



Norddeutsche Landesbank Girozentrale  
Hanover

(incorporated as public law institution (*Anstalt des öffentlichen Rechts*) established under, and governed by, the laws of the Federal Republic of Germany and the German Federal States (*Bundesländer*) of Lower Saxony (*Niedersachsen*) and Saxony-Anhalt (*Sachsen-Anhalt*))

("Norddeutsche Landesbank – Girozentrale –", "NORD/LB" or the "Issuer")

**U.S.\$500,000,000 Subordinated Fixed Rate Tier 2 Notes due 2024 (the "Notes")**  
**Issue Price of the Notes: 100.00 per cent. of the principal amount**

The Notes constitute direct, unconditional, subordinated and unsecured liabilities of the Issuer, as described in Section 2 of the Terms and Conditions of the Notes, and, unless previously redeemed or repurchased and cancelled, will mature on 10 April 2024 (the "**Maturity Date**").

The Notes will bear interest on their Par Value (as defined in Section 1 of the Terms and Conditions of the Notes), payable semi-annually in arrear on 10 April and 10 October of each year (each an "**Interest Payment Date**"), from 10 April 2014 (the "**Issue Date**") (inclusive) until the Maturity Date (exclusive) at the rate of 6.25 per cent. per annum.

The Issuer may, at its option, redeem the Notes, in whole but not in part, for certain withholding tax reasons or upon the occurrence of a Regulatory Event (as defined in Section 5 Paragraph (2) of the Terms and Conditions of the Notes) at their Par Value plus accrued interest. Any such redemption is subject to the prior permission of the competent regulatory authority, if required, as described in Section 5 Paragraph (4) of the Terms and Conditions of the Notes.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, *inter alia*, by Directive 2010/73/EU) (the "**Prospectus Directive**") and has been drafted in accordance with the Luxembourg law relating to prospectuses for securities of 10 July 2005 (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended, (the "**Luxembourg Prospectus Law**"), which implements the Prospectus Directive into Luxembourg law.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Prospectus Law, and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the Issuer's website (<http://www.nordlb.de>). Pursuant to Article 7(7) of the Luxembourg Prospectus Law, by approving this Prospectus, the CSSF does not give any undertaking as to the economic and financial soundness of the transaction contemplated by this Prospectus or the quality or solvency of the Issuer.

Application has been made to the Luxembourg Stock Exchange for admission of the Notes to the Official List (*Bourse de Luxembourg*) and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments. The Notes have a denomination of U.S.\$200,000 each.

**An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described in the section "Risk Factors" below. The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and any Joint Lead Managers (as defined below) to inform themselves about and to observe any such restrictions. In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and are subject to special U.S. tax law requirements where held by U.S. persons (TEFRA D rules). Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States of America ("United States") or to, or for the account or benefit of, U.S. persons.**

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "*Selling Restrictions and Related Information*".

The Notes will initially be represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or about 10 April 2014 (the "**Closing Date**") with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, on or after 20 May 2014 (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Notes in definitive form for individual notes or interest coupons will not be issued.

**Sole Global Coordinator**

HSBC

**Joint Lead Managers**

BNP PARIBAS

HSBC

NOMURA

J.P. MORGAN

THE ROYAL BANK OF SCOTLAND

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## TABLE OF CONTENTS

<b>I.</b>	<b>RISK FACTORS</b> .....	<b>4</b>
	1. Risk factors relating to the Issuer.....	4
	2. Risk factors relating to regulatory aspects concerning credit institutions in general .....	10
	3. Risk factors relating to the Notes .....	18
<b>II.</b>	<b>RESPONSIBILITY</b> .....	<b>25</b>
<b>III.</b>	<b>DESCRIPTION OF NORDDEUTSCHE LANDESBANK – GIROZENTRALE –</b>	<b>26</b>
	1. Auditors .....	26
	2. General information relating to the Issuer .....	26
	3. Ratings .....	27
	4. Recent events in the business activities of Norddeutsche Landesbank – Girozentrale –.....	29
	5. Business overview.....	31
	6. Organisational structure .....	38
	7. Trend Information .....	39
	8. Governing bodies of Norddeutsche Landesbank – Girozentrale –.....	39
	9. Owners of Norddeutsche Landesbank – Girozentrale –.....	45
	10. Historical Financial Information .....	45
	11. Court and Arbitration Proceedings .....	46
	12. Significant changes in the financial position .....	46
<b>IV.</b>	<b>DESCRIPTION OF THE NOTES</b> .....	<b>47</b>
	1. Terms and Conditions of the Notes .....	47
	2. General information concerning the Notes .....	65
<b>V.</b>	<b>TAXATION</b> .....	<b>68</b>
	1. Taxation in Germany .....	68
	2. EU Savings Directive on the taxation of savings income.....	71
<b>VI.</b>	<b>SELLING RESTRICTIONS AND RELATED INFORMATION</b> .....	<b>73</b>
<b>VII.</b>	<b>IMPORTANT NOTICES</b> .....	<b>78</b>
<b>VIII.</b>	<b>GENERAL INFORMATION</b> .....	<b>79</b>
	1. Authorisation .....	79
	2. Availability of documents.....	79
	3. Incorporation by reference .....	79
	4. Third party information .....	81
	5. Joint Lead Managers transacting with the Issuer .....	81
<b>IX.</b>	<b>NAMES AND ADDRESSES</b> .....	<b>82</b>

## I. RISK FACTORS

*Words and expressions defined under "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings, unless otherwise noted.*

*Prospective investors should read the entire Prospectus. Investing in the Notes involves certain risks. The information set forth below is a disclosure of risk factors, that are known to the Issuer at the date of this Prospectus and, that are material to the Notes. Additional risk factors that are not known at the date of this Prospectus or currently believed to be immaterial could likewise have an adverse effect on the value of the Notes. This applies, in particular, to the risk factors set out below under "2. Risk factors relating to regulatory aspects concerning credit institutions in general". Investors need to understand that the regulation of credit institutions is under current and ongoing review and development which enhances the risk that new risk factors which are not known as of the date of this Prospectus will develop as a result of new regulations and actions applying to financial institutions in the near future.*

### 1. Risk factors relating to the Issuer

*The risks factors relating to the Issuer set out below describe the material risks of Norddeutsche Landesbank – Girozentrale – as a financial institution on an unconsolidated basis and in its capacity as parent company of its fully consolidated subsidiaries being, inter alia, the following financial institutions: Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Norddeutsche Landesbank Luxembourg S.A., NORD/LB Covered Finance Bank S.A. and Deutsche Hypothekbank (Actien-Gesellschaft) (also referred to in this section as "**NORD/LB and its Subsidiaries**"). Norddeutsche Landesbank – Girozentrale – defines risks as being "material" all relevant risks which could have a negative impact on NORD/LB's resources, earnings, its liquidity position or the achievement of its strategic goals. Such risks may limit the Issuer's ability to fulfil its obligations vis-à-vis investors under the Notes.*

#### Overview of applicable risks

NORD/LB and its Subsidiaries are primarily exposed to the following types of risks:

- (i) credit risk;
- (ii) investment risk;
- (iii) market price risk;
- (iv) liquidity risk; and
- (v) operational risk.

**Credit risk** is part of counterparty risk and is divided into - classical credit risk - (understood as the risk of loss due to default or credit deterioration of credit debtors) and - credit risk of trade - (understood as the risk that a loss is suffered, due to a failure or deterioration in the creditworthiness of a borrower or counterparty in commercial transactions). Credit risk of trade is divided into risk from trading, replacement risk, settlement risk and issuer risk.

**Investment risk** is another component of credit risk. It denotes the risk of loss resulting from the undertaking of providing equity capital to third parties or the loss resulting from other financial obligations to third parties. In addition to the original counterparty risk, in cross-border capital services, country credit risk may occur, also referred to as transfer risk.

**Market price risk** refers to potential losses that may arise from changes in market parameters. It is divided into interest-rate, currency, equity, fund and price volatility risk, as well as credit spread risk of the assets.

**Liquidity risk** includes risks that may result from disruptions in the liquidity of individual market segments, unexpected events in lending, deposit or investment banking or deterioration of its own refinancing conditions. It has to be distinguished between classical liquidity risk, funding risk and market liquidity risk. In addition, placement risk emerging from own issues is viewed as part of liquidity risk.

**Operational risk** is the risk of damages resulting from inadequate or failed internal processes, employees and technology or from external influences. This definition includes legal and reputational risks. In the understanding of NORD/LB and its Subsidiaries operational risk also includes compliance risk, outsourcing risk, the dilution risk and fraud risk.

#### ***Specification of risks with regard to the Issuer***

***NORD/LB and its Subsidiaries are subject to significant counterparty and market price risks and such risks are exacerbated by periods of financial crisis and recession.***

NORD/LB and its Subsidiaries are exposed to counterparty risk, *inter alia* to credit risk of third parties, primarily with regard to the traditional lending and deposit-taking business, but also, to a lesser extent, to non-traditional businesses such as derivative transactions, securities, owning securities of third parties, and other credit arrangements. This exposes them to the risk of counterparty defaults.

