date to but excluding the date of actual redemption of the Notes. The applicable Rate of Interest will be the default rate of interest established by law [1].**]**

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

Im Fall von Nullkupon-Schuldverschreibungen einfügen:

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

(2) *Auflaufende Zinsen*. Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlichen Verzugszinssatz an [1].]

[Im Fall von Indexierten Schuldverschreibungen, Equity Linked Notes, oder FX-Linked Notes, vollständige Einzelheiten in Bezug auf Zinsen hier und in den anwendbaren endgültigen Bedingungen einfügen. Dasselbe gilt im Fall von Doppelwährungs-Schuldverschreibungen und Raten-Schuldverschreibungen.]

[(•)] *Zinstagequotient*. „Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraumes) (der „Zinsberechnungszeitraum"):

Im Falle von Actual/365 oder Actual/Actual (ISDA) einfügen:

[[die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365).]

Im Falle von Actual/Actual (ISMA) einfügen:

[wenn der Zinsberechnungszeitraum gleich oder kürzer ist als die Bezugsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, einfügen: die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Bezugsperiode und (2) der Anzahl der Zinszahlungstage, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte betreffende Jahr zu zahlen wären.]

[wenn der Zinsberechnungszeitraum länger ist als die Bezugsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, einfügen: die Summe aus (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Bezugsperiode und (2) der Anzahl der Zinszahlungstage, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte betreffende Jahr zu zahlen wären, und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Bezugsperiode und (2) der Anzahl der Zinszahlungstage, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte betreffende Jahr zu zahlen wären.]

„Bezugsperiode" ist die Periode ab einem Zinszahlungstag (einschließlich desselben) bis zum nächsten Zinszahlungstag (ausschließlich desselben). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes einfügen**: Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gilt der **[Fiktiver Zinszahlungstag einfügen]** als Zinszahlungstag.] **[Im Falle eines ersten oder letzten langen Zinsberechnungszeitraumes einfügen**: Zum Zwecke der Bestimmung der maßgeblichen Bezugsperiode gelten der **[Fiktive Zinszahlungstage einfügen]** als Zinszahlungstage.]]

Im Falle von Actual/365 (Fixed) einfügen:

[die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

Im Falle von Actual/365 (Sterling) einfügen:

[die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 oder – im Falle eines in ein Schaltjahr fallenden Zinstermins – geteilt durch 366.]

Im Falle von Actual/360 einfügen:

[die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

Im Falle von 30/360, 360/360 oder Bond Basis einfügen:

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

1 Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit bekannt gemachten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

In the case of Zero Coupon Notes insert:

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

(2) *Accrual of Interest*. The Notes shall cease to bear interest from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding Aggregate Principal Amount of the Notes from and including the due date to but excluding the date of actual redemption at the default rate of interest established by law [1].]

[In the case of Index Linked Notes, Equity Linked Notes or FX-Linked Notes, insert full details relating to interest herein and in the applicable Final Terms. The same applies in the case of Dual Currency Notes and Instalment Notes.]

[(•)] *Day Count Fraction*. "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time from and including the first day of such period but excluding the last (the "Calculation Period"):

if Actual/365 or Actual/Actual (ISDA) insert:

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

if Actual/Actual (ISMA) insert:

[if the Calculation Period is equal to or shorter than the Reference Period during which the Calculation Period ends, insert: the number of days in such Calculation Period divided by the product of (1) the number of days in such Reference Period and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.]

[if the Calculation Period is longer than the Reference Period during which the Calculation Period ends, insert: the sum of: (A) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by the product of (1) the number of days in such Reference Period and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year; and (B) the number of days in such Calculation Period falling in the next Reference Period divided by the product of (1) the number of days in such Reference Period and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.]

"Reference Period" means the period from (and including) an Interest Payment Date to, but excluding, the next Interest Payment Date. **[In the case of a short first or last Calculation Period insert:** For the purposes of determining the relevant Reference Period only, **[insert Deemed Interest Payment Date]** shall be deemed to be an Interest Payment Date.] **[In the case of a long first or last Calculation Period insert:** For the purposes of determining the relevant Reference Period only, **[insert Deemed Interest Payment Dates]** shall each be deemed to be an Interest Payment Date.]]

if Actual/365 (Fixed) insert:

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

if Actual/365 (Sterling) insert:

[the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.]

if Actual/360 insert:

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

if 30/360, 360/360 or Bond Basis insert:

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

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

Im Falle von 30E/360 oder Eurobond Basis einfügen:

[die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, daß im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt).]

§ 4
RÜCKZAHLUNG

[(1) *Rückzahlung bei Endfälligkeit*.]

Im Falle von Schuldverschreibungen, die keine Raten-Schuldverschreibungen sind, einfügen:

[Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Fälligkeitstages, Fälligkeitstag einfügen]** **[im Fall eines Rückzahlungsmonats einfügen**: in den **[Rückzahlungsmonat einfügen]** fallenden Zinszahlungstag] (der „Fälligkeitstag") zurückgezahlt. Der Rückzahlungsbetrag in bezug auf jede Schuldverschreibung entspricht **[falls die Schuldverschreibungen zu ihrem ausstehenden Gesamtnennbetrag zurückgezahlt werden, einfügen**: dem ausstehenden Gesamtnennbetrag der Schuldverschreibungen] **[ansonsten den Rückzahlungsbetrag für die festgelegte Stückelung/Index und/oder Formel, gemäß welcher der Rückzahlungsbetrag berechnet wird, einfügen]**.]

Im Falle von Raten-Schuldverschreibungen einfügen:

[Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an dem/den nachstehenden Ratenzahlungstermin(en) zu der/den folgenden Rate(n) zurückgezahlt:

Ratenzahlungstermin(e)	Rate(n)
[Ratenzahlungstermin(e) einfügen]	**[Rate(n) einfügen]**
[____________________]	[____________________]
[____________________]	[____________________]]

[Im Fall von Indexierten Schuldverschreibungen oder Equity Linked Notes, vollständige Einzelheiten in Bezug auf die Rückzahlung in den anwendbaren endgültigen Bedingungen und im Fall von konsolidierten Bedingungen hier einfügen. Dasselbe gilt im Fall von Doppelwährungs-Schuldverschreibungen.]

Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

[(2) *Vorzeitige Rückzahlung nach Wahl der Emittentin*.

(a) Die Emittentin kann, nachdem sie nicht weniger als **[Mindestkündigungsfrist einfügen]** [und nicht mehr als **[Höchstkündigungsfrist einfügen]**] [TARGET] [Frankfurt] **[zutreffende andere Orte einfügen]** Geschäftstage vor dem entsprechenden Wahl-Rückzahlungstag gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt [oder teilweise] am **[Wahl-Rückzahlungstag(e) einfügen]** ([jeweils ein] [der] „Wahl-Rückzahlungstag (Call)") zum **[Wahl-Rückzahlungsbetrag/-beträge einfügen]** (der „Wahl-Rückzahlungsbetrag (Call)"), nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen**: Eine solche Rückzahlung muß in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag einfügen]**] **[erhöhter Rückzahlungsbetrag]** erfolgen.]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz (3) dieses § 4 verlangt hat.]

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 10 bekanntzugeben. Sie muß die folgenden Angaben enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

[Falls die Schuldverschreibungen teilweise zurückgezahlt werden können, einfügen:

(ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;]

[(iii)] den Wahl-Rückzahlungstag (Call), und

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

[Falls die Schuldverschreibungen teilweise zurückgezahlt werden können, einfügen:

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt.]]

if 30E/360 or Eurobond Basis insert:

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

§ 4
REDEMPTION

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

In the case of Notes other than Instalment Notes insert:

[Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date] [in the case of a Redemption Month insert**: the Interest Payment Date falling in **[insert Redemption Month]]** (the "Maturity Date"). The Final Redemption Amount in respect of the Notes shall be **[if the Notes are redeemed at their outstanding Aggregate Principal Amount insert**: the outstanding Aggregate Principal Amount of such Notes**] [otherwise insert Final Redemption Amount per Specified Denomination/index and/or formula by reference to which the Final Redemption Amount is to be calculated]**.**]**

In the case of Instalment Notes insert:

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

Instalment Date(s)	Instalment Amount(s)
[insert Instalment Date(s)]	**[insert Instalment Amount(s)]**
[____________________]	**[____________________]**
[____________________]	**[____________________]]**

[In the case of Index Linked Notes or Equity Linked Notes, insert full details relating to principal in the applicable Final Terms and in the case of Integrated Conditions herein. The same applies in the case of Dual Currency Notes.]

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

[(2) *Early Redemption at the Option of the Issuer*.

(a) The Issuer may, upon notice given not less than **[insert Minimum Notice to Holders]** **[**nor more than **[insert Maximum Notice to Holders]]** **[**TARGET**]** **[**Frankfurt**]** **[insert other relevant financial centres]** Business Days prior to the relevant Call Redemption Date in accordance with clause (b), redeem all **[**or some only**]** of the Notes on **[insert Call Redemption Dates(s)]** (**[**each a**]** **[**the**]** "Call Redemption Date") at **[insert Call Redemption Amount(s)]** (the "Call Redemption Amount(s)") together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[If Minimum Redemption Amount or Higher Redemption Amount applies insert**: Any such redemption must be of a principal amount equal to **[**at least **[insert Minimum Redemption Amount]] [insert Higher Redemption Amount]**.

[If Notes are subject to Early Redemption at the Option of the Holder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph (3) of this § 4.**]**

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 10. Such notice shall specify:

(i) the Series of Notes subject to redemption;

[If Notes are redeemable in part, insert:

(ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;**]**

[(iii)**]** the Call Redemption Date, and

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

[If Notes are redeemable in part, insert:

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

Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[[(3)**]** *Vorzeitige Rückzahlung nach Wahl des Gläubigers*.

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am **[Wahl-Rückzahlungstag(e) einfügen]** ([jeweils ein] [der] „Wahl-Rückzahlungstag (Put)") zum **[Wahl-Rückzahlungsbetrag/-beträge einfügen]** (der „Wahl-Rückzahlungsbetrag (Put)") nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, einfügen: Dem Gläubiger steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung eines ihrer Wahlrechte nach Absatz (2) dieses § 4 verlangt hat.**]**

(b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** [TARGET] [Frankfurt] **[zutreffende andere Orte einfügen]** Geschäftstage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachfolgend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle des Fiscal Agent während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung (die „Ausübungserklärung"), wie sie bei den bezeichneten Geschäftsstellen des Fiscal Agent und der Zahlstellen erhältlich ist, zu hinterlegen. Die Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Wahlrecht ausgeübt wird und (ii) die Wertpapier-Kenn-Nummer dieser Schuldverschreibungen (soweit vergeben). Die Ausübung des Wahlrechts kann nicht widerrufen werden. Die Rückzahlung der Schuldverschreibungen, für welche das Wahlrecht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder deren Order.**]**

Im Falle von Schuldverschreibungen mit obligatorischer vorzeitiger Rückzahlung einfügen:

[[(4)**]** *Obligatorische vorzeitige Rückzahlung.*

(a) **[Im Falle von Schuldverschreibungen mit obligatorischer vorzeitiger Rückzahlung anwendbare Bestimmungen hier und in den endgültigen Bedingungen einfügen]**

(b) Die vorzeitige Rückzahlung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 10 bekanntzugeben. Sie muß die folgenden Angaben enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) den obligatorischen Rückzahlungstag;

(iii) den obligatorischen Rückzahlungsbetrag, zu dem die Schuldverschreibungen zurückgezahlt werden.**]**

§ 5
ZAHLUNGEN

(1) **[**(a)**]** *Zahlungen auf Kapital*. Zahlungen auf Kapital in bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 2 an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle des Fiscal Agent außerhalb der Vereinigten Staaten.

Im Falle von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind, einfügen:

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

[Im Fall von Zinszahlungen auf TEFRA D-Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz 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)(b).**]]**

(2) *Zahlungsweise*. Vorbehaltlich anwendbarer gesetzlicher Regelungen und Vorschriften werden die zu erbringenden Zahlungen auf die Schuldverschreibungen in frei übertragbaren und konvertierbaren Geldern in der Währung geleistet, die am betreffenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.

Im Falle von Schuldverschreibungen, die nicht auf Euro lauten, einfügen:

[Stellt die Emittentin fest, dass zu zahlende Beträge am Fälligkeitstag aufgrund von Umständen, die außerhalb ihrer Verantwortung liegen, in frei übertragbaren und konvertierbaren Geldern für sie nicht verfügbar sind, oder dass die festgelegte Währung oder eine gesetzlich eingeführte Nachfolge-Währung (die „Nachfolge-Währung") nicht mehr für die Abwicklung von internationalen Finanztransaktionen verwendet wird, kann die Emittentin ihre Zahlungsverpflichtungen am jeweiligen Fälligkeitstermin oder sobald wie es nach dem Fälligkeitstermin vernünftigerweise möglich ist (ein solcher

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

[[(3)**]** *Early Redemption at the Option of a Holder*.

(a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on **[insert Put Redemption Dates(s)]** ([each a] **[**the**]** "Put Redemption Date") at **[insert Put Redemption Amount(s)]** (the "Put Redemption Amount") together with accrued interest, if any, to (but excluding) the Put Redemption Date.

[If the Notes are subject to Early Redemption at the Option of the Issuer insert: The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under subparagraph (2) of this § 4.**]**

(b) In order to exercise such option, the Holder must, not less than **[insert Minimum Notice to Issuer]** nor more than **[insert Maximum Notice to Issuer]** **[**TARGET**]** **[**Frankfurt**]** **[insert other relevant financial centre(s)]** Business Days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("Put Notice") in the form available from the specified offices of the Fiscal Agent and the Paying Agents. The Put Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such Notes, if any. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.**]**

In the case of Notes subject to Mandatory Early Redemption insert:

[[(4)**]** *Mandatory Early Redemption*.