Furthermore, there is a risk for NORD/LB and its Subsidiaries that contractors fail to pay their contractual payment obligations. Even if customers are responsible for losses incurred by the acquisition of items on their own account, NORD/LB and its Subsidiaries may be exposed to other credit risks in order to protect themselves against these losses. It may also have a negative impact on the business of NORD/LB and its Subsidiaries, if customers suffer losses and lose confidence in the products and services of NORD/LB and its Subsidiaries.

Another form of credit risk is country credit risk in cross-border financial services and business activities. This risk is manifested when political difficulties and political instability in a country endanger or diminish the value of assets. Country credit risk applies to both the country concerned, if it is a contractual partner, and contractual partners in general.

The ongoing economic and financial debt crisis in the European Union comprises a country credit risk for NORD/LB and its Subsidiaries, since it entails market uncertainty in several countries of the European Union.

The Credit risk may also be manifested as settlement risk, which involves the possibility of a bank paying funds to a counterparty but failing to receive the corresponding settlement in return. NORD/LB and its Subsidiaries are exposed to many different industries and counterparties in the normal course of their business, but the exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include municipal savings banks, financial services firms, commercial banks, investment banks, mutual funds and other institutional clients. Many of these relationships expose NORD/LB and its Subsidiaries to credit risk in the event of default of a counterparty and to systemic risk affecting their counterparties. Where NORD/LB and its Subsidiaries hold collateral against counterparty exposures, they may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Many of the hedging and other risk management strategies utilised by NORD/LB also involve transactions with financial service counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of NORD/LB's hedging and other risk management strategies.

NORD/LB and its Subsidiaries also establish provisions for loan losses, which are reflected in the provision for impairment losses in the consolidated income statement, in order to maintain appropriate allowances for loan losses based upon an assessment of prior loan loss experience, the volume and type of lending being conducted by each bank, industry standards, past due loans, economic conditions and other factors related to the collectability of each entity's loan portfolio.

This determination is based primarily on NORD/LB's and its Subsidiaries' historical experience and judgment, and they may have to increase or decrease their provisions for loan losses in the future as a result of increases or decreases in non-performing assets or for other reasons. Any increase in the provision for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have a material adverse effect on the Issuer's business or on the Issuer's results of operations or financial condition.

The quality of the credit portfolio of NORD/LB and its Subsidiaries deteriorated in 2013 due to continual negative rating migrations in the shipping sector and resulted in a notable increase in loan loss provisions.

Due to the current situation in the global market, in particular as regards the low level of utilisation of capacity and freight rates remaining under pressure, particularly in the container and tanker segment, NORD/LB and its Subsidiaries anticipate within the shipping sector a difficult market environment and market uncertainties which will affect the "Ships and Aircraft Customers" segment. Therefore, NORD/LB and its Subsidiaries are preparing for a continued crisis in the shipping sector during the next quarters. The ongoing crisis in the shipping sector will continue to have a negative impact on the Issuer's profit situation and may result in a further deterioration of the shipping portfolio and a further increase in expenses for loan loss provisions during the next following quarters. Furthermore, the worsening situation in the shipping portfolio is resulting in an increase in regulatory deficits in valuation allowances (shortfall), which reduce risk capital.

The shipping crisis, particularly in the container and tanker segment, bears a third-party default risk. The crisis and the associated risks lead to significantly increased expenses for risk provisions in the field of ship financing.

NORD/LB and its Subsidiaries make equity investments in companies to secure or improve their market position. This exposes them to investment risk. Generally, there is no guarantee that investments will actually fulfil their strategic objective. In particular, losses in the value of an investment may occur, due to unforeseen developments in the market or in the investment target. Furthermore, NORD/LB and its Subsidiaries may have to bear losses generated by an affiliate or other investment target and these losses could exceed the book value of the investment itself.

In order to reduce this risk, NORD/LB and its Subsidiaries are committed to continue the commenced reduction of investments. In addition, during the course of 2013, the focus was and will be on continuing to improve the control of investments in respect of the risk-return ratio.

NORD/LB and its Subsidiaries are also exposed to market price risk as a result of open positions in the foreign exchange markets, the capital markets and fluctuations in interest rates. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates.

A market price risk in the trading portfolio arises from trading activities in the interest rate, foreign exchange and equity markets. A market price risk in the banking portfolio arises from differences in interest periods. In periods of volatility, significant profits on trading can be followed by periods of losses on trading. NORD/LB and its Subsidiaries may suffer material losses if they cannot exclude deteriorating positions in a timely manner, in particular with respect to illiquid assets such as assets not traded on stock exchanges or other public trading markets such as derivatives contracts between banks.

NORD/LB and its Subsidiaries conduct substantial amounts of their business in currencies other than the Euro, most importantly in U.S. dollars which is the predominant currency used in the ship and aircraft financing business. This exposes NORD/LB and its Subsidiaries to foreign currency translation risks and foreign currency transaction risks. Foreign exchange effects can significantly affect the Issuer's income as well as the risk-weighted assets ("RWA"). Therefore, fluctuations in the U.S. dollar exchange rate may, via its effect on RWA, have a negative influence on capital ratios. Furthermore, to the extent the Issuer continues to recognise operating income in currencies other than Euro, it will

encounter foreign exchange risk, which could have a material adverse effect on its business, results of operations or financial condition.

If any of the Issuer's instruments and strategies to hedge or manage credit, counterparty or market price risk is not effective, the Issuer may not be able to effectively mitigate its risk exposures. The Issuer's financial results also depend on the effectiveness of its cost and credit management in regard to credit, counterparty and market price risk.

To the extent the Issuer's estimates towards changes in credit quality and risk concentrations or towards changes in determining its valuation models for fair value of asset and valuation liability values, or the determination of the appropriate level of provisions for loan losses or other risks, prove to be inaccurate or unpredictable for actual results, the Issuer could suffer higher than expected credit, trade or investment losses. The afore mentioned issues could have a material adverse effect on NORD/LB and its Subsidiaries and the results of operations or the financial condition or business of NORD/LB and its Subsidiaries.

***Changes in interest rates are caused by many factors beyond the Issuer's control and such changes can have significant adverse effects on its financial results, including its net interest income, which represents the majority of its operating income.***

The Issuer derives the majority of its operating income from net interest income. Interest rates are sensitive to many factors beyond the Issuer's control, such as monetary policies pursued by central banks and national governments, the liberalisation of financial services and increased competition in the markets in which the Issuer operates, domestic and international economic and political conditions, and other factors. Changes in interest rates could affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities, which in turn could affect the level of the Issuer's net interest income. Moreover, the composition of the Issuer's assets and liabilities, and any gap position resulting from the composition, causes its net interest income to vary with changes in interest rates. A mismatch of interest-earning assets and interest-bearing liabilities in any given period could, in the event of changes in interest rates, reduce the Issuer's interest margin and have a material adverse effect on its net interest income and thereby on its business, results of operations or financial condition.

***NORD/LB and its Subsidiaries are subject to liquidity risks.***

NORD/LB and its Subsidiaries are subject to liquidity risks, i.e., risks that they are unable to meet their obligations as they fall due as a result of a sudden and protracted increase in cash outflows. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances a lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil lending commitments. These risks are inherent in all banking operations and can be affected by a range of institution-specific and market-wide events. The current budgetary crises in certain Member States of the European Union, despite the rescue packages provided by the European Union for Greece, Ireland, Italy, Spain, Portugal and Cyprus, represent the risk of further countries requiring support and a prolonged loss of confidence in the financial markets.

In 2012, the global economy deteriorated and the re-escalation of the European debt crisis from April to July 2012 has had an additional negative impact on the world economy and consumer confidence. During periods of market dislocation, the Issuer's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and the increasing costs of raising funding will affect its earnings.

In illiquid markets, NORD/LB and its Subsidiaries may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect their ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

The liquidity situation in the markets stabilised in 2013 due to the measures taken by the EU states and the European Central Bank, but continues to be characterised by uncertainty with regard to the

possible medium to long term impact of the sovereign debt crisis on the EU periphery countries. All the factors mentioned above might be detrimental to the business and can have a material adverse effect on the operating results and financial position of NORD/LB and its Subsidiaries (for further information see below "2. Risk factors relating to regulatory aspects concerning credit institutions in general").

***Unfavourable developments in the Issuer's or a subsidiary's credit rating would increase their funding costs and affect their ability to access capital markets.***

NORD/LB is rated by Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Federal Republic of Germany ("**Moody's**") and Fitch Deutschland GmbH, Taunusanlage 17, 60325 Frankfurt am Main, Federal Republic of Germany ("**Fitch**").

Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Moody's and Fitch are listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu>) in accordance with the CRA Regulation.

Several other companies in the NORD/LB Group (as defined below under "*III. Description of Norddeutsche Landesbank – Girozentrale – 1. Auditors*"), *inter alia* Bremer Landesbank Kreditanstalt Oldenburg, Norddeutsche Landesbank Luxembourg S.A., NORD/LB Covered Finance Bank S.A., and Deutsche Hypothekenbank (Actien-Gesellschaft) also issue securities on a regular basis and are or may be rated separately.