(a) **[In the case of Notes subject to Mandatory Early Redemption insert full details here and in the Final Terms]**

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 10. Such notice shall specify:

(i) the Series of Notes subject to redemption;

(ii) the mandatory redemption date;

(iii) the mandatory redemption amount, at which such Notes are to be redeemed.**]**

§ 5
PAYMENTS

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

In the case of Notes other than Zero Coupon Notes insert:

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

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

(2) *Manner of Payment*. Subject to applicable laws and regulations, payments of amounts due on the Notes shall be made in freely negotiable and convertible funds of the currency which on the respective due date is the currency of the country of the Specified Currency.

In case of Notes other than Notes denominated in Euro insert:

[If the Issuer determines that the amount payable on the respective due date is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "Successor Currency") is no longer used for the settlement of international financial transactions, the Issuer may fulfill its payment obligations by making such payment in euro on, or as soon as reasonably practicable after, the respective due date (such date the "Payment Date") on the basis of the Applicable Exchange Rate. Holders shall not

Tag der „Zahltag") durch eine Zahlung in Euro auf der Grundlage des anwendbaren Wechselkurses erfüllen. Die Gläubiger sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen in Bezug auf eine solche Zahlung zu verlangen. Der „anwendbare Wechselkurs" ist (i) falls verfügbar, derjenige Wechselkurs des Euro zu der festgelegten Währung oder der Nachfolge-Währung, der von der Europäischen Zentralbank für einen Tag festgelegt und veröffentlicht wurde, der innerhalb eines angemessenen Zeitraums vor, und so nahe wie möglich an, dem Zahltag lag (gemäß Bestimmung der Emittentin nach billigem Ermessen) oder (ii) falls kein solcher Wechselkurs verfügbar ist, der von der Emittentin nach billigem Ermessen festgelegte Wechselkurs des Euro zu der festgelegten Währung oder der Nachfolge-Währung.]

(3) *Vereinigte Staaten*. Für die Zwecke des **[im Fall von TEFRA D-Schuldverschreibungen einfügen**: § 1 (3) und des**]** Absatzes 1 dieses § 5 bezeichnet „Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(4) *Erfüllung*. Die Emittentin wird durch Leistung der Zahlung an den Inhaber der Globalurkunde oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag*. Fällt der Fälligkeitstag einer Zahlung in bezug auf die Schuldverschreibungen auf einen Tag, der kein Zahltag ist, dann:

bei Anwendung der modifizierten folgender Geschäftstag-Konvention einfügen:

[hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zahltag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.**]**

bei Anwendung der FRN-Konvention einfügen:

[hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahltag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahltag der jeweils letzte Geschäftstag des Monats, der **[Zahl einfügen]** Monate**] [andere festgelegte Zeiträume einfügen]** nach dem vorhergehenden anwendbaren Zahltag liegt.**]**

bei Anwendung der folgender Geschäftstag-Konvention einfügen:

[hat der Gläubiger keinen Anspruch auf Zahlung vor dem nachfolgenden Zahltag.**]**

bei Anwendung der vorhergegangener Geschäftstag-Konvention einfügen:

[wird der Zahltag auf den unmittelbar vorhergehenden Zahltag vorgezogen.**]**

Falls die Zinsen angepaßt werden sollten, einfügen:

[Falls der Fälligkeitstag einer Zahlung, wie oben beschrieben, **[**vorgezogen wird**] [**oder**]** **[**verspätet ist**]**, wird der Zinsbetrag entsprechend angepaßt **[**und der Gläubiger ist berechtigt, etwaige weitere Zinsen aufgrund dieser Verspätung zu verlangen**].]**

Falls die Zinsen nicht angepaßt werden sollten, einfügen:

[Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund einer solchen Verspätung zu verlangen.**]**

„Zahltag" bezeichnet einen Tag, der (i) ein Tag ist, an dem der Fiscal Agent oder die betreffende**[**n**]** Zahlstelle**[**n**]** Zahlungen am jeweiligen Ort der Vorlegung (soweit zutreffend) abwickeln sowie (ii) ein **[**TARGET**] [**Frankfurt**] [sämtliche andere zutreffenden Finanzzentren einfügen]** Geschäftstag ist.

(6) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen**: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;**] [falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen**: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;**] [im Falle von Schuldverschreibungen mit obligatorischer vorzeitiger Rückzahlung einfügen:** den obligatorischen Rückzahlungsbetrag der Schuldverschreibungen;**] [im Fall von Nullkupon-Schuldverschreibungen einfügen**: den Amortisationsbetrag der Schuldverschreibungen;**] [im Fall von Raten-Schuldverschreibungen einfügen**: die auf die Schuldverschreibungen anwendbare(n) Rate(n);**]** sowie jeden Aufschlag sowie sonstige auf oder in bezug auf die Schuldverschreibungen zahlbaren Beträge.

(7) *Hinterlegung von Kapital und Zinsen*. Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

be entitled to further interest or any other payment as a result thereof. The "Applicable Exchange Rate" shall be, (i) if available, the euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period prior to the Payment Date (as determined by the Issuer in its equitable discretion) or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the euro as determined by the Issuer in its equitable discretion.**]**

(3) *United States*. For purposes of **[in the case of TEFRA D Notes insert**: § 1 (3) and**]** subparagraph (1) of this § 5, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the holder of the Global Note.

(5) *Payment Business Day*. If the date for payment of any amount in respect of the Notes is not a Payment Business Day then:

if Modified Following Business Day Convention insert:

[the Holder shall not be entitled to payment until the next Payment Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Payment Business Day.**]**

if FRN Convention insert:

[the Holder shall not be entitled to payment until the next Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Payment Business Day and (ii) each subsequent Interest Payment Date shall be the last Payment Business Day in the month which falls **[[insert number]** months**]** **[insert other specified periods]** after the preceding applicable Interest Payment Date.**]**

if Following Business Day Convention insert:

[the Holder shall not be entitled to payment until the next day which is a Payment Business Day.**]**

if Preceding Business Day Convention insert:

[the Holder shall be entitled to payment on the immediately preceding Payment Business Day.**]**

If adjustment of interest applies insert:

[If the date for payment is **[**brought forward**]** **[**or**]** **[**postponed**]** as described above, the amount of interest shall be adjusted accordingly **[**and the Holder shall be entitled to further interest in respect of any such delay**]**.**]**

If adjustment of interest does not apply insert:

[The Holder shall not be entitled to further interest or other payment in respect of any such delay.**]**

"Payment Business Day" means any day which is (i) a day on which the Fiscal Agent or the relevant Paying Agent**[**s**]** settle**[**s**]** payments in the relevant place of presentation (if applicable) and (ii) a **[**TARGET**]** **[**Frankfurt**]** **[insert all other relevant financial centres]** Business Day.

(6) *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; **[if redeemable at the option of the Issuer insert**: the Call Redemption Amount of the Notes;**]** **[if redeemable at the option of the Holder insert**: the Put Redemption Amount of the Notes;**]** **[in the case of FX-Linked Notes subject to Mandatory Early Redemption insert**: the Mandatory Redemption Amount of the Notes;**]** **[in the case of Zero Coupon Notes insert**: the Amortized Amount of the Notes;**]** **[in the case of Instalment Notes insert**: the Instalment Amount(s) of the Notes;**]** and any premium and any other amounts which may be payable under or in respect of the Notes.

(7) *Deposit of Principal and Interest*. The Issuer may deposit with the Amtsgericht in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 6
FISCAL AGENT [,] [UND] [DIE ZAHLSTELLEN] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung; bezeichnete Geschäftsstelle*. Der anfänglich bestellte Fiscal Agent**[[,]** **[**und**]** die anfänglich bestellte**[**n**]** Zahlstelle**[**n**]]** **[[**,**]** **[**und**]** die anfänglich bestellte Berechnungsstelle**]** **[**und die anfänglich bestellte Bestimmungsstelle**]** und **[**ihre**]** **[**deren**]** **[**jeweilige**]** bezeichnete Geschäftsstelle **[**lauten**]** **[**lautet**]** wie folgt:

Fiscal Agent:	[Deutsche Bank Aktiengesellschaft Grosse Gallusstrasse 10-14 D-60272 Frankfurt am Main] [KfW Palmengartenstrasse 5-9 D-60325 Frankfurt am Main] **[Namen und bezeichnete Geschäftsstelle[n] einfügen]**
Zahlstelle[n]:	[Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-1115 Luxemburg] **[Namen und bezeichnete Geschäftsstelle[n] einfügen]**

Falls der Fiscal Agent als Berechnungsstelle bestellt werden soll, einfügen:

[Der Fiscal Agent handelt auch als Berechnungsstelle.]

Falls eine Berechnungsstelle bestellt werden soll, die nicht der Fiscal Agent ist, einfügen:

[Die Berechnungsstelle und ihre anfänglich bezeichnete Geschäftsstelle lauten:

Berechnungsstelle: **[Namen und bezeichnete Geschäftsstelle[n] einfügen]]**

Falls eine Bestimmungsstelle bestellt werden soll, einfügen:

[Bestimmungsstelle: **[Namen und bezeichnete Geschäftsstelle[n] einfügen]]**

Der Fiscal Agent **[[**,**]** **[**und**]** die Zahlstelle**[**n**]]** **[[**und**]** **[**,**]** die Berechnungsstelle**]** **[**und die Bestimmungsstelle**]** **[**behält**]** **[**behalten**]** sich das Recht vor, jederzeit ihre **[**jeweilige**]** bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung*. Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent **[**,**]** **[**oder**]** einer Zahlstelle**]** **[**,**]** **[**oder**]** der Berechnungsstelle**]** **[**oder der Bestimmungsstelle**]** zu ändern oder zu beenden und einen anderen Fiscal Agent **[**,**]** **[**oder**]** zusätzliche oder andere Zahlstellen**]** **[**,**]** **[**oder eine andere Berechnungsstelle**]** **[**oder eine andere Bestimmungsstelle**]** zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) einen Fiscal Agent unterhalten **[im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen**: **[**,**]** und (ii) solange die Schuldverschreibungen an der **[Name der Börse einfügen]** notiert sind, eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in **[Sitz der Börse einfügen]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen**]** **[im Fall von Zahlungen in US-Dollar einfügen**: **[**,**]** **[**und**]** **[**(iii)**]** falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten**]** **[falls eine Berechnungsstelle bestellt werden soll, einfügen**: **[**,**]** **[**und**]** **[**(iv)**]** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen**: mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** unterhalten**]** **[falls eine Bestimmungsstelle bestellt werden soll, einfügen**: **[**,**]** **[**und**]** **[**(iv)**]** eine Bestimmungsstelle **[falls die Bestimmungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen**: mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** unterhalten**]**. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 10 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

§ 6
AGENTS

(1) *Appointment; Specified Offices*. The initial Fiscal Agent **[[,] [and] Paying Agent[s]] [[,] [and]** the Calculation Agent**] [**and the Determination Agent**]** and **[**its**] [**their**] [**respective**]** initial specified office**[**s**] [**is**] [**are**]**:

Fiscal Agent:	**[**Deutsche Bank Aktiengesellschaft Grosse Gallusstrasse 10-14 D-60272 Frankfurt am Main**]** **[**KfW Palmengartenstrasse 5-9 D-60325 Frankfurt am Main**]** **[insert name[s] and initial specified office[s]]**
Paying Agent[s]:	**[**Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-1115 Luxemburg**]** **[insert name[s] and initial specified office[s]]**

If the Fiscal Agent is to be appointed as Calculation Agent insert:

[The Fiscal Agent shall also act as Calculation Agent.**]**

If a Calculation Agent other than the Fiscal Agent is to be appointed insert:

[The Calculation Agent and its initial specified office shall be:

Calculation Agent: **[insert name[s] and specified office]]**

If a Determination Agent is to be appointed insert:

[Determination Agent: **[insert name[s] and initial specified office[s]]**

The Fiscal Agent **[[,] [**and**]** the Paying Agent**[**s**]] [[**and**] [,]** the Calculation Agent**] [**and the Determination Agent**]** reserve**[**s**]** the right at any time to change **[**its**] [**their**]** respective specified office**[**s**]** to some other specified office**[**s**]** in the same city.

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent **[,] [**or**]** any Paying Agent**] [,] [**or**]** the Calculation Agent**] [**or the Determination Agent**]** and to appoint another Fiscal Agent **[,] [**or**]** additional or other Paying Agents**] [**or another Calculation Agent**] [**or another Determination Agent**]**. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange insert**: **[,] [**and**]** (ii) so long as the Notes are listed on the **[insert name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[insert location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange**] [in the case of payments in U.S. dollars insert**: **[,] [**and**] [**(iii)**]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City**] [if any Calculation Agent is to be appointed insert**: **[,] [**and**] [**(iv)**]** a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location insert**: with a specified office located in **[insert Required Location]] [if any Determination Agent is to be appointed insert: [,] [**and**] [**(iv)**]** a Determination Agent **[if Determination Agent is required to maintain a Specified Office in a Required Location insert**: with a specified office location in **[insert Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 10.

Falls eine Bestimmungsstelle bestellt werden soll, einfügen:

[(3) *Bestimmungsstelle*. Die Bestimmungen der Bestimmungsstelle bezüglich der Grundlagen (wie Zinssätze, Umrechungskurse, Kurse, Preise, Indices oder andere) für die Berechnungen der Berechnungsstelle, die der Berechnungsstelle von der Bestimmungsstelle mitgeteilt werden, sind für die Berechnungsstelle verbindlich.]

[(4)] *Beauftragte der Emittentin*. Der Fiscal Agent [[,] [und] die Zahlstelle[n]] [,] [und] die Berechnungsstelle] [und die Bestimmungsstelle] [handelt] [handeln] ausschließlich als Beauftragte der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihr] [ihnen] und den Gläubigern begründet.

§ 7
STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden unter Abzug von Steuern oder sonstigen Abgaben geleistet, falls ein solcher Abzug gesetzlich vorgeschrieben ist.

§ 8
VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 9
BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, daß sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin ist berechtigt, Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei dem Fiscal Agent zwecks Entwertung eingereicht werden.

(3) *Entwertung*. Sämtliche vollständig zurückgezahlten oder gemäß Absatz 2 zwecks Entwertung eingereichten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 10
MITTEILUNGEN

Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:

[(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen sind [in einem Börsenpflichtblatt der Frankfurter Wertpapierbörse, voraussichtlich der *Börsen-Zeitung*] [in einer führenden Tageszeitung mit allgemeiner Verbreitung in [Luxemburg] **[anderen Ort einfügen]**, voraussichtlich [dem *d'Wort*] **[andere Zeitung mit allgemeiner Verbreitung einfügen]** 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) *Mitteilungen an das Clearing System*. Solange Schuldverschreibungen an der [Luxemburger] [Frankfurter] Börse notiert sind, findet Absatz 1 Anwendung. Soweit jedoch die Regeln der Börse es zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen:

[Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

§ 11
ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht*. Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Erfüllungsort*. Erfüllungsort ist Frankfurt am Main.

If a Determination Agent is to be appointed insert:

[(3) *Determination Agent*. The determinations made by the Determination Agent in respect of the bases (such as interest rates, conversion rates, prices, indices or otherwise) for the calculations to be made by the Calculation Agent communicated by the Determination Agent to the Calculation Agent shall be binding on the Calculation Agent.]

[(4)] *Agents of the Issuer*. The Fiscal Agent [[,] [and] the Paying Agent[s]] [,] [and] the Calculation Agent] [and the Determination Agent] act[s] solely as agent[s] of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

§ 7
TAXATION

All payments by the Issuer in respect of the Notes shall be made with deduction of taxes or other duties, if such deduction is required by law.

§ 8
PRESENTATION PERIOD

The presentation period provided in § 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.

§ 9
FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases*. The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

(3) *Cancellation*. All Notes redeemed in full or surrendered for cancellation pursuant to subparagraph (2) shall be cancelled forthwith and may not be reissued or resold.

§ 10
NOTICES

In the case of Notes which are listed on a Stock Exchange insert:

[(1) *Publication*. All notices concerning the Notes shall be published in one leading daily newspaper [which is admitted by the Frankfurt Stock Exchange to carry stock exchange announcements and expected to be the *Börsen-Zeitung*] [having general circulation in [Luxembourg] **[specify other location]**. This newspaper is expected to be the [*d'Wort*] **[insert other applicable newspaper having general circulation]]**. 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) *Notification to Clearing System*. So long as any Notes are listed on the [Luxembourg] [Frankfurt] Stock Exchange, subparagraph (1) shall apply. If, however, the rules of the Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication in the newspapers set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Holders on the third day after the day on which the said notice was given to the Clearing System.]

In the case of Notes which are unlisted insert:

[The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the third day after the day on which the said notice was given to the Clearing System.]

§ 11
APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law*. The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Place of Performance*. Place of performance shall be Frankfurt am Main.

(3) *Gerichtsstand*. Zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren („Rechtsstreitigkeiten”) ist das Landgericht Frankfurt am Main.

(4) *Gerichtliche Geltendmachung*. Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Nennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, daß die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne daß eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet „Depotbank” jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems.

§ 12
SPRACHE

Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefaßt sind, einfügen:

[Diese Emissionsbedingungen sind in deutscher Sprache abgefaßt. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.**]**

Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefaßt sind, einfügen:

[Diese Emissionsbedingungen sind in englischer Sprache abgefaßt. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.**]**

Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefaßt sind, einfügen:

[Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefaßt.**]**

Falls die Emissionsbedingungen ausschließlich in englischer Sprache abgefaßt sind, einfügen:

[Diese Emissionsbedingungen sind ausschließlich in englischer Sprache abgefaßt.**]**

***

Im Falle von Schuldverschreibungen, die insgesamt oder teilweise öffentlich zum Verkauf in der Bundesrepublik Deutschland angeboten oder die insgesamt oder teilweise in der Bundesrepublik Deutschland an nichtberufsmäßige Investoren vertrieben werden mittels in englischer Sprache abgefaßter Emissionsbedingungen, einfügen:

[Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle des Fiscal Agent **[[**,**]** bei der bezeichneten Geschäftsstelle **[**der**] [**einer jeden**]** Zahlstelle**]** sowie der Emittentin zur kostenlosen Ausgabe bereitgehalten.**]**

(3) *Submission to Jurisdiction*. The District Court (*Landgericht*) in Frankfurt am Main shall have jurisdiction for any action or other legal proceedings ("Proceedings") arising out of or in connection with the Notes.

(4) *Enforcement*. Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 12
LANGUAGE

If the Conditions are to be in the German language with an English language translation insert:

[These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.**]**

If the Conditions are to be in the English language with a German language translation insert:

[These Terms and Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is provided for convenience only.**]**

If the Conditions are to be in the English language only insert:

[These Terms and Conditions are written in the English language only.**]**

***

In the case of Notes which are to be publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions insert:

[A German translation of the Terms and Conditions shall be available free of charge from the specified offices of the Fiscal Agent**[**, **[**each**]** **[**the**]** Paying Agent**]** and the Issuer.
Eine deutsche Übersetzung der Emissionsbedingungen wird bei der bezeichneten Geschäftsstelle des Fiscal Agent **[[**,**]** bei der bezeichneten Geschäftsstelle **[**der**]** **[**einer jeden**]** Zahlstelle**]** sowie der Emittentin zur kostenlosen Ausgabe bereitgehalten.**]**

MUSTER DER ENDGÜLTIGEN BEDINGUNGEN
FORM OF FINAL TERMS

[Datum]
[Date]

Enfgültige Bedingungen[1]
Final Terms

[Bezeichnung der betreffenden Serie der Schuldverschreibungen] (die „**Schuldverschreibungen**")
[Title of relevant Series of Notes] *(the "**Notes**")*

Tranche **[ ]**
*Tranche **[ ]***

begeben unter dem
issued under the

KfW-Emissionsprogramm
KfW Note Programme

vom 24. Juni 2005
dated June 24, 2005

der
of

KfW

Ausgabepreis: **[ ]** % **[Im Falle der Berechnung von Stückzinsen einfügen:** zuzüglich Stückzinsen**]**

*Issue Price: **[ ]** per cent. **[If accrued interest is to be paid insert:** plus accrued interest**]***

Tag der Begebung: **[ ]**[2]
*Issue Date: **[ ]***

Diese endgültigen Bedingungen enthalten Angaben zu einer Emission von Schuldverschreibungen unter dem KfW-Emissionsprogramm der KfW (das „**Programm**") vom 24. Juni 2005.

*These Final Terms are issued to give details of an issue of Notes under the KfW Note Programme of KfW (the "**Programme**") dated June 24, 2005.*

[Bei nicht-konsolidierten Bedingungen einfügen:

Sie sind in Verbindung mit den Emissionsbedingungen der Schuldverschreibungen (die „**Emissionsbedingungen**") zu lesen, die in dem Simplified Base Prospectus über das Programm enthalten sind. Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt sind oder die gestrichen sind, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die „**Bedingungen**") gestrichen.**]**

[When long-form conditions apply, insert:

*They are to be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Simplified Base Prospectus pertaining to the Programme. All provisions in these Terms and Conditions corresponding to items in this Final Terms 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 (the "**Conditions**").**]***

[Bei konsolidierten Bedingungen einfügen:

Die für die Schuldverschreibungen geltenden konsolidierten Bedingungen (die „**Bedingungen**") und eine etwaige deutsch- oder englischsprachige Übersetzung sind diesen endgültigen Bedingungen beigefügt. Die Bedingungen gehen etwaigen abweichenden Bestimmungen dieser endgültigen Bedingungen vor.**]**

[When integrated conditions apply, insert:

*The Integrated Conditions applicable to the Notes (the "**Conditions**") and the German or English language translation thereof, if any, are attached hereto. The Conditions shall take precedence over any conflicting term set forth in these Final Terms.**]***

Begriffe, die in den Bedingungen definiert sind, haben, falls die endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen endgültigen Bedingungen verwendet werden.

Capitalized Terms not otherwise defined herein shall have the meanings specified in the Conditions.

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

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

1 Sofern die Schuldverschreibungen an der Börse in Frankfurt am Main notiert werden sollen, ist die Fassung der jeweiligen endgültigen Bedingungen in der deutschen Sprache rechtsverbindlich.
In the case of Notes which shall be listed on the stock exchange in Frankfurt am Main, the relevant German language version of the Final Terms will be legally binding.

2 Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.
The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

Emittentin ***Issuer***	**KfW**

Form der Bedingungen[3]
Form of Conditions

☐ Nicht-konsolidierte Bedingungen
Long-Form

☐ Konsolidierte Bedingungen
Integrated

Sprache der Bedingungen[4]
Language of Conditions

☐ ausschließlich Deutsch
German only

☐ ausschließlich Englisch
English only

☐ Englisch und Deutsch (englischer Text maßgeblich)
English and German (English controlling)

☐ Deutsch und Englisch (deutscher Text maßgeblich)
German and English (German controlling)

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

4 In Abstimmung mit der Emittentin festzulegen. Es wird erwartet, daß vorbehaltlich geltender Börsen- oder anderer Bestimmungen und soweit nicht anders vereinbart, die deutsche Sprache für Schuldverschreibungen maßgeblich sein wird, die auf syndizierter Basis vertrieben werden. Falls Schuldverschreibungen insgesamt oder teilweise öffentlich in der Bundesrepublik Deutschland angeboten oder an nicht berufsmäßige oder gewerbliche Investoren in der Bundesrepublik Deutschland verkauft werden, ist die deutsche Sprache als maßgeblich vorzusehen. Falls bei einem solchen Angebot oder Verkauf an nicht berufsmäßige oder gewerbliche Investoren die englische Sprache als maßgeblich bestimmt wird, ist eine deutschsprachige Übersetzung der Bedingungen anzufertigen, die bei der Hauptniederlassung des Fiscal Agent und der KfW erhältlich ist.
To be determined in consultation with the Issuer. It is anticipated that, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed, in the case of Notes sold and distributed on a syndicated basis, German will be the controlling language. In the case of Notes publicly offered, in whole or in part, in the Federal Republic of Germany, or distributed, in whole or in part, to non-professional investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to non-professional investors, however, English is chosen as the controlling language, a German language translation of the Conditions will have to be prepared which will be available from the principal office of the Fiscal Agent and KfW.

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

Währung und Stückelung
Currency and Denomination

Festgelegte Währung [ ]
Specified Currency

Gesamtnennbetrag [ ]
Aggregate Principal Amount

Festgelegte Stückelung [ ]
Specified Denomination

Zahl der in der festgelegten Stückelung auszugebenden Schuldverschreibungen [ ]
Number of notes to be issued in the Specified Denomination

☐ **TEFRA C**
TEFRA C

Dauerglobalurkunde
Permanent Global Note

☐ **TEFRA D**
TEFRA D

Vorläufige Globalurkunde austauschbar gegen Dauerglobalurkunde
Temporary Global Note exchangeable for Permanent Global Note

☐ **Weder TEFRA D noch TEFRA C**[5]
Neither TEFRA D nor TEFRA C

Dauerglobalurkunde
Permanent Global Note

Definitionen
Certain Definitions

Clearingsystem
Clearing System

☐ Clearstream Banking AG, Frankfurt am Main ("CBF")

☐ Clearstream Banking, société anonyme, Luxembourg ("CBL")

☐ Euroclear Bank S.A./N.V. ("Euroclear")

☐ Sonstige (angeben) [ ]
Other (specify)

Geschäftstag
Business Day

☐ TARGET

☐ Sonstige (sämtliche relevante Finanzzentren angeben) [ ]
Other (specify all relevant financial centres)

ZINSEN (§ 3)
INTEREST (§ 3)

☐ **Festverzinsliche Schuldverschreibungen**
Fixed Rate Notes

Zinssatz und Zinszahlungstage
Rate of Interest and Interest Payment Dates

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

Verzinsungsbeginn [ ]
Interest Commencement Date

Festzinstermin(e) [ ]
Fixed Interest Date(s)

Erster Zinszahlungstag [ ]
First Interest Payment Date

---

5 Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger einschließlich einseitiger Revolvierungen oder Verlängerungen.
Applicable only if Notes have an initial maturity of one year or less including unilateral rollovers or extensions.