In determining the rating assigned to the Issuer, the agencies examine several performance indicators of the Issuer, including profitability and the ability to maintain its consolidated capital ratios. In the event that the Issuer does not achieve or maintain certain performance measures, or maintain its capital ratios above certain levels, one or more of the ratings assigned to the Issuer or to any subsidiary may be lowered. In addition, if the sovereign debt of Germany – the Issuer's primary market – were to suffer a downgrade, it could affect the Issuer's rating and market perceptions of the Issuer's creditworthiness.

A downgrading of the ratings assigned to the Issuer or to any subsidiary could potentially increase their funding costs, limit their funding resources and negatively impact their access to liquidity and therefore have a material adverse effect on their business, results of operations or financial condition.

***The Issuer's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.***

The Issuer devotes significant resources to developing risk management policies, procedures and assessment methods for its banking and other businesses. Nonetheless, the risk management techniques and strategies applied by the Issuer may not be fully effective in mitigating risk exposure in all economic market environments or against all types of risk. To develop and refine the Issuer's risk management, the Issuer is required to make assumptions, judgments and estimates to identify and anticipate risks, quantify risk exposures and determine its risk-bearing capacity. Unanticipated or incorrectly quantified risk exposures could result in material losses, which could have a material adverse effect on the Issuer's business, results of operations or financial condition.

***The assumptions, judgments and estimates used to value the assets of NORD/LB and its Subsidiaries may prove unreliable.***

In accordance with International Financial Reporting Standards ("**IFRS**"), NORD/LB and its Subsidiaries apply fair value when financial assets and financial liabilities are recognised for the first time. Generally, in order to determine the fair value of such assets and liabilities, NORD/LB and its Subsidiaries rely on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data.

Under certain circumstances, the market data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to

adverse market conditions. In this case, the internal valuation models require NORD/LB and its Subsidiaries to make assumptions, judgments and estimates in order to establish fair value. Assets that are not publicly traded, such as derivatives, may be assigned values that are calculated by using mathematical models.

As is common with financial institutions, these internal valuation models are complex and the assumptions, judgments and estimates NORD/LB and its Subsidiaries are required to make, often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, property appreciation and depreciation, and relative levels of defaults and deficiencies. These assumptions, judgments and estimates may prove to be unreliable and may need to be updated to reflect changing trends and market conditions. The resulting change in fair values of financial instruments could have a material adverse effect on the business, results of operations or financial condition of NORD/LB and its Subsidiaries.

***NORD/LB and its Subsidiaries are subject to operational risks, including fraud, misconduct by clients or employees, security breaches, technical and information technology errors or failures and other adverse events, many of which are wholly or partially beyond their control.***

NORD/LB and its Subsidiaries, like all financial institutions, are exposed to many types of operational risk, including the risk of fraud or other misconduct by employees or outsiders, unauthorised transactions by employees or operational errors, including clerical or record-keeping errors or errors resulting from faulty computer or telecommunications systems. NORD/LB and its Subsidiaries are highly dependent on their ability to process a large number of transactions across numerous diverse markets in different currencies on a daily basis and some of these transactions have become increasingly complex. Given the high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified.

In addition, NORD/LB and its Subsidiaries depend on automated systems to record and process transactions. This increases the risk that technical systems flaw or employees tamper or manipulate the systems, taking into account that such violations are hard to detect. The failure or manipulation of the supporting systems could have a material adverse effect on the business and financial condition of NORD/LB and its Subsidiaries.

Furthermore, there is a risk that certain circumstances cause disruptions of the operating systems or the supporting infrastructure of NORD/LB and its Subsidiaries. These circumstances might be wholly or partially beyond NORD/LB and its Subsidiaries' control and include, but are not limited to, disruptions caused by terrorist activities, computer viruses, disease pandemics, electrical or telecommunication outages, transportation or other services used by the Issuer or third parties in order to conduct business. Each of these disorders can lead to performance failures towards customers and to further losses and liability by NORD/LB and its Subsidiaries.

NORD/LB and its Subsidiaries are exposed to the risk that external vendors may be unable to fulfil their contractual obligations (or external vendors will be subject to the risk of fraud or operational errors by their respective employees), and to the risk that their (or their vendors') business continuity and data security systems could prove to be ineffective.

NORD/LB and its Subsidiaries are also subject to the risk that the organisation and conception of their internal controls and procedures could prove to be inadequate or that control mechanisms might be circumvented by an interloper, thereby causing delays in detection of defaults or errors in information. Although NORD/LB and its Subsidiaries maintain a system of controls designed to keep operational risk at appropriate levels, NORD/LB and its Subsidiaries have suffered losses from operational risk and there can be no assurance that they will not suffer losses from operational risk in the future.

## **2. Risk factors relating to regulatory aspects concerning credit institutions in general**

### ***Regulatory changes or enforcement initiatives could adversely affect the business of NORD/LB and its Subsidiaries.***

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

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

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

### ***Stress tests may adversely affect the business of NORD/LB and its Subsidiaries.***

NORD/LB and its Subsidiaries may become subject to stress testing exercises initiated by the German financial regulatory authorities Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") and Deutsche Bundesbank (the "**German Central Bank**"), the European Banking Authority ("**EBA**") and/or the European Central Bank ("**ECB**"). Together with other large EU-based financial institutions, NORD/LB expects to be subject to the next EU-wide stress testing exercise by the EBA in 2014. The Issuer's results of operations may be adversely affected if NORD/LB or any of the financial institutions with which the Issuer does business receives negative results on such stress tests. In the last such exercise conducted by the EBA in 2011, the EBA published more stringent capital requirements for certain larger banks in the EU, including NORD/LB. Also, in July 2013, the EBA recommended to national regulators to apply a so-called nominal capital floor. Alternatively, the relevant competent authority may waive the nominal floor requirement where it is determined that a common equity tier 1 ratio of 7%, *i.e.* the minimum common equity tier 1 requirements and the capital conservation buffer as determined pursuant to fully implemented CRD IV/CRR requirements is met, *i.e.*, without taking advantage of any transition rules such as phase-outs of certain capital instruments. While there is uncertainty as to the precise methodology, it is likely that the Issuer currently does not meet the nominal capital floor requirement. Instead of such nominal capital floor requirement, the Issuer has therefore requested BaFin to apply the alternative requirement of a common equity tier 1 ratio to it, whereby it believes that it will satisfy such alternative requirement. It is not yet clear how BaFin will implement this recommendation and whether they will agree to apply the alternative testing method to the Issuer. Depending on BaFin's decision, the Issuer may be required to take further action in relation to its regulatory capital. Meeting these or similar future requirements imposes significant costs on NORD/LB Group. Further, the Issuer will be subject to separate stress test(s) as part of the comprehensive assessment conducted as a preparatory step for the SSM (see related risk factor below), which is unrelated to the regular EU-wide stress testing exercises by the EBA mentioned in this risk factor.

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

Further, the publication of the results of the stress test (and its findings), their evaluation by financial market participants and the market's general impression that a stress test is not robust enough could have a negative impact on the Issuer's reputation or its ability to refinance itself as well as increase its

costs of funding or require other remedial actions. Further, the risks arising from the aforementioned aspects could have a material adverse effect on the Issuer's reputation, business, results of operations or financial condition.

***The Issuer may be exposed to specific risks arising from the so-called Single Supervisory Mechanism (SSM) and other initiatives to create the so-called EU Banking Union.***

Since its launch in 2013, significant progress has been made in the preparation for, and the implementation of, the single supervisory mechanism (the "**SSM**") pursuant to which the ECB, supported by the participating national competent authorities (NCAs, such as BaFin), will be responsible for conducting banking supervision in the euro area. The SSM is legally based on the Regulation on the single supervisory mechanism (Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Official Journal of the European Union, L 287, 29 October 2013, pp. 63-89, the "**SSM Regulation**"). Amongst others, the Issuer will become subject to the ECB's supervision under the SSM. As preparatory steps for the ECB assuming its new supervisory tasks under the SSM in November 2014, supervisory risk assessments, asset quality reviews, balance sheet assessments and stress test(s) in relation to specific banks of the Eurozone will be conducted. In this respect, please see "*The Issuer may be exposed to specific risks arising from the Asset Quality Review as part of the Comprehensive Assessment as a preparatory step to the ECB assuming its regulatory supervisory role under the so-called Single Supervisory Mechanism (SSM) and other initiatives to create the so-called EU Banking Union as well as related stress tests*" below.

Further, the EU institutions are working on a proposal to establish a single resolution mechanism (the "**SRM**") forming part of the EU's plans to establish a European banking union. Under the SRM, a single resolution process would apply to all banks established in EU Member States participating in the SSM (that is, all Member States in the Eurozone and other Member States participating in the SSM). The SRM will be established by a related EU Regulation (the "**SRM Regulation**", a draft legislative proposal of which has been published by the EU Commission in July 2013 (COM (2013) 520)), which is currently being negotiated by Member States, the Council of the EU and the European Parliament.