Fiktive(r) Zinszahlungstag(e)[6] *Deemed Interest Payment Date(s)*	[ ]
Anfänglicher Bruchteilzinsbetrag (für den Gesamtnennbetrag) *Initial Broken Amount (for the Aggregate Principal Amount)*	[ ]
Festzinstermin, der dem Fälligkeitstag vorangeht *Fixed Interest Date preceding the Maturity Date*	[ ]
Abschließender Bruchteilzinsbetrag (für den Gesamtnennbetrag) *Final Broken Amount (for the Aggregate Principal Amount)*	[ ]

☐ **Variabel verzinsliche Schuldverschreibungen**
Floating Rate Notes

Zinszahlungstage
Interest Payment Dates

Verzinsungsbeginn *Interest Commencement Date*	[ ]
Festgelegte Zinszahlungstage *Specified Interest Payment Dates*	[ ]
Festgelegte Zinsperiode(n)	[ ] **[**Wochen/Monate/andere – angeben**]**
Specified Interest Period(s)	*[ ] [weeks/months/other – specify]*

Zinssatz
Rate of Interest

☐ Bildschirmfeststellung
Screen Rate Determination

☐ EURIBOR (Brüsseler Ortszeit/TARGET Geschäftstag/ Euro Interbanken-Markt)
EURIBOR (Brussels time/TARGET Business Day/ Euro Interbank Market)

Bildschirmseite *Screen page*	[ ]

☐ LIBOR (Londoner Ortszeit/Londoner Geschäftstag/City of London/ Londoner Geschäftsstelle/Londoner Interbanken-Markt)
LIBOR (London time/London Business Day/City of London/ London Office/London Interbank Market)

Bildschirmseite *Screen page*	[ ]
☐ Sonstige (angeben) *Other (specify)*	[ ]
Bildschirmseite(n) *Screen page(s)*	[ ]

Zinsperiode
Interest Period

☐ drei Monate
three months

☐ sechs Monate
six months

☐ zwölf Monate
twelve months

Marge *Margin*	[ ] % per annum *[ ] per cent. per annum*

☐ plus
plus

☐ minus
minus

6 Nur relevant, falls der Zinstagequotient Actual/Actual (ISMA) anwendbar ist.
Only eligible, if Actual/Actual (ISMA) is applicable.

Zinsfestlegungstag
Interest Determination Date

☐ zweiter [TARGET] [Londoner] [Sonstige (angeben)] Geschäftstag vor Beginn der jeweiligen Zinsperiode
second [TARGET] [London] [Other (specify)] Business Day prior to commencement of Interest Period

☐ sonstige (angeben) — [ ]
other (specify)

Referenzbanken (sofern abweichend von § 3 Absatz 2) (angeben) — [ ]
Reference Banks (if other than as specified in § 3 (2)) (specify)

☐ ISDA Feststellung — [Details einfügen]
ISDA Determination — *[specify details]*

☐ Andere Methoden der Bestimmung (Einzelheiten angeben (einschließlich Zinsfestlegungstag, Marge, Referenzbanken, Ausweichungsbestimmungen)) — [ ]

Other Method of Determination (insert details (including Margin, Interest Determination Date, Reference Banks, fallback provisions))

Mindest- und Höchstzinssatz
Minimum and Maximum Rate of Interest

☐ Mindestzinssatz — [ ] % per annum
Minimum Rate of Interest — *[ ] per cent. per annum*

☐ Höchstzinssatz — [ ] % per annum
Maximum Rate of Interest — *[ ] per cent. per annum*

☐ **Nullkupon-Schuldverschreibungen**
Zero Coupon Notes

Emissionsrendite — [ ]
Amortization Yield

☐ **Indexgebundene Schuldverschreibungen** — [ ]
Index Linked Notes
(Einzelheiten hier oder in einer Anlage einfügen (einschließlich Bezeichnung, Sponsor, Zusammensetzung und Berechnung des Indexes sowie historische Indexstände und Ausweichbestimmungen))
(set forth details in full here or in an attachment (including title, sponsor, composition and calculation of the index and historical index levels and fall-back provisions))

☐ **Equity Linked Notes**[7] — [ ]
Equity Linked Notes
(Einzelheiten hier oder in einer Anlage einfügen)
(set forth details in full here or in an attachment)

☐ **FX-Linked Notes** — [ ]
FX-Linked Notes
(Einzelheiten hier oder in einer Anlage einfügen)
(set forth details in full here or in an attachment)

☐ **Doppelwährungs-Schuldverschreibungen** — [ ]
Dual Currency Notes
(Einzelheiten hier einfügen (einschließlich Wechselkurs(e) oder Grundlage für die Berechnung des/der Wechselkurs(e) zur Bestimmung der Zinsbeträge/Ausweichbestimmungen))
(set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine interest/fall-back provisions))

☐ **Raten-Schuldverschreibungen** — [ ]
Instalment Notes
(Einzelheiten hier einfügen)
(set forth details in full here)

Zinstagequotient[8]
Day Count Fraction

☐ Actual/365 or Actual/Actual (ISDA)

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7 Ausgenommen Schuldverschreibungen, die im Sinne von § 35 (1) BörsZulV den Gläubigern ein Umtausch- oder Bezugsrecht auf Aktien einräumen.
Except Notes, which pursuant to § 35 (1) BörsZulV *grant to the Holders the right to exchange the Notes into or subscribe shares.*

8 Für sämtliche Schuldverschreibungen auszufüllen.
Complete for all Notes.

☐ Actual/Actual (ISMA)

☐ Actual/365 (Fixed)

☐ Actual/365 (Sterling)

☐ Actual/360

☐ 30/360 or 360/360 or Bond Basis

☐ 30E/360 or Eurobond Basis

RÜCKZAHLUNG (§ 4)
REDEMPTION (§ 4)

Rückzahlung bei Endfälligkeit
Final Redemption

Schuldverschreibungen außer Raten-Schuldverschreibungen
Notes other than Instalment Notes

Fälligkeitstag *Maturity Date*	[ ]
Rückzahlungsmonat *Redemption Month*	[ ]
Rückzahlungsbetrag *Final Redemption Amount*	
☐ Gesamtnennbetrag *Aggregate Principal Amount*	
☐ Rückzahlungsbetrag (für die festgelegte Stückelung) *Final Redemption Amount (for the specified Denomination)*	[ ]

Raten-Schuldverschreibungen
Instalment Notes

Ratenzahlungstermin(e) *Instalment Date(s)*	[ ]
Rate(n) *Instalment Amount(s)*	[ ]

Vorzeitige Rückzahlung
Early Redemption

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

Teilrückzahlung möglich *Partial redemption possible*	[Ja/Nein] *[Yes/No]*
Mindestrückzahlungsbetrag *Minimum Redemption Amount*	[ ]
Höherer Rückzahlungsbetrag *Higher Redemption Amount*	[ ]
Wahlrückzahlungstag(e) (Call) *Call Redemption Date(s)*	[ ]
Wahlrückzahlungsbetrag/-beträge (Call) *Call Redemption Amount(s)*	[ ]
Mindestkündigungsfrist *Minimum Notice to Holders*	[ ]
Höchstkündigungsfrist *Maximum Notice to Holders*	[ ]

☐ **Vorzeitige Rückzahlung nach Wahl des Gläubigers**
Early Redemption at the Option of a Holder

Wahlrückzahlungstag(e) (Put) *Put Redemption Date(s)*	[ ]
Wahlrückzahlungsbetrag/-beträge (Put) *Put Redemption Amount(s)*	[ ]
Mindestkündigungsfrist *Minimum Notice to Issuer*	[ ] Tage *[ ] days*

Höchstkündigungsfrist (nie mehr als 60 Tage) [ ] Tage
Maximum Notice to Issuer (never more than 60 days) [ ] days

☐ **Obligatorische vorzeitige Rückzahlung**
Mandatory Early Redemption
(Einzelheiten hier einfügen) [ ]
(set forth details in full here)

☐ **Indexgebundene Schuldverschreibungen** [ ]
Index Linked Notes
(Einzelheiten hier oder in einer Anlage einfügen (einschließlich Bezeichnung, Sponsor, Zusammensetzung und Berechnung des Indexes sowie historische Indexstände und Ausweichbestimmungen))
(set forth details in full here or in an attachment (including title, sponsor, composition and calculation of the index and historical index levels and fall-back provisions))

☐ **Equity Linked Notes**[9] [ ]
Equity Linked Notes
(Einzelheiten hier oder in einer Anlage einfügen)
(set forth details in full here or in an attachment)

☐ **Doppelwährungs-Schuldverschreibungen** [ ]
Dual Currency Notes
(Einzelheiten hier einfügen (einschließlich Wechselkurs(e) oder Grundlage für die Berechnung des/der Wechselkurs(e) zur Bestimmung der Zinsbeträge/Ausweichbestimmungen))
(set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine principal/fall-back provisions))

ZAHLUNGEN (§ 5)
PAYMENTS (§ 5)

Zahlungstag
Payment Business Day

Geschäftstagskonvention
Business Day Convention

☐ Modifizierte folgender Geschäftstag-Konvention
Modified Following Business Day Convention

☐ FRN Konvention (Zeitraum angeben) [ ] [Monate/andere – angeben]
FRN Convention (specify period(s)) [ ] [months/other – specify]

☐ Folgender Geschäftstag-Konvention
Following Business Day Convention

☐ Vorangegangener Geschäftstag-Konvention
Preceding Business Day Convention

Relevante Finanzzentren (alle angeben) [ ]
Relevant Financial Centres (specify all)

Anpassung der Zinsen [Ja/Nein]
Adjustment of interest [Yes/No]

AGENT(S) (§ 6)

Fiscal Agent
Fiscal Agent

☐ KfW, Frankfurt am Main

☐ Deutsche Bank AG, Frankfurt am Main

☐ Anderer (angeben) [ ]
Other (specify)

Berechnungsstelle/bezeichnete Geschäftsstelle
Calculation Agent/specified office

☐ Fiscal Agent

☐ Sonstige (angeben) [ ]
Other (specify)

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9 Ausgenommen Schuldverschreibungen, die im Sinne von § 35 (1) BörsZulV den Gläubigern ein Umtausch- oder Bezugsrecht auf Aktien einräumen.
Except Notes, which pursuant to § 35 (1) BörsZulV *grant to the Holders the right to exchange the Notes into or subscribe shares.*

Vorgeschriebener Ort für Berechnungsstelle (angeben) [ ]
Required location of Calculation Agent (specify)

Bestimmungsstelle/bezeichnete Geschäftsstelle [ ]
Determination Agent/specified office

Zahlstelle(n)
Paying Agent(s)

☐ KfW

☐ Deutsche Bank Luxembourg S.A.

☐ Zahlstelle(n)/bezeichnete Geschäftsstelle(n) [ ]
Additional Paying Agent(s)/specified office(s)

MITTEILUNGEN (§ 10)
NOTICES (§ 10)

Ort und Medium der Bekanntmachung
Place and medium of publication

☐ Deutschland (Börsen-Zeitung)
Germany (Börsen-Zeitung)

☐ Luxemburg (d'Wort)
Luxembourg (d'Wort)

☐ Clearingsystem
Clearing System

☐ sonstige (angeben) [ ]
Other (specify)

ALLGEMEINE BESTIMMUNGEN HINSICHTLICH DER SCHULDVERSCHREIBUNG(EN)
GENERAL PROVISIONS APPLICABLE TO THE NOTE(S)

Börsenzulassung(en) [Ja/Nein]
Listing(s) *[Yes/No]*

☐ Frankfurt am Main

☐ Luxemburg
Luxembourg

☐ sonstige [Einzelheiten einfügen]
Other *[insert details]*

Vertriebsmethode
Method of distribution

☐ Underwritten
Underwritten

☐ Nicht syndiziert
Non-syndicated

☐ Syndiziert
Syndicated

☐ Non-underwritten
Non-underwritten

Einzelheiten bezüglich des Bankenkonsortium oder Plazeure
Management Details

Bankenkonsortium oder Plazeur (angeben) [ ]
Management Group or Dealer (specify)

Provisionen
Commissions

Management- und Übernahmeprovision (angeben) [ ]
Management/Underwriting Commission (specify)

Verkaufsprovision (angeben) [ ]
Selling Concession (specify)

Andere (angeben) [ ]
Other (specify)

Kursstabilisierender Plazeur/Manager ***Stabilizing Dealer/Manager***	[Einzelheiten einfügen/Keiner] *[insert details/None]*

Wertpapierkennummern
Securities Identification Numbers

Common Code *Common Code*	[ ]
ISIN *ISIN*	[ ]
Wertpapierkennummer (WKN) *German Security Code*	[ ]
Sonstige Wertpapiernummer *Any other securities number*	[ ]
Zusätzliche Angaben zu Steuern (einfügen) ***Supplemental Tax Disclosure (specify)***	[ ]

Verkaufsbeschränkungen
Selling Restrictions

☐ TEFRA C
TEFRA C

☐ TEFRA D
TEFRA D

☐ Weder TEFRA C noch TEFRA D
Neither TEFRA C nor TEFRA D

Zusätzliche Verkaufsbeschränkungen (angeben) *Additional selling restrictions (specify)*	[ ]
Anwendbares Recht ***Governing Law***	**Deutsches Recht** ***German Law***
Andere relevante Bestimmungen (einfügen) ***Other relevant Terms and Conditions (specify)***	[ ]

[Börsenzulassung/Notierung[10]**:**
[Listing

Die vorstehenden endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen unter dem KfW-Emissionsprogramm der KfW (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind.]

*The above Final Terms comprise the details required to list this issue of Notes (as from **[insert Issue Date for the Notes]**) pursuant to the KfW Note Programme of KfW.]*

Verantwortlichkeit
Responsibility

Die Emittentin übernimmt die Verantwortung für die in diesen endgültigen Bedingungen enthaltenen Informationen.
The Issuer accepts responsibility for the information contained in these Final Terms.

KfW

____________________________ ____________________________

[Name und Titel der Unterzeichnenden]
[Name & title of signatories]

10 Nur in derjenigen Fassung der endgültigen Bedingungen einzufügen, die der betreffenden Börse, an der die Notierung der Schuldverschreibungen beantragt werden soll, vorgelegt wird.
Include only in the version of the Final Terms which are submitted to the relevant stock exchange in the case of Notes to be listed on such stock exchange.

KfW

Incorporation, Seat and Duration

KfW was established on November 5, 1948, under the Law Concerning the KfW as a public law institution with unlimited duration. Its offices are located at Palmengartenstraße 5-9, D-60325 Frankfurt am Main, Federal Republic of Germany (the "Federal Republic"). KfW also maintains branch offices in Berlin and Bonn and a liaison office to the European Union in Brussels.