It is expected that the SRM will be co-ordinated by a single resolution board ("**SRB**"), although the ultimate decision on whether an individual bank should be resolved will rest with the European Commission. The SRB would assess whether an individual bank is failing, or is likely to fail, and would prepare for that bank's resolution, if the European Commission decides that the bank should be resolved. A single bank resolution fund ("**SBRF**") will also be established to provide medium-term funding support for the resolution of banks. The SRB and the SBRF will both be funded through contributions made by the banking industry. Details of the SRM Regulation and the SRM mechanism are both still subject to negotiations and may therefore be subject to change.

The SRM Regulation will be closely connected with the proposed Bank Recovery and Resolution Directive ("**BRRD**"). The resolution mechanisms available to the SRB and the Commission under the SRM Regulation are intended to correspond to those set out in the BRRD, with the SRB taking on many of the functions assigned to national resolution authorities by the BRRD. In this respect, please see "*Rights of the Holders may be adversely affected by measures pursuant to the so-called Restructuring Act, the Financial Market Stabilisation Act or the European Bank Recovery and Resolution Directive proposal*" below.

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

***The Issuer may be exposed to specific risks arising from the Asset Quality Review as part of the Comprehensive Assessment as a preparatory step to the ECB assuming its regulatory supervisory role under the so-called Single Supervisory Mechanism (SSM) and other initiatives to create the so-called EU Banking Union as well as related stress tests.***

Since November 2013, the ECB has been conducting a comprehensive assessment which is expected to be ongoing until November 2014 in respect of certain banks that will be subject to the upcoming so-called single supervisory mechanism (SSM) (as further set out above). As a preparatory step to the ECB assuming its new supervisory tasks (in November 2014) over the Issuer and certain other banks of the euro area, the ECB will conduct the comprehensive assessment involving supervisory risk assessment, balance sheet assessments as well as asset quality review and stress test(s). The comprehensive assessment aims to enhance the transparency of the balance sheets of significant banks in the euro area, and if needed, to identify potentially necessary balance sheet correction measures (including capital increases where necessary), as well as to strengthen financial market confidence.

One part of the comprehensive assessment is the so-called asset quality review (“AQR”) which consists of three phases (i) portfolio selection, in order to identify the most risky portfolios in bank’s balance sheets and thereby the focus of the exercise (ii) the actual review of the assets, collateral and provisioning in the selected portfolios and level-3 fair-value assets, which will be preceded by the collection of data and data integrity validation and (iii) the quality assurance and reporting of results expected for October/November 2014.

As set out above, stress test(s) will also be part of the comprehensive assessment exercise. Such stress testing is independent from other stress test exercises, e.g. the EU wide stress testing exercises that are regularly conducted by EBA. On 31 January 2014, EBA announced key features of the forth-coming EU-wide stress test which will also be the basis for the stress test component of the comprehensive assessment, provided that the stress test for the SSM countries will, in addition, incorporate the results of the ongoing AQR. As the Issuer is one of the banks becoming subject to the SSM, it will be one of the 128 banks that are subject to the stress test(s) under the comprehensive assessment exercise. The period for the stress test exercise will be the three years’ period from December 2013 to December 2016 with further details of the scenarios expected to be made available at the end of April 2014. The current expectation, as communicated by the EBA, is that the capital adequacy threshold for the baseline scenario will be 8% Common Equity Tier 1 (CET1) capital and a threshold of 5.5% CET1 will apply in the case of the adverse scenario. The definition of CET1 capital used for the stress test will be that applicable at the end of the period on 31 December 2016. The capital ratio definition and therefore the basis of the comprehensive assessment stress test component will be different from previous stress tests such as the 2011 EBA stress test and therefore it may prove difficult to compare previous requirements with the stress test requirements relating to the comprehensive assessment stress test exercise. The baseline threshold is identical to the minimum threshold being applied in the AQR. Further, it should be noted that the relevant competent authorities may determine higher capital ratios or other additional requirements (including determining capital ratios on the so-called fully loaded CRR/CRD IV Common Equity Tier 1 definition) and link such increased requirements with specified supervisory measures.

If the Issuer’s capital were to fall below the predefined threshold at the end of the stress test period, remedial action would need to be taken by the Issuer. In the stress test, any capital shortfall arising from either the baseline or the adverse scenario relative to agreed benchmarks would potentially require a strengthening of capital buffers and/or other supervisory interventions, as may any losses potentially ascertained in the AQR. As the stress test results for the banks that are subject to the comprehensive assessment will incorporate capital requirements that may result from the AQR, it is expected that the end result will be more demanding than previous stress exercises.

Further, the publication of the results of the comprehensive assessment or its components (including findings arising from the AQR and/or the stress test component), their evaluation by financial market participants and the market’s general impression that a stress test is not strict enough could have a negative impact on the Issuer’s reputation or its ability to refinance itself as well as increase its costs

of funding. Further, the risks arising from the aforementioned aspects could have a material adverse effect on the Issuer's reputation, business, results of operations or financial condition.

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

The financial crisis has led many governments and international organisations to make significant changes in banking regulations. In particular, the implementation of the reform measures since 2010, developed by the Basel Committee to the New Basel Capital Accord on capital requirements for financial institutions (Basel II) are ongoing (so called "**Basel III package**") and will lead to higher requirements, particularly in terms of minimum capital resources. In addition, further regulatory requirements are envisaged to be implemented such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) which will be of great importance to credit institutions such as the Issuer in the future.

Within the EU, the new requirements have been implemented on the basis of a package of amendments to the Capital Requirements Directive (by virtue of EU Directive 2013/36/EU, as amended or replaced from time to time, the "**CRD IV**" and the related German implementation law, *Gesetz zur Umsetzung der Richtlinie 2013/36/EU über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen und zur Anpassung des Aufsichtsrechts an die Verordnung (EU) Nr. 575/2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen* ("**CRD IV-Umsetzungsgesetz**") and a newly established regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended, supplemented or replaced from time to time, the "**CRR**", together with the related regulatory and technical standards and the CRD IV as well as the CRD IV-Umsetzungsgesetz, the "**CRD IV/CRR-Package**"). The CRR became effective as from 1 January 2014 and largely replaced the previous national provisions of capital and liquidity requirements. Given the fact that various relevant regulations required to implement the CRD IV/CRR-Package currently exist in draft form only and competent regulatory bodies may not have confirmed their understanding of the interpretation of related provisions, the full impact of those regulatory requirements is subject to ongoing review, implementation and revision.

Pursuant to the CRD IV/CRR-Package, the future capital requirements for credit institutions will become significantly tighter in terms of both quality and quantity. In addition to the gradual introduction of the new capital ratios by 2019, CRD IV provides for a transitional phase until 2022 for capital instruments that are currently recognised as regulatory Tier 1 capital, but will not meet the future requirements for Common Equity Tier 1 capital (CET 1 capital). Further, according to the current implementation plan, the liquidity requirements relating to the LCR (which requires credit institutions to maintain certain liquid assets for a 30-day-period against the background of a stress scenario) will be implemented from 2015 commencing with a minimum LCR ratio of 60% which will be gradually increased in the subsequent years to up to 100% to be met from 2018 and onwards. The implementation of a binding minimum requirement relating to the NSFR (which requires credit institutions to refinance their long term assets under regular as well as under stressed market conditions with respective long term stable funding) is still subject to an observation period. Finally, the CRD IV/CRR-Package sets out a non-risk-based maximum leverage ratio, details of which remain to be determined following an observation period lasting until 31 December 2016 whereby such ratio may apply from 1 January 2018 in the form of a binding minimum requirement.

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

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in governmental or regulatory policy that may significantly influence investors' decisions, in particular in markets in which the Issuer operates;

- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation among financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and
- implementation of regionally applicable systems for customer or depositor compensation or remuneration schemes.

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

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

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

In respect of the requirements set out by Basel III and the EBA, extensive measures with regard to NORD/LB and its Subsidiaries' assets led to the establishment of a capital strengthening programme for NORD/LB and its Subsidiaries. In this regard, NORD/LB and its Subsidiaries and the European Union agreed on a comprehensive restructuring plan wherein NORD/LB and its Subsidiaries agreed to comply with several commitments. These commitments have to be considered by NORD/LB's risk management.

In 2012, the global economy deteriorated and the re-escalation of the European debt crisis from April to July 2012 has had an additional negative impact on the world economy and consumer confidence.

The budget crises in certain Member States of the European Union, despite the rescue packages provided by the European Union for Greece, Ireland, Italy, Spain, Portugal and Cyprus, pose the risk of further countries requiring support which may be prolonged.

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

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

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

and its Subsidiaries that do not receive governmental support may be in a position to preserve greater autonomy in their strategy, lending and compensation policy but may suffer competitive disadvantages on their cost base, in particular their costs of funding and capital. They also may suffer a decline in depositor or investor confidence thus risking a loss of liquidity.