Purpose

According to Article 2 of the KfW Law, as amended by the Promotional Bank Restructuring Act (*Gesetz zur Neustrukturierung der Förderbanken des Bundes* (*Förderbankenneustrukturierungsgesetz*)) dated August 15, 2003 (the "Act"), KfW's business purposes are the following:

- Performance of promotional tasks, in particular financings, pursuant to a state mandate in the following areas: financing of small and medium-sized enterprises ("SMEs"), liberal professions and business start-ups, risk capital, housing, environmental protection, infrastructure, technical progress and innovations, internationally agreed promotional programmes and development cooperation as well as in other promotional areas, which are specifically stated in laws, regulations or published guidelines on state economic policy that are assigned to KfW by the Federal Republic or one of the federal states (*Länder*);
- Granting of loans and other forms of financing to territorial authorities (*Gebietskörperschaften*) and special purpose associations under public law (*öffentlich-rechtliche Zweckverbände*);
- Financing of measures with purely social goals as well as for the promotion of education;
- Granting of other financings in the interest of the German and European economy.

Except with a special mandate from the Federal Government, KfW may conduct other business only insofar as such business is directly connected with the performance of its functions described above. In such capacity, KfW may, in particular, purchase and sell claims and securities, obligate itself by bills of exchange and promissory notes, and conduct its treasury and risk management. KfW may also refinance at market conditions the project and export finance subsidiary which will be established as a result of the understanding with the European Commission (see "*Relationship with the Federal Republic – Understanding with the European Commission*"). KfW is not permitted to take deposits, to conduct current account business or to deal in securities for the account of others.

The KfW Law provides that KfW has the same rights as the *Deutsche Bundesbank* with respect to taxation, construction of buildings, accommodation and the leasing of buildings.

Relationship with the Federal Republic

Ownership/Capital

The Federal Republic holds 80% of KfW's capital and the German federal states hold the remaining 20%. Shares in KfW's capital may not be pledged or transferred to entities other than the Federal Republic and the *Länder*. Capital contributions have been and are expected to continue to be made to KfW in such proportions as to maintain the relative share of capital held by the Federal Republic and the *Länder*.

Guarantee of the Federal Republic

The KfW law was amended with effect from April 1, 1998 to provide expressly that the Federal Republic guarantees all existing and future obligations of KfW in respect of money borrowed, bonds issued and derivative transactions entered into by KfW, as well as obligations of third parties that are expressly guaranteed by KfW (KfW Law, Article 1a). Under this statutory guarantee (the "Guarantee of the Federal Republic"), if KfW fails to make any payment of principal or interest or any other amount required to be paid with respect to securities issued by KfW or if KfW fails to make any payment required to be made under KfW's guarantee, when that payment is due and payable, the Federal Republic will be liable at all times for that payment as and when it shall become due and payable. The Federal Republic's obligation under this statutory guarantee ranks equally, without any preference, with all of its other present and future unsecured and unsubordinated indebtedness. Holders of securities issued by KfW or issued under KfW's guarantee may enforce this obligation directly against the Federal Republic without first having to take legal action against KfW. The Guarantee of the Federal Republic is strictly a matter of statutory law and is not evidenced by any contract or instrument. It may be subject to defenses available to KfW with respect to the obligations covered.

Institutional Liability ("Anstaltslast")

Under the German administrative law principle of *Anstaltslast*, the Federal Republic has an institutional liability to safeguard KfW's economic basis. Under *Anstaltslast*, the Federal Republic must keep KfW in a position to pursue its operations and 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. *Anstaltslast* is not a formal guarantee of KfW's obligations by the Federal Republic, and creditors of KfW do not have a direct claim against the Federal Republic. Nevertheless, the effect of this legal principle is that KfW's obligations, including the obligations to the holders of securities issued by it or issued under KfW's guarantee, are fully backed by the credit of the Federal Republic. The obligation of the Federal Republic under *Anstaltslast* would constitute a charge on public funds that, as a legally established obligation, would be payable without the need for any appropriation or any other action by the German Parliament.

Understanding with the European Commission

Pursuant to an understanding between the European Commissioner for Competition and the German Federal Ministry of Finance reached on March 1, 2002, *Anstaltslast* and the statutory guarantee of the Federal Republic of Germany will continue to be available to KfW, in light of the promotional activities for which KfW is responsible. The understanding acknowledges that KfW's role in providing financing in particular for SMEs, risk capital, environmental protection, technology/innovation, infrastructure and housing, as well as its co-operation with developing countries, is compatible with European Union ("EU") prohibitions against state aid.

In the area of export and project finance, the understanding with the Commissioner requires KfW to transfer to a legally separate subsidiary that portion of export and domestic and international project finance activities which the Commissioner has deemed to fall outside the scope of the promotional activities of KfW. While the legislative basis for the establishment of such subsidiary and the transfer of such export and project financing had to be adopted by March 31, 2004, the actual transfer of such activities to the subsidiary must be effected by December 31, 2007. As from that date, KfW may not fund the subsidiary at other than market rates of interest or extend to the subsidiary any benefits of *Anstaltslast* or the statutory guarantee. The subsidiary will have to obtain a banking license, be subject to the German Banking Act and be required to pay corporate taxes. KfW will continue to be permitted, however, to engage directly in the following export and project finance activities:

- implementation of international promotional programs, such as the interest-rate subsidized programs CIRR (Commercial Interest Reference Rate) and LASU (Large Aircraft Sector Understanding) (these are recognized as promotional activities in accordance with the OECD consensus);
- participation in syndicated financing activities outside the EU, the European Economic Area and the countries currently being considered for EU membership, subject to certain conditions, and sole financing activities in countries in which sufficient sources of financing do not exist; and
- participation in projects in the interest of the EU, which are co-financed by the European Investment Bank or similar European financing institutions.

In order to formalize the understanding in accordance with the rules of the EC Treaty, the Commission transformed the understanding into a "decision" of the Commission. The Federal Republic has formally accepted the decision with respect to the understanding.

Part of the Promotional Bank Restructuring Act implemented the understanding with the Commission and amended the KfW Law and By-Laws accordingly. In anticipation of the creation of its new export and project finance subsidiary, KfW has developed the concept for the structure, organization and products of this subsidiary, which will be branded under the name "KfW IPEX-Bank". In January 2004, KfW started testing the new structure and business concept of this activity as a bank-in-the-bank within KfW's organization.

Supervision

KfW is generally exempt from the requirements of the German Banking Act. Under the KfW Law, the Federal Ministry of Finance supervises KfW and monitors KfW's compliance with applicable law and KfW's By-Laws. These powers of supervision do not include the right to exercise influence over business decisions by the Board of Managing Directors or the Board of Supervisory Directors of KfW.

KfW's overall activities are supervised by its Board of Supervisory Directors, which was enlarged pursuant to the Promotional Bank Restructuring Act and now consists of seven Federal Ministers, seven appointees of the *Bundesrat*, seven appointees of the *Bundestag* and representatives of various sectors and institutions of the German economy. For more information on the Board of Managing Directors and the Board of Supervisory Directors, see "Management".

Merger with Deutsche Ausgleichsbank

The Promotional Bank Restructuring Act became effective on August 22, 2003 and implemented the merger of Deutsche Ausgleichsbank ("DtA") into KfW with retroactive effect as of January 1, 2003. The merger was effected by a transfer of the Federal Republic's shares in DtA into a special capital reserve of KfW. No purchase price was paid by KfW in order to maintain the promotional potential of the merged institution. The integration of DtA's SME-related businesses with those of KfW occurred in the first quarter of 2003, and KfW and DtA have offered their promotional programs jointly since January 2003. A new separately-branded *KfW Mittelstandsbank* was created within KfW to serve as a platform for all SME related financing instruments. In addition, a *Mittelstandsrat* (SME advisory council) was established at KfW, which consults and decides on proposals concerning KfW's SME-related business, taking into consideration KfW's overall business plan. The *Mittelstandsrat* is chaired by the Federal Minister of Economics and Labour and includes other members of the Federal Government.

As is the case with KfW, the obligations of DtA benefited from the guarantee of the Federal Republic and the principle of *Anstaltslast*. The contribution of DtA's share capital to KfW had no effect on the Guarantee of the Federal Republic or its institutional liability *(Anstaltslast)* to KfW.

Management

The executive bodies of KfW are the Board of Managing Directors (*Vorstand*) and the Board of Supervisory Directors (*Verwaltungsrat*).

Board of Managing Directors

The Board of Managing Directors presently consists of six members which are appointed by the Board of Supervisory Directors. The Board of Managing Directors is responsible for the day-to-day conduct of KfW's business, and the administration of its assets. The names of the members of the Board of Managing Directors are set forth below:

Dr. Peter Fleischer
Dr. Peter Klaus
Wolfgang Kroh
Detlef Leinberger
Ingrid Matthäus-Maier
Hans W. Reich (official spokesman)

The principal place of business for all the Members of the Board of Managing Directors is Frankfurt am Main.

Board of Supervisory Directors

The Board of Supervisory Directors has 37 members at present and consists of the Federal Minister of Finance, the Federal Minister of Economics and Labour, the Federal Minister of Foreign Affairs, the Federal Minister of Consumer Protection, Food and Agriculture, the Federal Minister of Transport, Construction and Housing, the Federal Minister for Economic Cooperation and Development and the Federal Minister for the Environment, Nature Conservation and Nuclear Safety, seven members appointed by the *Bundesrat* (the upper house of Parliament), seven members appointed by the *Bundestag* (the lower house of Parliament), five representatives of the commercial banks, two representatives of industry, one representative each of the local municipalities, agriculture, crafts, trade and the housing industry and four representatives of the trade unions. The representatives of the commercial banks, industry, the local municipalities, agriculture, crafts, trade, the housing industry and the trade unions are appointed by the Federal Government after consultation with their constituencies.

The Federal Minister of Finance and the Federal Minister of Economics and Labour are appointed by the Federal Government as Chairman and Deputy Chairman of the Board of Supervisory Directors on a year-by-year rotating basis.

The members of the Board of Supervisory Directors are:

Name	**Position**
Dietrich Austermann	Member of Parliament; appointed by the *Bundestag*
Dr. Günter Baumann	Member of the Board of Managing Directors of *DIHK Deutscher Industrie- und Handelskammertag*; Representative of Industry
Anton F. Börner	President of the *Bundesverband des Deutschen Groß- und Außenhandels e.V.*; Representative of Trade
Dr. Ulrich Brixner	Chairman of the Board of Managing Directors of *DZ BANK AG*; Representative of the Cooperative Banks
Wolfgang Clement	Federal Minister of Economics and Labour; Deputy Chairman
Rüdiger Dorn	President of *Haus & Grund Deutschland*; Representative of the Housing Industry
Hans Eichel	Federal Minister of Finance; Chairman
Prof. Dr. Kurt Faltlhauser	Minister of Finance of the Free State of Bavaria; appointed by the *Bundesrat*
Joschka Fischer	Federal Minister of Foreign Affairs
Dr. Thomas R. Fischer	Chairman of the Board of Managing Directors of *WestLB*; Representative of the Mortgage Banks
Dr. Rolf-Jürgen Freyberg	Representative of the Trade Unions
Prof. Dr. Hans-Günter Henneke	Chairman of *Deutscher Landkreistag*; Representative of the Municipalities
Dr. Dietrich H. Hoppenstedt	President of the *Deutscher Sparkassen- und Giroverband e.V.*; Representative of the Savings Banks
Bartholomäus Kalb	Member of Parliament; appointed by the *Bundestag*
Roland Koch	Minister President of the State of Hesse; appointed by the *Bundesrat*
Renate Künast	Federal Minister of Consumer Protection, Food and Agriculture
Waltraud Lehn	Member of Parliament; appointed by the *Bundestag*
Prof. Dr. Wolfgang Methling	Minister for the Environment of the State of Mecklenburg-Western Pomerania; appointed by the *Bundesrat*
Dr. Horst Metz	Minister of Finance of the State of Saxony; appointed by the *Bundesrat*

Hartmut Möllring	Minister of State of Lower Saxony; appointed by *Bundesrat*
Margret Mönig-Raane	Deputy Chairman *ver.di e.V.*; Representative of the Trade Unions
Klaus-Peter Müller	President of the *Bundesverband Deutscher Banken e.V.*; Representative of the Commercial Banks
Stefan Ortseifen	Spokesman of the Board of Managing Directors of *IKB Deutsche Industriebank Aktiengesellschaft*; Representative of the Industrial Loan Banks
Ronald Pofalla	Member of Parliament, appointed by the *Bundestag*
Heinz Putzhammer	Member of the Executive Board of the *Deutscher Gewerkschaftsbund*; Representative of the Trade Unions
Dr. Michael Rogowski	President of the *Bundesverband der Deutschen Industrie e.V.*; Representative of Industry
Christine Scheel	Member of Parliament; appointed by the *Bundestag*
Hanns-Eberhard Schleyer	Secretary General of the *Zentralverband des Deutschen Handwerks*; Representative of the Crafts
Michael Sommer	Chairman of the *Deutscher Gewerkschaftsbund*; Representative of the Trade Unions
Gerhard Sonnleitner	President of the *Deutscher Bauernverband e.V.*; Representative of Agriculture
Jörg Otto Spiller	Member of Parliament, appointed by the *Bundestag*
Dr. Ralf Stegner	Minister of State of Schleswig-Holstein; appointed by the *Bundesrat*
Ludwig Stiegler	Member of Parliament; appointed by the *Bundestag*
Dr. Manfred Stolpe	Federal Minister of Transport, Building and Housing
Erwin Teufel	Minister President (ret.) of the State of Baden-Wuerttemberg; appointed by the *Bundesrat*
Jürgen Trittin	Federal Minister for the Environment, Nature Conservation and Nuclear Safety
Heidemarie Wieczorek-Zeul	Federal Minister for Economic Cooperation and Development

Auditors

KfW's external auditors are *PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft*, Olof-Palme-Straße 35, 60439 Frankfurt am Main.