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

***Rights of the holders of Notes (each a “Holder” and, together, the “Holders”) may be adversely affected by measures pursuant to the so-called Restructuring Act, the Financial Market Stabilisation Act or the European Bank Recovery and Resolution Directive proposal.***

As a German credit institution, the Issuer is subject to the so-called Restructuring Act (*Gesetz zur Restrukturierung und geordneten Abwicklung von Kreditinstituten, zur Errichtung eines Restrukturierungsfonds für Kreditinstitute und zur Verlängerung der Verjährungsfrist der aktienrechtlichen Organhaftung, “RStruktG”*) which, *inter alia*, introduced special restructuring schemes for German credit institutions consisting of as of 1 January 2011: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to § 2 et seq. of the Financial Institutions Restructuring Act (*Kreditinstitute-Reorganisationsgesetz (“KredReorgG”)*), (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to § 7 et seq. of the KredReorgG, and (iii) the transfer order (*Übertragungsanordnung*) pursuant to § 48a et seq. of the German Banking Act (*Kreditwesengesetz (KWG)*) (the “**Transfer Order**”).

Whereas a restructuring procedure may generally not interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide for measures that affect the rights of the credit institution’s creditors including a reduction of existing claims or a suspension of payments. The measures proposed in the reorganisation plan are subject to a particular majority vote mechanism of the creditors and shareholders of the respective credit institution. Furthermore, the KredReorgG stipulates detailed rules on the voting process and on the required majorities and to what extent negative votes may be disregarded. Measures pursuant to the KredReorgG are instituted only upon the respective credit institution’s request and respective approval by the BaFin and the competent higher regional court (*Oberlandesgericht*).

If the existence of the relevant credit institution is endangered (*Bestandsgefährdung*) and this in turn endangers the stability of the financial system (*Systemgefährdung*), the BaFin may issue a Transfer Order pursuant to which the credit institution will be forced to transfer whole or parts of its business activities, assets or liabilities to a so-called bridge bank (*Brückenbank*).

Claims of the Holders may be adversely affected by the reorganisation plan which can be adopted by a particular majority vote mechanism. In the context of a Transfer Order, the Issuer as initial debtor of the Holders may be replaced by another debtor (who may have a fundamentally different risk profile or creditworthiness than the Issuer). Alternatively, the claims of the Holders may remain with the Issuer, but the Issuer’s assets, business and/or creditworthiness may not be identical and be materially prejudiced compared to the situation before the Transfer Order.

In addition, under the CRD IV-Umsetzungsgesetz the German legislator has empowered BaFin to impose capital requirements exceeding the requirements pursuant to the CRR, in particular if risk aspects are not fully covered by the capital requirements under the CRR or if the risk-bearing capability is endangered. Even though such regulatory measures may not necessarily directly interfere with Holders’ rights, the mere fact that BaFin applies such tool to a specific credit institution may have indirect negative effects, e.g. on pricing of instruments issued by such entity or on the entity’s ability to refinance itself.

In relation to bail-in mechanism requirements, the Basel Committee announced in a press release dated 13 January 2011, that the terms and conditions of all non-Common Equity Tier 1 and Tier 2

instruments issued after 1 January 2013 must have a provision that requires such instruments, at the option of the relevant authority, either to be written off or converted into common equity upon the occurrence of a trigger event unless the governing jurisdiction of the bank has in place laws that require such Tier 1 and Tier 2 instruments to be written off upon such event, or otherwise require such instruments to fully absorb losses before tax payers are exposed to loss.

At European level, the EU institutions are in the final stages of a process for enacting the BRRD, which after a possible implementation in Germany would grant significant rights for intervention of BaFin and other competent authorities in the event of a crisis of certain European credit institutions, including in case of a crisis relating to the Issuer.

The original draft BRRD proposal of the European Commission dates from 6 June 2012. Such draft has subsequently been the subject of negotiations between the various EU institutions. Finally, the European Parliament and the EU Member States reached political agreement on most points in trilogue negotiations on the proposed BRRD on 12 December 2013. The technical finalisation and formal approval by the co-legislators relating to the BRRD proposal agreed by the European Parliament and the Member States on 12 December 2013 is still outstanding. Accordingly, there remains uncertainty under which circumstances and how precisely the concept of involving bank creditors in sharing the costs of a recovery and resolution of banks will be implemented into applicable law (including whether and to what extent any such laws would apply retroactively to debt instruments issued prior to their adoption). The current expectation is that the BRRD, after having been finally agreed and adopted by the competent EU institutions, will likely enter into force on 1 January 2015.

The draft BRRD that was generally agreed on 12 December 2013 as set out above provides for a so-called "bail-in system" which shall apply after entry of the directive but before 1 January 2016, whereby it cannot be ruled out that the bail-in system also applies to instruments issued prior to such date including potentially the Notes. Such a tool generally empowers the relevant resolution authority to extend the maturity, write down, including if need be to write down to zero, or to cancel the Notes and other subordinated liabilities and, also, unsubordinated liabilities (excluding, amongst others, Pfandbriefe) of the institution or to convert such liabilities into instruments of ownership such as shares in order to recapitalise an institution that meets the requirements for resolution or to capitalise a bridge institution established to carry on parts of the business of the institution for a transitional period. Further, the bail-in system provides for a pre-defined hierarchy of bank creditors for absorbing losses. To improve a crisis-ridden bank's recovery prospects and foster general economic stability, bail-in tools may apply at least until 8% of its total assets have been fully absorbed. This may mean that shareholders and many holders of bonds (such as the Holders) are at risk to lose their invested capital and related rights as a result of application of bail-in tools.

Further, on 10 July 2013, the European Commission announced that it has adapted its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines provide for strengthened burden-sharing requirements, which require banks with capital needs to obtain shareholders' and subordinated debt holders' contribution before resorting to public recapitalisations or asset protection measures. The European Commission will apply the principles set out in the new rules from 1 August 2013. In these guidelines, the European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the proposed BRRD.

Potential investors in the Notes should therefore take into consideration that, in the event of a crisis of the Issuer and thus already prior to any liquidation or insolvency or such procedures being instigated, they will to a particular extent be exposed to a risk of default and that, in such a scenario, it is likely that they will suffer a partial or full loss of their invested capital, or that the Notes will be subject to a conversion into one or more equity instruments (e.g. common equity) of the Issuer. As the Notes are issued with the aim of being recognised as Tier 2 capital pursuant to CRR and given the abovementioned Revised State Aid Guidelines, the Basel press release of 13 January 2011 as well as the BRRD and the related bail-in system, investors in the Notes in particular should take into consideration that they may be significantly affected by such aforementioned procedures and measures. As a consequence, the ECB, the BaFin, any other competent supervisory or other authority might in any such situation be entitled, *inter alia*, to demand – for instance as a prerequisite

for the granting of state or similar support – that any interest thereon not be paid and that the nominal amount of subordinated debt securities such as the Notes be reduced down to zero, or impose other regulatory measures, including, but not limited to, conversion of the Notes into one or more equity instruments (e.g. common equity). Any such regulatory measure may release the Issuer from its obligations under the terms and conditions of the Notes. In such circumstances, Holders would not be entitled to demand early redemption of the Notes, or to exercise any other rights in this respect.

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

Further, even though such regulatory measures may not directly interfere with the Holders' rights, the fact that the ECB and/or the BaFin or another competent supervisory authority applies such measures towards a credit institution may have a negative effect, e.g. on the pricing of notes or on the Issuer's ability to refinance itself.

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

Upon request from the EU Internal Markets Commissioner Michel Barnier, a group of experts led by Erkki Liikanen proposed a set of recommendations for structural reforms to promote financial stability and efficiency of the EU banking sector which were published in October 2012 (the so-called Liikanen Report). In this respect, the EU Commission presented proposals for the future bank structure in the EU on 29 January 2014, in particular with respect to the so-called “system of institutional separation of commercial and investment banking functions” (Trennbankensystem). Thus, the largest and most complex EU banks with significant trading activities (measured as the ratio of trading activities to total assets or in terms of the absolute trading volume) shall be prevented from certain proprietary trading activities in financial instruments and commodities and supervisors shall be granted the power and, in certain instances, the obligation to require the transfer of other high-risk trading activities (potentially including market-making activities, complex derivatives and securitisation operations) to separate legal trading entities within the group.

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

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

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

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

The deterioration of the sovereign debt market in the Eurozone and Eastern Europe, particularly the increasing costs of borrowing affecting many Eurozone states late in 2011 and downgrades in the credit ratings of most Eurozone countries in 2011 and 2012, indicate that the sovereign debt crisis can affect even the financially most stable countries in the Eurozone, including Germany. While the costs of borrowing declined again in 2012 and 2013, substantial doubt remains whether actions taken by European policymakers will be sufficient to contain the crisis over the medium to longer term. In particular, credit rating downgrades of France and Austria in 2012 showed that the effectiveness of the European Financial Stability Facility (generally referred to as the EFSF), the temporary special purpose vehicle created by the European Union to combat the sovereign debt crisis, or the new permanent framework (the European Stability Mechanism ("ESM")) which was established in September 2012 can be undermined by rating downgrades of its members. Since the EFSF's and ESM's credit ratings are based on the ratings of its financing members, the reduction of these members' ratings may increase the borrowing costs of the EFSF or ESM such that its ability to raise funds to assist Eurozone governments would be reduced. In addition, the austerity programs introduced by a number of countries across the Eurozone in response to the sovereign debt crisis may have the effect of dampening economic growth over the short, medium and long terms. Declining rates of economic growth (or a fall into recession) in Eurozone countries could exacerbate their difficulties in refinancing their sovereign debt as it comes due, further increasing pressure on other Eurozone governments.