Financial Year

The financial year of KfW is the calendar year.

Activities

General

KfW was established in 1948 as a public law institution (*Anstalt des öffentlichen Rechts*) by the Administration of the Combined Economic Area, the immediate predecessor of the Federal Republic. Originally, KfW was established to distribute and lend funds of the European Recovery Program (the ''ERP'', Marshall Plan). Today, having expanded and internationalized, KfW conducts its business in four principal areas: investment finance, export and project finance, promotion of developing countries (''Financial Cooperation'') and advisory and other services.

In connection with the merger with DtA, KfW reorganized complementary business activities of the two institutions and re-branded its business lines under the umbrella brand name *KfW Bankengruppe*. However, KfW's main business continues to be conducted through a single legal entity. KfW now operates in the following business areas under the brand names noted in italics:

- Investment finance:
  - *KfW Förderbank (KfW Promotional Bank)*, offering financing products for housing, environmental, education and infrastructure projects;
  - *KfW Mittelstandsbank (KfW SME Bank)*, promoting business founders, start-ups, small and medium-sized enterprises ("SMEs") and self-employed professionals;
- Export and project finance:
  - *KfW IPEX-Bank*, offering customized financing for exports and projects world-wide;
- Financial Cooperation:
  - *KfW Entwicklungsbank (KfW Development Bank)*, dealing with KfW's public sector development cooperation activities;
  - DEG - *Deutsche Investitions- und Entwicklungsgesellschaft mbH (German Investment and Development Company)*, financing private-sector investments in developing countries.
- Advisory and other services

At December 31, 2004, KfW Bankengruppe had total assets of EUR 328.6 billion, including EUR 251.2 billion in loans outstanding. In addition, KfW Bankengruppe had EUR 61.4 billion in guarantees outstanding, of which an amount of EUR 54.9 billion relate to its PROMISE and PROVIDE programs. Of its EUR 251.2 billion in outstanding loans at December 31, 2004, EUR 183.8 billion were for investment finance, EUR 46.4 billion for export and project finance, and EUR 21.0 billion for financial cooperation.

As a public law institution serving public policy objectives of the government of the Federal Republic (the "Federal Government"), KfW is not subject to corporate taxes and does not seek to maximize profits. KfW does, however, seek to maintain an overall level of profitability that allows it to strengthen its equity base in order to support the growth in the volume of its business. KfW is prohibited from distributing profits, which are instead allocated to statutory and special reserves. KfW is also prohibited from taking deposits, conducting current account business or dealing in securities for the account of others.

Investment Finance

Within its investment finance business, KfW offers a broad range of loan programs in Germany and elsewhere in Europe, as well as loan securitization programs for banks, to support the economic and policy objectives of the Federal Government.

Under the KfW Law, KfW must generally involve banks or other financing institutions when granting financings in its investment finance business. In particular, KfW typically grants loans when other financial institutions are not in a position to offer long-term financing at interest rates acceptable to the borrower. In its traditional investment finance lending business, KfW involves commercial banks in the handling of its loans by extending loans to commercial banks, which in turn on-lend the funds to the ultimate borrowers. By lending to commercial banks, KfW in principle insulates itself from credit exposure to the ultimate borrower, gains the benefit of the commercial banks' knowledge of their customers, and effectively passes to the commercial banks the administrative cost of granting and servicing the loan. KfW monitors its exposure to, and the credit standing of, each banking institution to which it lends. In its investment finance business, KfW currently lends to approximately 200 banks, almost all of which are German commercial banks.

The commercial banks to which KfW lends are permitted to on-lend the funds at fixed spreads over the applicable interest rate payable to KfW. Thus, borrowers can apply for a KfW promotional loan with their regular bank or with any other bank or savings bank of their choice. The intermediating bank appraises the financial and business situation of the applicant, takes security for the loan and assumes liability for repayment to KfW. Loans made by commercial banks are normally collateralized by real property or other assets or are guaranteed by the Federal Republic, by a government of one of the *Länder* or by a German municipality.

In addition to its traditional loan programs, KfW extends so-called "global loans" to commercial banks to finance investments of SMEs and housing projects. Global loans are extended in form of a lump sum, which the commercial bank breaks down and grants as individual loans. KfW expects that receiving banks on-lend these funds within a reasonable period of time. In contrast to KfW's program loans, global loans offer a more flexible loan structure as the mode of repayment may be agreed individually between the bank and its customer, and the interest rate may be variable or fixed. The interest rate for the ultimate borrower is composed of KfW's funding rate to the bank plus an individual risk-adjusted margin. The margin is determined by the ultimate borrower's creditworthiness, which is determined on the basis of the bank's rating system. The bank and KfW agree on the methodology used for the calculation of the margin. Global loans result in lower administrative costs for both KfW and the on-lending promotional institution or commercial bank compared with KfW's traditional lending programs.

Included among KfW's many German commercial banking on-lending customers are the 11 German *Landesbanken*, which are German public law financial institutions benefiting from government credit support *(Gewährträgerhaftung)* and whose functions have traditionally focused on the banking business for and in the German federal state *(Land)* in which they operate. According to a settlement reached with the European Commission in 2001, the *Landesbanken* will cease to benefit from the government credit support in July 2005. KfW's long-term receivables from on-lending operations vis-à-vis *Landesbanken* amounted to EUR 42 billion at December 31, 2004. Even prior to this settlement, KfW's credit-line management with respect to the *Landesbanken* took into consideration the individual financial strength of each institution. In addition, most of the loans to the *Landesbanken* are and will also in future be secured by collateral. Therefore, KfW believes that the risk profile of its bank loan portfolio will not substantially increase as a result of the settlement between the European Commission and the *Landesbanken*.

Another focus of KfW's investment finance business is the cooperation with the promotional institutions of the federal states *(Landesförderinstitute)* in their on-lending activities, partly by way of extending global loans. Many of the promotional institutions were initially part of the German *Landesbanken*. In order to comply with the decision of the European Commission to separate commercial and promotional business activities, many of these institutions became, or are currently in the process of becoming, independent public law institutions that benefit from explicit government guarantees.

Synthetic Securitization Programs. In 2000, in order to foster the promotion of SMEs through the support of the on-lending German commercial banks, by easing the transfer of credit risk on their SME loans to the capital markets, KfW established a synthetic securitization program known as PROMISE (**Pro**gram for "**Mi**ttelstand" – Loan **Se**curitization). Through 2004, KfW securitized fourteen portfolios of commercial German banks in the aggregate amount of EUR 21.1 billion under this program. In 2001, KfW also established PROVIDE, a synthetic securitization program for residential mortgages. Under this program, KfW securitized twenty-six portfolios of German mortgage banks in the aggregate amount of EUR 42.5 billion from 2001 through 2004. Through these programs, KfW has contributed decisively to the establishment of "SME loans" and "private residential mortgages" as new asset classes in the German capital market. In addition to these programs, KfW has concluded two other projects in 2003 and 2004, one known as PROCESS Home 2003, under which it securitized a portfolio consisting of residential mortgages and small commercial mortgages in the amount of EUR 1.5 billion and the other called EPIC, under which it securitized the risk related to private loans for public infrastructure investments in the United Kingdom in the amount of EUR 0.6 billion.

All transactions realized under PROMISE, PROVIDE and PROCESS to date have followed a standardized structure, whereby KfW acts as intermediary credit default swap provider between on-lending commercial banks and mortgage banks on one side and the capital market on the other side. As such, KfW generally enters into a credit-default swap with the originating bank to provide cover for specified credit risks of the assets being securitized. KfW then contractually lays off the risks assumed under the credit-default swap to third parties.

KfW's potential obligation under the credit-default swap with the originating bank is disclosed as a contingent liability in KfW's financial statements.

Commitments. The following table shows KfW's commitments for investment finance in Germany and elsewhere in Europe for each of the years indicated:

	As of December 31,	
	2004	2003
Investment finance commitments [1]	(EUR in millions)	
Total commitments in Germany and elsewhere in Europe	**48,440.1**	**58,648.2**
KfW Mittelstandsbank	**13,971.2**	**13,796.7**
Promotional Loans	**10,232.8**	**10,312.3**
Loan Programs	9,285.9	9,013.0
of which global loans	*2,764.8*	*3,211.2*
Mezzanine Programs	618.8	988.1
Equity Participation Programs	328.1	311.1
PROMISE [2]	**3,738.4**	**3,484.4**
KfW Förderbank	**34,468.9**	**44,851.5**
Promotional Loans	**23,083.3**	**26,452,7**
Housing Investment Programs	11,929.5	15,442.2
of which global loans	*2,887.0*	*3,670.0*
Education Programs	811.6	777.9
Municipal Infrastructure Programs	4,195.3	4,682.7
of which global loans	–	*150.0*
Environmental Investment Program	2,165.5	4,020.8
Global loans to *Landesförderinstitute*	3,936.5	1,529.1
PROVIDE [3]	**11,430.6**	**18,398.8**

[1] Commitments represent the volume of funds committed for loans and other business transactions in the relevant year, including amounts to be disbursed in future years, and do not include amounts disbursed in the relevant year pursuant to commitments made in prior years. Discrepancies in the totals are due to rounding.

[2] Includes guarantees in the amount of EUR 38 million and EUR 26 million in 2004 and 2003, respectively.

[3] The figure for 2004 includes commitments for a transaction called EPIC in the amount of EUR 559 million and the figure for 2003 includes commitments under the PROCESS platform in the amount of EUR 1,524 million.

Export and Project Finance (KfW IPEX-Bank)

The activities of KfW IPEX-Bank include project and corporate financing within Germany and abroad, as well as export financing. KfW IPEX-Bank operates on a worldwide basis and offers the full range of short and long term financing including structured financing and lease-financing. As part of KfW IPEX-Bank's strategy to expand the present product portfolio, in January 2005, KfW acquired a 50% stake in IKB Immobilien Leasing GmbH to develop independent lease finance operations. In addition, KfW IPEX-Bank established new departments for its mezzanine products and syndication activities.

Loans in this area are generally extended directly to the ultimate borrower, with KfW IPEX-Bank frequently making a significant portion of its loans at its own risk. KfW IPEX-Bank extends loans to companies in various industry sectors, such as basic industry, manufacturing industry, commerce, health and shipping industry.

In the export and project finance area, KfW IPEX-Bank increasingly cooperates with other financial institutions. In 2004, approximately 62% of its export and project finance commitments were made together with other banks extending commitments on identical terms. In some cases, KfW may also arrange for commercial banks to assume the risk on portions of loans made by KfW IPEX-Bank through so-called "risk-participations", for which KfW may pay a fee to the bank assuming the risk.

In 2003, KfW started to implement the understanding between the European Commissioner for Competition and the German Federal Ministry of Finance reached on March 1, 2002 (see above -—Relationship with the Federal Republic –Understanding with the European Commission) and set up a separate business unit under the brand name KfW IPEX-Bank, which is organized as a bank-in-the-bank within KfW and is responsible for all lending activities at purely commercial terms and conditions in competition with other financial institutions. In 2004, KfW continued the institutional structuring of KfW-IPEX Bank's activities, completing its preparation for independent compliance with applicable banking law and regulation and the organizational and functional separation of various activities including treasury, controlling and risk management. Establishment of internal accounting is underway. KfW expects the successful separation to be completed on schedule.

In 2004, total loan commitments amounted to EUR 11.9 billion, of which EUR 5.7 billion were commitments for financings within Germany and EUR 6.2 billion for financings in other countries.

Commitments for project and corporate financings within Germany declined slightly to EUR 5.7 billion in 2004 compared to EUR 6.1 billion in 2003. Project and corporate financings within Germany included loans to manufacturing and service companies, projects in the shipping and energy sectors and land based traffic infrastructure, of which the manufacturing industries, commerce and shipping accounted for a major part of new commitments in 2004.

In 2004, KfW IPEX-Bank's commitments to other countries than Germany amounted to EUR 6.2 billion compared to EUR 5.4 billion in 2003. The increase in new commitments in export and project finance to other countries mainly reflects improved market conditions in certain areas, such as shipping and manufacturing industries. KfW IPEX-Bank divides its export and project finance business to countries outside Germany into two categories:

- medium- and long-term loans for the financing of the export of German and other European capital goods to foreign buyers, including related deliveries from other, mainly European, countries (so-called "supply-tied loans"); and
- loans not tied to the purchase of products from the Federal Republic to finance direct investments by German companies, corporate financings as well as loans, that finance projects by foreign borrowers which nevertheless serve German or European interests (so-called "untied loans").

In 2004, supply-tied loans amounted to EUR 2.4 billion, of which 27% related to deliveries from other, mainly European, countries. Untied loans amounted to EUR 3.7 billion, compared to EUR 3.5 billion in 2003.

Supply-tied loans are generally secured by collateral and often benefit from a payment guarantee or other security arrangements acceptable to KfW IPEX-Bank. Traditionally, a substantial portion of supply-tied loans were guaranteed by the Federal Republic through Euler HERMES Kreditversicherungs AG, the official German export credit insurer ("HERMES"). HERMES insurance can cover a maximum of 95% of KfW IPEX-Bank's risk, with the result that the portion covered becomes the equivalent of a German government risk. HERMES also provides coverage for related deliveries from other, mainly European, countries provided that it does not exceed a certain portion of the total delivery for which a supply-tied loan was extended. In addition to HERMES insurance, KfW IPEX-Bank frequently obtains a guarantee from a foreign export credit agency or a government instrumentality in the buyer's country.

In recent years, for borrowers in other European and OECD countries where the country risk is not considered high, KfW IPEX-Bank has increasingly extended loans on the basis of ordinary banking collateral (e.g., mortgages on aircraft or ships) without seeking the benefit of HERMES or similar coverage. Further, even where HERMES coverage is sought, KfW IPEX-Bank frequently extends loans on which the insured portion is less than 95%. As of December 31, 2004, KfW's outstanding supply-tied loans amounted to EUR 23.9 billion, roughly 45% of which were guaranteed mostly by HERMES.

A significant portion of KfW IPEX-Bank's untied loans is used to finance direct investments by German enterprises and other corporate financings. This area of business has become increasingly important for KfW in recent years. Untied loans are also used to acquire sources of raw materials for German industry and are conditioned upon raw material deliveries into the Federal Republic for the term of the loan. Other untied loans serve to co-finance large-scale infrastructure projects in the European transport sector. Untied loans extended to finance direct investments may benefit from an investment guarantee against political risk from the Federal Government if the host country risk is assessed to be substantial. As of December 31, 2004, KfW's outstanding untied loans amounted to EUR 12.8 billion.

The following table shows the volume of KfW's commitments for export and project financing during each of the years indicated.

	2004	2003
	(EUR in millions)	
Total loan commitments [1]	11,820	11,443
Grant commitments	95	83

[1] Loan commitments include guarantees of EUR 1,870 million in 2004 and EUR 885 million in 2003. Guarantees increased significantly in 2004 as a result of KfW's increased offering of short-term guarantees.

Financial Cooperation

In its financial cooperation business, KfW provides on behalf of the Federal Republic financial assistance to developing countries and countries in transition, either under its *KfW Entwicklungsbank* (KfW Development Bank) brand, promoting mainly public sector development cooperation activities, or through DEG, promoting private-sector investments in developing countries.

KfW Entwicklungsbank (KfW Development Bank). In furtherance of the Federal Republic's financial cooperation programs, KfW acts as an international development bank, extending loans and disbursing grants to foreign governments. To a large extent, these loans and grants are made, upon instructions from the Federal Government, from Federal budget funds provided to KfW. Grants, by their nature, do not appear on KfW's balance sheet.

KfW extends financial cooperation loans in three ways: First, KfW makes traditional financial cooperation loans that are extended for the account of the Federal Republic.

In addition, KfW makes Financial Cooperation Development Loans (*FZ-Entwicklungskredite*), in which KfW offers its own funds as additional source of financing. Federal budget funds at low interest rates or grant funds are combined with capital market funds from KfW refinanced in the capital market. For the majority of these loans, the portion refinanced with KfW funds are usually guaranteed either by a special guarantee facility of the Federal Republic or by export credit agencies and therefore meet the requirements for recognition as official development assistance. Interest rates and related terms of Financial Cooperation Development Loans are significantly more favorable to the borrower than market terms.

Finally, KfW offers Financial Cooperation Promotional Loans (*FZ-Förderkredite*), which are funded through KfW funds only, are refinanced by KfW in the capital markets and do not include interest reduction elements from the federal budget.

Generally, interested foreign governments submit applications for financial cooperation to the Federal Government, which then asks KfW to appraise the proposed projects. In the care of Financial Cooperation Promotional Loans, project sponsors can submit their proposals directly to KfW. KfW maintains a staff of economists, engineers and other specialists to assist in the appraisal and development of such projects, for which the Federal Government pays fees to KfW, calculated as a percentage of outstanding loans and grants. Based on KfW's appraisal and its recommendation, the Federal Government decides whether or not to fund the project. Upon a favourable decision and upon determination of the terms and conditions of the financing, KfW enters into a loan or grant agreement with the recipient country or, if applicable, the individual agency responsible for the project the liabilities of which would then be fully guaranteed by the respective recipient country.

Financial cooperation loans and grants are disbursed in accordance with the progress of the relevant project, and KfW monitors the utilization of funds in order to verify compliance with the provisions of the loan or grant agreements.

The following table shows the volume of KfW's financial cooperation commitments during each of the years indicated.

	2004	2003
	(EUR in millions)	
Total commitments	1,944	1,594
Loan commitments	1,212	760
Grant commitments	713	757
Project assignments from other donors	18	77

DEG - *Deutsche Investitions- und Entwicklungsgesellschaft mbh (German Investment and Development Company).* In September 2001, KfW acquired Deutsche Investitions- und Entwicklungsgesellschaft mbH ("DEG") from the Federal Republic. DEG is a limited liability corporation that acts as the German development finance institution for the promotion of private enterprises in developing countries and countries in transition.

DEG's activities extend to various countries in Africa, Asia, Latin America and Central and Eastern Europe. DEG aims to establish and expand private enterprise structures in these countries as a contribution to sustainable growth and lasting improvement in the living conditions of the local population. To this end, DEG provides long-term capital for private enterprises investing in developing countries and countries in transition. In addition, DEG provides both finance and consultancy services in customized packages on a project basis.

DEG pursues four key economic aims in its private sector development policy:

- Promoting direct investment, including with DEG's own venture capital;
- Providing long-term debt finance to investment projects;
- Supporting pioneer investors in new countries and regions; and
- Strengthening local capital markets through financial sector development.

DEG conducts its activities in cooperation with commercial banks rather than in competition with them. In its activities, DEG acts in accordance with commercial principles. Accordingly, it does not provide subsidized finance, but instead offers finance solely on commercial terms and conditions. DEG also seeks to mobilize other partners to provide additional capital for investment in its projects.

As of December 31, 2004, DEG had total assets of EUR 2,044 million, compared with EUR 1,734 million in 2003, and recorded net income of EUR 44 million, compared with EUR 41 million in 2003. DEG's commitments in 2004 amounted to EUR 563 million, compared with EUR 506 million in 2003. In addition, in 2004, commitments in the amount of EUR 38 million were made in connection with risk participations by third parties.

Advisory and other services

Advisory and other services have gained importance for KfW in recent years. In its Berlin branch office, KfW maintains an Advisory Centre to inform individuals, enterprises and government authorities about the various promotional programs of the Federal Government, the *Länder* governments, the EU and development banks. A separate information service is available to assist with financing and promotional plans for investment projects outside Germany.

In addition to these activities, KfW provides services for and on behalf of the Federal Government in connection with activities associated with Germany's reunification and certain privatization initiatives of the Federal Government. KfW also administers certain claims transferred to the Federal Government under the Unification Treaty between the Federal Republic and the former GDR, which came into force on September 29, 1990, and performs other services in connection with the assets and obligations taken over from the former GDR, including:

- implementation of the Assistance with Old Debts Law ("*Altschuldenhilfegesetz*");
- administration of claims and disbursement of balances taken over from the former *Staatsbank Berlin*; and
- administration of the Currency Conversion Compensation Fund.

KfW also supports the Federal Government's cooperation with, and the provision of economic advice to, the governments of Central and Eastern European countries through coordination offices in eleven countries. In addition, KfW advises Central and Eastern European countries in establishing business promotion agencies and provides refinancing loans to promotional banks there.

In furtherance of the privatization initiatives of the Federal Government, KfW has acquired and sold shares of both Deutsche Telekom AG and Deutsche Post AG in various transactions since 1997. Pursuant to an arms-length agreement with the Federal Government, KfW is protected against the market risk of these transactions. The agreement provides that KfW will receive a percentage of any market value increase in the shares acquired and sold plus a fee for its services.

As to Deutsche Telekom AG, in 2004, KfW in the aggregate has acquired approximately 138 million shares from the Federal Government and sold approximately 200 million shares. In addition, KfW issued warrants to purchase approximately 63 million shares of Deutsche Telekom AG with various maturities ranging from six months to 18 months. If the warrants are fully exercised, KfW's stake in Deutsche Telekom AG would be reduced by approximately 1.5% (based on the total share capital of Deutsche Telekom AG currently outstanding). As of June 15, 2005, KfW held a stake of approximately 15% in Deutsche Telekom AG. To KfW's knowledge, the Federal Republic continued to hold a stake of approximately 23% in Deutsche Telekom AG as of May 2005.

As to Deutsche Post AG, KfW in the aggregate has sold approximately 73 million shares in 2004 and acquired approximately 142 million shares from Federal Government in January 2005. In February 2005, KfW issued a 5-year Uridashi bond in the amount of EUR 1.1 billion exchangeable into approximately 57 million shares of Deutsche Post AG. If fully exchanged, KfW's stake in Deutsche Post AG would be reduced by approximately 5.1% (based on the total share capital of Deutsche Post AG currently outstanding). In June 2005, KfW sold 126.5 million shares of Deutsche Post AG. As of June 15, 2005, KfW held a stake of approximately 37% in Deutsche Post AG. To KfW's knowledge, the Federal Republic continued to hold a stake of approximately 7% in Deutsche Post AG as of May 2005.

The Federal Government may sell to KfW further stakes in Deutsche Telekom AG or Deutsche Post AG in 2005. However, KfW expects its holdings in these shares to be reduced in the medium term.

Sources of Funds [1]

The following table shows KfW Group's borrowings by source of funds:

	As of December 31, 2004	
	(EUR in billions)	*(% of total)*
Capital Market Funds		
Bonds and notes issued by KfW, including KfW International Finance Inc.	207.4	73.2
of which funds borrowed from KfW International Finance Inc. [2]	29.9	10.5
Schuldscheindarlehen [3]	32.5	11.4
Interbank lines and other	8.8	3.1
Total capital market funds	248.7	87.7
Public Funds		
Federal Budget	14.2	5.0
ERP Special Fund	20.6	7.3
Total public funds	34.8	12.3
Total funds [4]	283.5	100.0

1 Totals may not add due to rounding.
2 Represents net proceeds of KfW International Finance Inc.'s bond, note and commercial paper issues on-lent to KfW against *Schuldscheindarlehen*.
3 Does not include funds borrowed from KfW International Finance Inc.
4 Does not include accrued interest of EUR 7.9 billion.

Employees

At December 31, 2004, KfW employed 3,370 persons, compared to 3,225 persons at December 31, 2003.

Of KfW's staff, approximately 29% are engaged in investment finance, 10% in financial cooperation, 9% in export and project finance and the balance in KfW's accounting, disbursements, collateral, funding and lending support departments and in general administrative and staff functions.

2-YEAR SUMMARY OF CONSOLIDATED FINANCIAL DATA

Balance Sheet [1]

	As of December 31,			
	2004		2003	
ASSETS	*(EUR in thousands)*			
Cash reserves				
Cash on hand	223		182	
Balance with *Deutsche Bundesbank*	27,067		26,663	
Balance in postal giro accounts	0	27,290	0	26,845
Loans and advances to banks				
At call	52,385		171,135	
Other	176,683,975	176,736,360	165,407,035	165,578,170
Loans and advances to customers		95,244,732		90,885,567
Bonds and other fixed-rate securities				
Money market paper [2]	858,569		242,247	
Bonds and debentures of public and other issuers [3]	20,760,250		20,642,970	
KfW's own bond issues	5,132,815	26,751,634	5,153,198	26,038,415
Shares and other non-fixed rate Securities		16,248,927		17,816,634
Investments		749,241		915,375
Investments in affiliated enterprises		595,784		591,961
Shares in affiliated enterprises		11,843		11,845
Loans on a trust basis and other trust business		8,106,039		8,121,632
Compensation claims on public authorities, including bonds from their conversion		64,291		128,579
Intangible assets		7,115		9,009
Fixed assets		637,352		553,472
Other assets		123,916		133,627
Prepaid expenses and deferred charges		3,264,764		3,055,831
Special loss account consisting of provisions under Art. 17(4) of the D-Mark Balance Sheet Law		26,843		27,019
Total assets		328,596,131		313,893,981

1 Totals may not add due to rounding.
2 In 2004, EUR 50 million (in 2003 EUR 0) were eligible as collateral with the *Deutsche Bundesbank*.
3 In 2004 and 2003, EUR 17,392 million and EUR 19,846 million, respectively, were eligible as collateral with the *Deutsche Bundesbank*.