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

### **3. Risk factors relating to the Notes**

***The Notes may not be a suitable investment for all types of investor.***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments, i.e. U.S. dollars, is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial market; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***The Notes may not be actively traded and an investor may, as a result, have a limited ability to sell the Notes.***

There is no assurance that a liquid market for the Notes will develop or, if existent, will continue to exist. The fact that the Notes are expected to be admitted to trading on the regulated market of the Luxembourg Stock Exchange does not necessarily lead to greater liquidity. In an illiquid market, an investor may not be able to sell its Notes at any time at fair market prices or at prices which will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

***The market price for the Notes may be subject to significant fluctuations and an investor may have to bear the economic risk of the investment in the Notes until the date of their maturity.***

Irrespective of the risk that a liquid market for the Notes will not develop or continue to exist, movements in the price of the Notes will depend on a wide variety of factors. These may include, *inter alia*, movements in the general market interest rate, macro-economic developments or demand in the market. Also, the price specified for a Note on the Luxembourg Stock Exchange may be subject to significant fluctuations. The trading price of any Note may fall below its issue or purchase price.

The Issuer is under no obligation to redeem the Notes prior to maturity. In the event of a sale of Notes prior to maturity, a Holder may lose all or part of the invested capital.

***As the Notes are denominated in U.S. dollars, investors face additional investment risks from currency exchange rate fluctuations.***

Payments of principal and interest on the Notes will be made in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or U.S. dollars may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

***A materialisation of a credit risk may result in partial or total failure of the Issuer to make payments of principal and/or interest and the investor may suffer a loss or even total loss of its capital invested.***

Any person who purchases the Notes is relying upon the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A decline in the creditworthiness of the Issuer will result in an increased risk of loss.

***Credit ratings are not recommendations to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time. Any change in the credit rating of the Issuer or the Notes could adversely affect the trading price of the Notes.***

The Notes are expected to be assigned a rating of Ba1 by Moody's. In addition, the Issuer has long-term/short-term senior ratings of A3/P-2 from Moody's and A/F1 from Fitch. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes or the standing of the Issuer. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In addition, there is no guarantee that any rating of the Notes and/or the Issuer will be maintained by the Issuer following the date of issue of the Notes. Any change in the credit rating of the Notes or the Issuer could adversely affect the trading price of the Notes. In the event of a sale of the Notes prior to maturity, a Holder would then incur a partial or total loss of the invested capital.

***Provisions, fees and other costs may reduce any return resulting from the Notes.***

Provisions, fees and other costs may reduce any return resulting from the Notes. Potential investors should therefore, prior to any investment decision, consult their own financial advisers about any provisions, fees and other costs which are incurred when purchasing or while holding the Notes.

***Taxation, contributions and fees may reduce any return resulting from the Notes.***

Taxation, contributions and fees may reduce any return resulting from the Notes. Taxation and its effects depend on the individual circumstances of the relevant Holder. Prior to any investment decision, Holders of Notes should therefore consult with their tax advisers on the tax consequences applying to their individual situation.

***Payments under the Notes may be subject to withholding tax pursuant to FATCA.***

Pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, an agreement entered into by the Issuer, a paying agent or an intermediary with the U.S. Internal Revenue Service (the "IRS") pursuant to such U.S. law or an intergovernmental agreement concluded by the United States with another country (such as the country of residence of the Issuer, a paying agent or an intermediary) (collectively referred to as "FATCA"), the Issuer, a paying agent or an intermediary may, under certain circumstances, be required to withhold at a rate of 30.00 per cent. on all or a portion of payments of interest, principal or proceeds of sales made to Holders, payees or intermediary financial institutions unless such Holders, payees or intermediary financial institutions are FATCA compliant or exempt.

In order to be FATCA compliant, Holders generally will be required to provide tax certifications and identifying information about themselves and certain of their beneficial owners, and, if applicable, a waiver of any laws prohibiting the disclosure of such information to a taxing authority. A payee financial institution generally would be required to enter into an agreement with the IRS and agree, among other things, to disclose the tax status of the account Holders at the institution (or the institution's affiliates) and to annually report certain information about such accounts. Payee financial institutions that are resident in a country that has entered into an intergovernmental agreement with the United States in connection with FACTA may be required to comply with such country's FATCA implementing laws in lieu of entering into an agreement with the IRS. Germany and the U.S. signed an intergovernmental agreement (the "IGA") in respect of FATCA on 31 May 2013. Under the IGA, a German financial institution's reporting and withholding requirements are different in some respects than as described herein. Although the IGA is not yet in force, the U.S. will treat German resident financial institutions as compliant with FATCA during a transitional period in which it is expected that Germany will adopt and implement legislation in furtherance of the IGA.

A grandfathering rule provides that certain non-U.S. source obligations that are outstanding on the date that is six months after the adoption of final U.S. Treasury regulations addressing "foreign passthru payments" (the "**Grandfathering Date**") and that are not modified and treated as reissued, for U.S. federal income tax purposes, after such date will not be subject to withholding. Obligations that are treated as equity and certain debt obligations lacking a definitive term (such as saving and demand deposits), however, are not eligible for grandfathering. Since the Notes should be treated as non-U.S. source debt obligations, they qualify for grandfathering.

In any event, if withholding on payments on Notes or the proceeds of sale is required, such withholding is not expected to begin prior to 1 January 2017. If the Issuer or a financial intermediary is required to withhold under FATCA, such amount will be deducted from any interest, principal or other payments on the Notes.

In such an event neither the Issuer nor any paying agent or any other person is required to compensate such a deduction so that such a potential tax withholding would be to the expense of a Holder.

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

***Changes of law may have an adverse impact on the investment in the Notes and may compromise payments of principal and/or interest.***

The Terms and Conditions of the Notes are governed by German law. Any discussion of German law in this Prospectus is based on the laws and regulations of Germany in effect as of the date of this Prospectus and no assurance can be given as to the impact of possible judicial decisions or changes in German law or administrative practice after the date of this Prospectus which could have a negative impact on the payment of principal and/or interest on the Notes. In particular, the Issuer and the Notes may be affected by changes in laws relating to bank recovery and resolution, as described under "The Holders are subject to the risk that the Notes may be required to absorb losses" below.

***The real yield from an investment is reduced by inflation.***

Inflation risk is the risk of future money depreciation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

***The historic price of the Notes should not be taken as an indicator of future performance.***

It is not foreseeable whether the price of the Notes will rise or fall.

The Issuer does not give any guarantee that the price of the Notes remains constant during their term.

***The liabilities of the Issuer under the Notes will be subordinated to the claims of all unsubordinated creditors of the Issuer.***

The Notes create unsecured and subordinated liabilities of the Issuer ranking at least *pari passu* with each other and with all other subordinated liabilities of the Issuer except for subordinated liabilities expressed to rank junior to the Notes. In the event of the Issuer's dissolution, liquidation or insolvency or in the event of proceedings that may result in the Issuer's dissolution or liquidation, these liabilities will be wholly subordinated to the claims of all unsubordinated creditors of the Issuer with the result that, in any case, payments will not be made on the liabilities until all of the Issuer's unsubordinated creditors have been satisfied in full.

The Holders of the Notes are not entitled to set off claims arising from the Notes against any of the Issuer's claims. No security of whatever kind is, or shall at any later time be, provided by the Issuer or any of its associated companies or any third party that has a close link with the Issuer or any of its associated companies or any other person securing rights of the Holders under the Notes.

***There are no events of default in relation to the Notes.***

The Terms and Conditions of the Notes do not contain any right of the Holders to accelerate repayment of the Notes. In the event that the Issuer fails to make an interest payment, for example, on any scheduled Interest Payment Date, Holders will be entitled to bring proceedings against the Issuer for payment of such amounts but will not be entitled to early repayment of the Notes.

***The Holders are subject to the risk that the Notes may be required to absorb losses.***

With regard to risks applying to Holders in the context of loss absorption at the point of non-viability of the Issuer and resolution and further risks in connection with regulatory aspects concerning financial institutions in general, reference is made to the paragraph above "2. Risk factors relating to regulatory aspects concerning credit institutions in general".

***Interest rate changes may adversely affect the value of the Notes.***

The Notes are not affected by an increase or decrease in the general interest rate level during the term of the Notes with the exception of the price of the Notes. As the relevant market interest rate changes, the price of the Notes is likely to change as well, but in the opposite direction. If the market interest rate increases, the price of the Notes will typically fall until the yield on the Notes is approximately equal to the market interest rate.

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

Subject to the prior permission of the competent regulatory authority (if required), on the basis of the regulatory capital rules as applied by the competent regulatory authority and amended from time to time (including, but not limited to, the CRR), the Issuer may, at its option, redeem the Notes, in whole but not in part, at the Redemption Amount plus interest accrued until the date fixed for redemption if, as a result of a change in German or US law, the Issuer is required to pay additional amounts on the Notes as provided in Section 7 of the Terms and Conditions of the Notes or, as a result of a change affecting the legal provisions applying in the country in which the Issuer's registered office is situated or, as a result of a change in their application or official interpretation, the Notes are disqualified from Tier 2 Capital or are reclassified as own funds of lower quality.

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

***Early redemption rights are subject to the prior permission of the competent regulatory authority and may not be exercised by the Issuer.***

The Holders of the Notes have no rights to call for the redemption of their Notes and should not invest in the Notes in the expectation that any call will be exercised by the Issuer. Any early redemption or repurchase of the Notes is subject to the prior permission of the competent regulatory authority (if required) and compliance with regulatory capital rules applicable from time to time to the Issuer. Under the CRR, the competent regulatory authority may only permit institutions to redeem Tier 2 instruments such as the Notes prior to their contractual maturity if certain conditions prescribed by the CRR are complied with. For example, in the case of an early redemption during the initial five years from the date of issue of the Notes as a result of a change in applicable tax treatment, as provided under Section 5 Paragraph 1 of the Terms and Conditions, the institution must demonstrate to the satisfaction of the competent regulatory authority that the change is material and was not reasonably foreseeable at the date of issue; in the case of an early redemption during the initial five years due to the disqualification of the Notes from Tier 2 Capital or a reclassification as own funds of lower quality, as provided under Section 5 Paragraph 2 of the Terms and Conditions, the competent regulatory authority must be satisfied that such a change is sufficiently certain and the institution must demonstrate to the satisfaction of the competent regulatory authority that such regulatory reclassification was not reasonably foreseeable at the date of issue. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the competent regulatory authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the competent regulatory authority will apply these criteria in practice and such rules and standards may change during the life of the Notes. It is therefore difficult to predict whether at any time, and on what terms, the competent regulatory authority will permit any early redemption or repurchase of the Notes.

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

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

***Pursuant to Sections 5 to 21 of the German Bond Act of 31 July 2009 (Gesetz über Schuldverschreibungen aus Gesamtemissionen (the “SchVG”), the terms and conditions of such Notes may be modified by majority resolution without consent of individual Holders of Notes.***

In accordance with Sections 5 to 21 of the SchVG dated 31 July 2009, the terms and conditions of the Notes may be modified by resolution of the Holders. By means of resolution the Holders may in particular agree upon the modification of the due date of principal and/or interest, the reduction or exclusion of interest rates and payments, the reduction of principal, the subordination of the claims under the Notes in the event of insolvency proceedings of the Issuer. Holders therefore bear the risk that the terms and conditions of the Notes may be modified to their individual disadvantage. A duly passed majority resolution shall be binding equally upon all Holders, including Holders who did not vote on the resolution and Holders who voted in a manner contrary to the majority.

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

***A potential investor may not rely on the Issuer or any joint lead manager or manager appointed by the Issuer or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.***

## II. RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Prospectus (including any documents incorporated by reference) and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus (including any documents incorporated by reference) is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

### III. DESCRIPTION OF NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

#### 1. Auditors

The consolidated financial statements of Norddeutsche Landesbank – Girozentrale – and its consolidated subsidiaries (“**NORD/LB Group**”) for the financial year ended 31 December 2011 (the “**Consolidated Financial Statements 2011**”) were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Landschaftsstraße 8, 30159 Hannover, Germany (“**Ernst & Young**”) and the consolidated financial statements of NORD/LB Group for the financial year ended 31 December 2012 (the “**Consolidated Financial Statements 2012**”) were audited by KPMG Wirtschaftsprüfungsgesellschaft AG, Osterstrasse 40, 30159 Hannover, Germany (“**KPMG**”).

Each of Ernst & Young and KPMG is a member of the German Chamber of Auditors (*Deutsche Wirtschaftsprüferkammer*).

#### 2. General information relating to the Issuer

Norddeutsche Landesbank – Girozentrale – was established in the Federal Republic of Germany on 1 July 1970 through a merger of four financial institutions: Niedersächsische Landesbank – Girozentrale –, Braunschweigische Staatsbank including Braunschweigische Landessparkasse, Hannoversche Landeskreditanstalt and Niedersächsische Wohnungskreditanstalt – Stadtschaft. With the formation of Norddeutsche Landesbank – Girozentrale –, all rights and obligations of the predecessor institutions were transferred to Norddeutsche Landesbank – Girozentrale – by way of universal legal succession (*Gesamtrechtsnachfolge*).

NORD/LB is registered in the commercial register (*Handelsregister*) of the local court of Hannover (*Amtsgericht Hannover*) under number HRA 26247, in the commercial register (*Handelsregister*) of the local court of Braunschweig (*Amtsgericht Braunschweig*) under number HRA 10261 and in the commercial register (*Handelsregister*) of the local court of Stendal (*Amtsgericht Stendal*) under number HRA 22150.

NORD/LB is a public-law institution incorporated under German public law with legal capacity (*rechtsfähige Anstalt des öffentlichen Rechts*) governed by the state treaty dated 22 August 2007 between the German Federal States of Lower Saxony (*Niedersachsen*), Saxony-Anhalt (*Sachsen-Anhalt*) and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*), as amended on 12 July 2011, which came into force on 31 December 2011, (the “**State Treaty**”), and the Issuer’s Articles of Association (*Satzung*) approved by resolution of the Owners’ Meeting (*Trägerversammlung*) on 9 December 2013, which became effective on 4 January 2014 (the “**Articles of Association**”).

NORD/LB has its registered offices in the cities of Hannover, Braunschweig and Magdeburg and is headquartered in Hannover. The respective business addresses are:

Friedrichswall 10  
30159 Hannover  
Germany  
Telephone: + 49 5 11/3 61-0

Friedrich-Wilhelm-Platz  
38100 Braunschweig  
Germany  
Telephone: +49 5 31/4 87-0

and

Breiter Weg 7  
39104 Magdeburg

Germany  
Telephone: +49 3 91/5 89-0

Norddeutsche Landesbank – Girozentrale – is governed by the statutory provisions of Germany. Its commercial name is NORD/LB.

### 3. Ratings

#### ***Ratings of Norddeutsche Landesbank – Girozentrale -***

As of the date of this Prospectus, the Issuer has received the following credit ratings from Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany ("**Moody's**") and Fitch Deutschland GmbH, Taunusanlage 17, 60325 Frankfurt am Main, Germany ("**Fitch**"):

a) for long-term, non-guaranteed and unsubordinated liabilities:

A3 (outlook: negative) by Moody's and

A (outlook: negative) by Fitch

b) for long-term, guaranteed<sup>1</sup> and unsubordinated liabilities:

Aa1 by Moody's and

AAA by Fitch

c) for short-term, non-guaranteed and unsubordinated liabilities:

P-2 by Moody's and

F1 by Fitch

d) Bank Financial Strength Rating / Viability Rating

D (outlook: negative) by Moody's and

bbb- by Fitch

e) Subordinated debt: tier 1

Ba3 (outlook: negative) by Moody's

f) Subordinated debt: lower tier 2

Ba1 (outlook: negative) by Moody's

Furthermore, at the date of this Prospectus, covered bonds (*Pfandbriefe*) issued by NORD/LB have received the following ratings.

a) Public Pfandbriefe (*Öffentliche Pfandbriefe*):

Aaa by Moody's and

AAA (outlook: stable) by Fitch

b) Mortgage Pfandbriefe (*Hypothekendarpfandbriefe*):

Aaa by Moody's

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<sup>1</sup> The ratings for guaranteed liabilities apply to all guaranteed liabilities entered into no later than 18 July 2001 and transactions concluded in the transition period from 19 July 2001 to 18 July 2005 with a maximum term to 31 December 2015.

- c) Ship Pfandbriefe (*Schiffspfandbriefe*):  
Not rated.
- d) Aircraft Pfandbriefe (*Flugzeugpfandbriefe*)  
A1 by Moody's

***Ratings of Deutsche Hypothekenbank (Actien-Gesellschaft)***

As of the date of this Prospectus, Deutsche Hypothekenbank (Actien-Gesellschaft) has received the following credit ratings from Moody's:

- a) for long-term, non-guaranteed and unsubordinated liabilities:  
Baa1 (outlook: negative) by Moody's
- b) for short-term, non-guaranteed and unsubordinated liabilities:  
P-2 by Moody's
- c) Bank Financial Strength Rating  
E+ by Moody's
- d) Subordinated debt: tier 1  
Ba3 (outlook: negative) by Moody's
- e) Subordinated debt: lower tier 2  
Ba1 (outlook: negative) by Moody's
- f) Public Pfandbriefe (*Öffentliche Pfandbriefe*):  
Aa2 by Moody's
- g) Mortgage Pfandbriefe (*Hypothekentpfandbriefe*):  
Aa2 by Moody's

***Ratings of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –***

As of the date of this Prospectus, Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – ("**Bremer Landesbank**") has received the following credit ratings from Fitch:

- a) for long-term, non-guaranteed and unsubordinated liabilities:  
A (outlook: negative) by Fitch
- b) for short-term, non-guaranteed and unsubordinated liabilities:  
F1 by Fitch

Moody's and Fitch are established in the European Union and are currently registered pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Moody's and Fitch are listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu>) in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

#### **4. Recent events in the business activities of Norddeutsche Landesbank – Girozentrale –**

##### ***EU Commission's approval of capital boosting measures and related commitments***

On 25 July 2012, the EU Commission approved a sequence of capital boosting measures which NORD/LB has developed in conjunction with its owners. Because of the nature of NORD/LB's ownership structure, which renders any capital measures taken by NORD/LB's current owners as state aid, these measures were subject to approval by the EU Commission in a proceeding applied for by the Federal Republic of Germany. The capital boosting measures approved by the EU Commission included (i) the retention of earnings, (ii) the sale of participations, (iii) equity investments of certain of NORD/LB's owners by way of cash contributions, (iv) the conversion into equity of silent participations in NORD/LB and its subsidiary Bremer Landesbank and other subordinated securities held by certain of NORD/LB's owners and their associated entities, and (v) a subsidiary contingent asset guarantee by two owners for a certain part of a pre-defined credit portfolio which can be drawn by NORD/LB until the end of 2014. By August 2012, all such capital boosting measures had been implemented.