	As of December 31,			
	2004		2003	
LIABILITIES AND SHAREHOLDERS' EQUITY	*(EUR in thousands)*			
Liabilities to banks				
At call	746,176		106,519	
With agreed terms or periods of notice	24,547,950	25,294,126	27,362,671	27,469,190
Liabilities to customers				
At call	168,156		140,583	
With agreed terms or periods of notice	55,140,499	55,308,655	57,129,788	57,270,371
Bonds		210,805,588		194,554,657
Loans on a trust basis		8,106,039		8,121,632
Other liabilities		10,165,106		8,648,105
Deferred income		5,887,927		6,438,918
Accrued estimated liabilities		872,195		949,680
Compensation liabilities under Art. 41 of the D-Mark Balance Sheet Law		1,591		2,336
Subordinated liabilities		500,000		500,000
Fund for general bank risks		3,300,000		2,000,000
Subscribed capital		3,750,000		3,750,000
Unpaid capital		(450,000)		(450,000)
Capital reserves		1,603,765		1,603,764
Reserve from ERP Special Fund		653,868		606,501
Retained earnings		2,797,271		2,428,827
Total liabilities and shareholders' equity		328,596,131		313,893,981

Contingent liabilities				
On bills discounted and charged	0		0	
On guarantees	61,375,774		51,026,066	
Liability under collateral provided for third party liabilities	0	61,375,774	0	51,026,066
Other obligations				
Repurchase obligations on non-genuine repurchase transactions	0		0	
Placing and underwriting obligations	0		0	
Irrevocable loan commitments	36,458,444	36,458,444	37,421,266	37,421,266

Profit and Loss Account [1]

	For the years ended December 31,			
	2004		2003	
	(EUR in thousands)			
INCOME				
Interest income				
From lending and money market	11,056,522		10,984,406	
From fixed-interest securities and debt register claims	666,853	11,723,375	758,151	11,742,557
Current income				
From shares and other fixed rate securities	4,270		53,849	
From investments	53,941		62,861	
From shares in affiliates enterprises	30,408	88,619	21,786	138,496
Commissions and similar service charges earned		378,172		298,457
Net earnings on financial transactions		1,060		12,310
Earning on allocations of investments, shares in affiliated enterproses and securities treated as fixed assets		15,832		–
Other operating income		29,117		214,242
Total income		12,236,175		12,406,012
EXPENSES				
Interest expenses		10,236,997		10,312,224
Contractual appropriation of interest to reserve from the ERP Special Fund		47,368		47,411
Commissions and similar service charges payable		187,872		147,921
Net loss on financial transactions		–		–
General administrative expenses				
Salaries and wages	246,099		238,544	
Social security contributions and expenditure on pensions and support	89,322		84,510	
Other administrative expenses	175,004	510,425	185,733	508,787
Depreciation and value adjustments on intangible and tangible assets		41,254		67,134
Other operating expenses		7,374		71,644
Write-downs of and value adjustments on loans and certain securities and increases of allowances for possible loan losses [2]		823,005		651,897
Write-downs of and value adjustments on investments, shares in affiliated enterprises and securities treated as fixed assets		0		334,758
Write-downs on the special loss account under Art. 17(4) of the D-Mark Balance Sheet Law		177		217
Taxes on income		13,254		16,619
Net income for the year		368,449		247,400
Total expenses		12,236,175		12,406,012

1 Totals may not add due to rounding.

2 Including EUR 1,300 million allocation to the fund for general bank risks in accordance with Section 340(g) of the Commercial Code (in 2003 EUR 370 million).

SELLING RESTRICTIONS

This Prospectus

This Prospectus constituting a simplified base prospectus does not purport to meet the format and disclosure requirements of the Prospectus Directive and Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive, and it has not been, and will not be, admitted for approval to any competent authority within the meaning of the Prospectus Directive. Notes issued under the Programme will therefore not qualify for the benefit of the single European passport pursuant to the Prospectus Directive.

General

No action has been or will be taken by the Issuer or by or on behalf of any Dealer which would permit a public offering of any of the Notes or distribution of the Prospectus or any amendment or supplement thereto or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, Notes may not be offered, sold or distributed, directly or indirectly, and neither the Prospectus or any amendment or supplement thereto 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. Each Dealer will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells, distributes or delivers Notes or has in its possession or distributes the Prospectus or any amendment or supplement thereto or any other offering material, and will obtain or make, give or fulfill any consent, approval, registration, notice, permission or other regulatory requirement required by it or the Issuer for the purchase, offer, sale, distribution or delivery of the Notes and the possession or distribution of any of the Prospectus or any amendment or supplement thereto nor any advertisement or other offering material under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any such purchase, offer, sale, distribution or delivery, in all cases at its own expense.

No Dealer is authorised to make any representation or to provide any information in connection with the issue, offering and sale of the Notes other than as contained in the Prospectus, the applicable Final Terms or such other information relating to the Issuer and/or the Notes which the Issuer has authorised to be provided.

Selling restrictions may be modified or supplemented by the agreement of the Issuer and the relevant Dealer or Dealers following a change in any relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of a particular issue of Notes to which it relates or in a supplement to the Prospectus.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

(i) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43,000,000 and (3) an annual net turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts; or

(iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive or pursuant to any applicable national law of any Relevant Member State.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United

States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts within the meaning of Regulation S with respect to a Note.

Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

Notes, other than Notes with a stated maturity of one year or less including unilateral rollovers or extensions, will be issued in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**"), or in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"), as specified in the applicable Final Terms.

In addition, in respect of Notes issued in accordance with the TEFRA D Rules, each Dealer has represented and agreed that:

(a) except to the extent permitted under the TEFRA D Rules, (i) such Dealer has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;

(b) such Dealer has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Dealer is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate that acquires from such Dealer Notes for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) has repeated and confirmed the representations and agreements contained in sub-clauses (a), (b) and (c) on such affiliate's behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c); and

(e) it will obtain for the benefit of KfW the representations and agreements contained in sub-clauses (a), (b), (c) and (d) from any person other than its affiliate with whom it enters into a written contract, as defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4) for the offer or sale during the restricted period of Notes.

Terms used in the above paragraphs have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, with respect to Notes issued in accordance with the TEFRA C Rules, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In such case, each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(i) in relation to Notes which have a maturity of one year or more, during the period up to but excluding the date on which Directive 2003/71/EC is implemented in the United Kingdom, it has not offered or sold and will not offer or sell any such Notes 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 as amended;

(ii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(iii) 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 in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer; and

(iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

France

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes and that any offer, sale and distribution of Notes has been and will only be made in France to qualified investors (*investisseurs qualifiés*) acting for their account, all as defined in, and in accordance with, articles L.411-1 and L.411-2 of the French *Code monétaire et financier* and *décret* n°98-880 dated 1st October, 1998. Notes may only be issued, directly or indirectly, to the public in France in accordance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French *Code monétaire et financier*.

Prospective investors are hereby informed that: (i) this Prospectus has not been submitted for clearance to the French financial market authority (*Autorité des Marchés Financiers*); (ii) in accordance with the décret n°98-880 dated 1st October, 1998 any investors subscribing the Notes in France should be acting for their own account.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the "**Securities and Exchange Law**") and are subject to the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the "**Special Taxation Measures Law**"). Each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell Notes in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes under the Programme have been duly authorised by resolution of the Board of Managing Directors of the Issuer dated July 25, 2001. Notes may be issued under the Programme in aggregate principal amounts as duly authorised from time to time by resolution of the Board of Supervisory Directors.

Listing

Luxembourg Stock Exchange
Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange (see "This Prospectus" on page 5). A legal notice relating to the Programme and the By-Laws of the Issuer and the Law concerning the KfW has been registered with the *Registre de Commerce et des Sociétés du Luxembourg*, where such documents may be examined and copies obtained upon request. The Luxembourg Stock Exchange has allocated to the Programme the number 12634 for listing purposes.

The Issuer has given an undertaking in connection with the listing of the Notes issued under the Programme on the Luxembourg Stock Exchange that, so long as any Note remains outstanding and listed on such exchange, in the event of any adverse change in the financial condition of the Issuer which is material in the context of the Programme and which is not reflected in the Prospectus, the Issuer will prepare a further supplement to the Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange. If the terms of the Programme are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, a new Prospectus will be prepared.

Upon the entry into force of the Luxembourg Prospectus Act at the latest, this Prospectus, any supplement thereto and any subsequent new Prospectus, as well as the Final Terms relating to each Tranche of Notes listed on the Luxembourg Stock Exchange, will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Frankfurt Stock Exchange
The Notes to be issued under the Programme (except Equity Linked Notes and Credit Linked Notes) are admitted for official quotation on the official market of the Frankfurt Stock Exchange. Notes which are suitable with regard to currency and other specific conditions may be officially quoted on such Exchange. The Issuer anticipates that only Series of Notes which are denominated in Euro will be so quoted on said Stock Exchange.

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 Prospectus:

(a) the most recently published annual report of KfW;

(b) all supplements or amendments to this Prospectus prepared in respect of the Programme from time to time; and

(c) in relation to each Tranche of Notes listed on the Luxembourg Stock Exchange, the Final Terms relating to such Tranche,

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 Prospectus 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 Prospectus.

Upon the entry into force of the Luxembourg Prospectus Act at the latest, the documents incorporated herein by reference will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the 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. Requests for such documents should be directed to KfW at its office set out at the end of this Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. for Notes listed on the Luxembourg Stock Exchange.

Documents Available

So long as Notes are capable of being issued under the Programme and are listed on the Luxembourg Stock Exchange, copies of the following documents will, when published, be available from the offices of KfW, the Fiscal Agent and the Luxembourg Paying Agent set out at the end of this Prospectus:

(i) the By-Laws (*Satzung*) of the Issuer and the KfW Law (in each case with an English translation);

(ii) the most recently published annual report of KfW (with an English translation); the Issuer does not publish interim financial statements;

(iii) the Standard Dealer Terms and the Fiscal Agency Rules;

(iv) a copy of this Prospectus;

(v) any future information memoranda and supplements or amendments, including Final Terms (save that Final Terms relating to unlisted Notes will only be available for inspection by the holders of such Notes and such holder must produce satisfactory evidence as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

Euroclear, CBF and CBL

The Notes have been accepted for clearance through Euroclear, CBF and CBL. If the Notes are to clear through any other relevant Clearing System the appropriate information will be specified in the applicable Final Terms. The appropriate codes for each particular issue of Notes to be held through the relevant Clearing System allocated by the relevant Clearing System will be contained in the applicable Final Terms.

Material Change

There has been no adverse change in the financial position of the Issuer which is material in the context of the Programme or the issue and offering of Notes thereunder since the publication of its most recent financial statements as of December 31, 2004.

Litigation

The Issuer is not nor has during the last two fiscal years been involved in, nor does he have knowledge of, any litigation which is or might be material in the context of the issue and offering of Notes under this Programme.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

Taxation in Germany

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

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

Tax Residents

Payments of interest on the Notes, including interest having accrued up to the disposition of a Note and credited separately ("**Accrued Interest**") to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5% thereon). Such interest may also be subject to trade tax if the Notes form part of the property of a German trade or business. Accrued Interest paid upon the acquisition of the Notes may give rise to negative income if the Note is held as a non-business asset.

Upon the disposition, assignment or redemption of a Note a holder holding the Note as non-business asset will have to include in his taxable income further amounts if the Note can be classified as a financial innovation (*Finanzinnovation*) under German tax law (including, among other things, zero coupon notes, floating rate notes or discounted notes, provided the discount exceeds certain thresholds). In this case, generally the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price is deemed to constitute interest income subject to income tax (plus the solidarity surcharge) in the year of the disposition, assignment or maturity of the Note. Where the Note is issued in a currency other than Euro, the difference will be computed in the foreign currency and will then be converted into Euro. Alternatively, the holder of the Note may show that such difference is greater than the excess of the redemption over the issue price of the Note to the extent this excess amount is attributable to the period over which the holder has held such Note (the "prorated excess amount"). In this case only such prorated excess amount is taxed as interest income, provided that the Note has an identifiable yield to maturity. Where a Note forms part of the property of a German trade or business, in each year the part of the difference between the issue price of the Note and its redemption price attributable to such year as well as interest accrued must be taken into account as income and may also be subject to trade tax.

Capital gains from the disposition of Notes, other than income described in the preceding paragraph, are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business, in which case the capital gains may also be subject to trade tax. Capital gains derived by German-resident corporate holders of Notes will be subject to corporate income tax (plus solidarity surcharge at a rate of 5.5% thereon) and trade tax.

If the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German bank or financial services institution (the **"Disbursing Agent"**) a 30% withholding tax on interest payments (*Zinsabschlag*), plus 5.5% solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65% of the gross interest payment. Withholding tax is also imposed on Accrued Interest. If the Notes qualify as financial innovations, as explained above, and are kept in a custodial account which the Noteholder maintains with a Disbursing Agent such custodian will generally withhold tax at a rate of 30% (plus solidarity surcharge at a rate of 5.5% thereon) from interest payments, Accrued Interest as well as from the positive difference between the redemption amount or proceeds from the disposition or assignment and the issue or purchase price of the Notes if the Note has been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. Where the Note is issued in a currency other than Euro, the difference will be computed in the foreign currency and will then be converted into Euro. If the Note has not been kept in the custodial account since its issuance or acquisition the 30% withholding tax is applied to 30% of the amounts paid in partial or final redemption of the Notes or the proceeds from the disposition or assignment of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the holder of a Note to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Note is an individual (i) whose Note does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the holder of a Note to a refund, based on an assessment to tax.

Nonresidents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note or (ii) the interest income otherwise constitutes German source income (such as income from the letting and leasing of certain German-situs property). In the latter case a tax regime similar to that explained above at "Tax Residents" applies; capital gains from the disposition of Notes are, however, only taxable in the case of (i).

Nonresidents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above at "Tax Residents". In the course of a tax assessment, if any, the tax withheld may be credited towards the final personal income or corporate tax liability (and the owed solidarity surcharge) of the Holder.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

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

EU Savings Tax Directive

On June 3, 2003 the Council of the European Union (Ecofin) adopted a directive regarding the taxation of interest income. By provisions implementing the directive each EU Member State must require paying agents (within the meaning of the directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 15% for the first three years from application of the provisions of the directive, of 20% for the subsequent three years, and of 35% from the seventh year after application of the provisions of the directive.

The Council of the European Union agreed that the provisions to be enacted for implementation of the directive shall be applied by the member states as from July 1, 2005. This presupposes that (i) Switzerland, Liechtenstein, San Marino, Monaco and Andorra apply from that same date measures equivalent to those contained in the directive, in accordance with agreements entered into by them with the European Community and (ii) also all the relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) apply from that same date an automatic exchange of information or, during the transitional period described above, apply a withholding tax in the described manner.

By legislative regulations dated January 26, 2004 the Federal Government enacted the provisions for implementing the directive into German law. They will enter into force at that point in time, from which the provisions of the directive have to be applied by the EU Member States according to a resolution of the Council of the European Union. In a meeting of June 7, 2005 the Council of the European Union (ECOFIN) has noted that all third countries concerned and all dependent and associated territories have agreed to apply the measures as presupposed by the directive from July 1, 2005 and that therefore the conditions have now been met to enable the rules on taxation of savings to enter into force on that same date. Respective confirmation shall be obtained from the third countries concerned.

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