The EU Commission's approval was based on a catalogue of commitments that NORD/LB and the EU Commission agreed upon for the period until the end of 2016 in a so-called restructuring plan. The main pillars of this restructuring plan are a moderate adjustment of NORD/LB Group's size in terms of total assets and risk-weighted assets, a stronger concentration on NORD/LB's core clients and regions, a cost-optimisation program and, with regard to NORD/LB and Bremer Landesbank, retention of dividends for at least the financial years 2012 and 2013.

In August 2013, NORD/LB also obtained approval from the EU Commission to amend the terms of certain of its silent participations. In line with market expectations, such terms allow NORD/LB to pay interest on these silent participations when the Issuer is profitable, irrespective of whether or not a dividend is paid to NORD/LB's owners. The EU Commission's approval was granted in return for certain additional commitments, including an extension of the time for which NORD/LB will refrain from larger acquisitions until year-end 2016, which originally was for three years until July 2015, an undertaking to dispose of further non-core subsidiaries and participations and a further reduction of total assets in the event NORD/LB chooses to draw under its contingent asset guarantee referred to above.

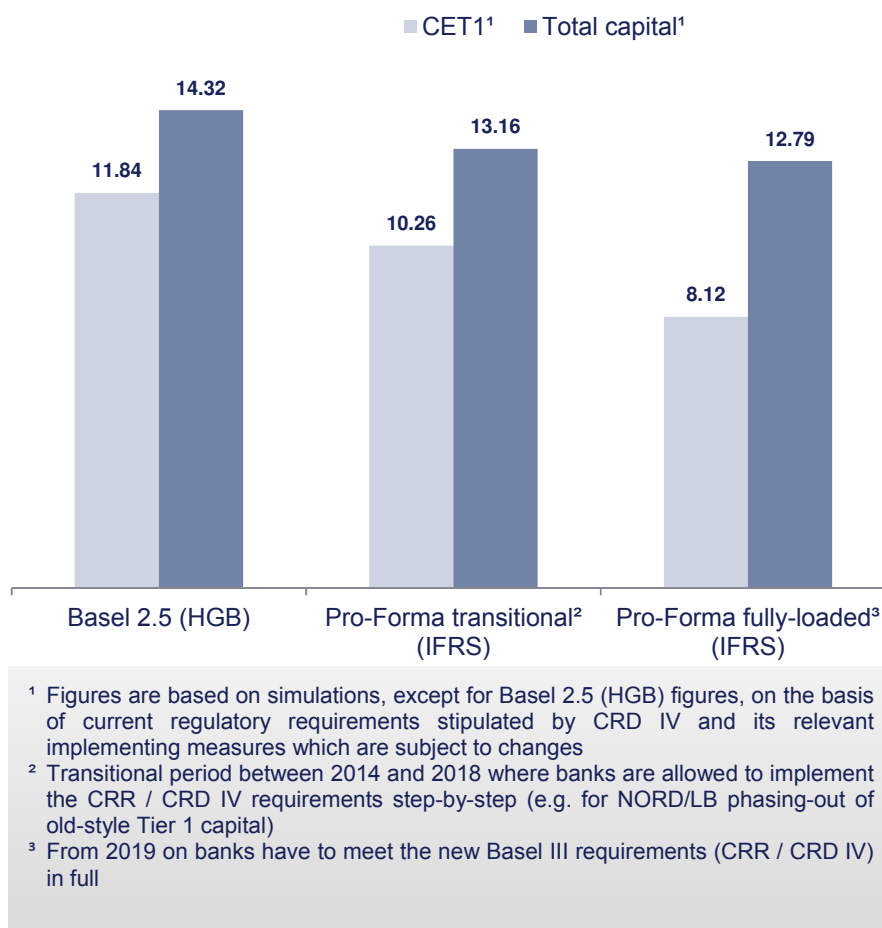
##### ***Efficiency improvement program***

NORD/LB and its owners agreed on certain measures to stabilise the administrative expenses of the NORD/LB Group at a level of EUR 1.1 billion and committed themselves to reduce their operating costs to EUR 1.07 billion by the end of 2016. To achieve this objective, NORD/LB has established an efficiency improvement program to reduce operating and personnel costs. Therefore, provisions have been established for potential severance payments under contractual agreements concerning the termination of employment contracts.

##### **Other matters**

Since its launch in 2013, significant progress has been made in the preparation for, and the implementation of, the SSM pursuant to which the ECB, supported by the participating national competent authorities (NCAs, such as BaFin), will be responsible for conducting banking supervision in the euro area. The SSM is legally based on the SSM Regulation. Amongst others, NORD/LB will become subject to the ECB's supervision under the SSM. As preparatory steps for the ECB assuming its new supervisory tasks under the SSM in November 2014, supervisory risk assessments, asset quality reviews, balance sheet assessments and stress test(s) in relation to specific banks of the Eurozone will be conducted, including in relation to NORD/LB Group. One part of the comprehensive assessment is the AQR which is currently ongoing and consists of three phases (i) the portfolio selection, in order to identify the most risky portfolios in bank's balance sheet and thereby the focus of the exercise (ii) the actual review of the assets, collateral and provisioning in the selected portfolios and level-3 fair-value assets, which will be preceded by the collection of data and data integrity validation and (iii) the quality assurance and reporting of results expected for October/November 2014.

The following table shows estimated core (CET1) and total capital ratios for the group of institutions of NORD/LB in accordance with § 10 in conjunction with § 10a of the German Banking Act (*Kreditwesengesetz (KWG)*) as of 31 December 2013 (unaudited):



Source: Figures based on internal calculations

Under “Basel 2.5 / German GAAP (HGB)”, the figures are calculated according to the Solvency Regulation which was in force until year-end 2013. The “Pro-Forma transitional (IFRS)” figures are calculated at year-end 2013. Such figures are in line with new Basel III regulations which came into effect and are applicable with regard to NORD/LB as of 1 January 2014. As from 2019, all financial institutions are subject to “Pro-Forma fully-loaded (IFRS)” figures. Hence, such figures are calculated on the basis of future scenarios and figures are therefore based on simulations on the basis of current regulatory requirements stipulated by CRD IV and its relevant implementing measures which are subject to changes.

NORD/LB Group has targeted holding a minimum of 9.5 per cent. CET 1 capital ratio by 2018 on a group level and to hold a minimum of 14.0 per cent. of total capital ratio by 2018 on a group level. Such figures are targets and not forecasts or expectations. Such targets were set by NORD/LB Group’s management’s current review with respect to future events. NORD/LB Group does not give any estimate as to the likelihood of such targets being met.

## 5. Business overview

### Responsibilities and Functions

NORD/LB is a

- (i) **commercial bank** (*Geschäftsbank*),
- (ii) **federal state bank** (*Landesbank*) for the German Federal States of Lower Saxony and Saxony-Anhalt and
- (iii) **central savings and clearing bank** (*Sparkassenzentralbank (Girozentrale)*) acting on behalf of various savings banks (*Sparkassen*) located in the German Federal States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania.

As a **commercial bank**, the Issuer operates and conducts general banking transaction business. Its business operations focus on transaction business with savings banks, retail clients, corporate clients and companies in Northern and Northeastern Germany.

Being a **federal state bank**, NORD/LB's function is to support its owners, including the German Federal States of Lower Saxony (*Niedersachsen*) and Saxony-Anhalt (*Sachsen-Anhalt*) in the performance of their public duties, particularly in their efforts to promote economic development in the region. If requested, the Issuer provides the aforementioned German Federal States with a broad range of banking services, including money transfers.

Furthermore, the Issuer performs the public development business on behalf of the German Federal States of Saxony-Anhalt and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*), who act on behalf of the *Investitionsbank Sachsen-Anhalt*, which has a limited legal capacity under German public law (*teilrechtsfähige Anstalt des öffentlichen Rechts in der Anstalt, "AidA"*) and the *Landesförderinstitut Mecklenburg-Vorpommern*, which is a division within the Issuer's organisation itself. Its remit includes economic, agricultural, corporate, infrastructural, residential housing and urban development programmes as well as further federal state developing programmes.

The non-profit oriented public development business has to be separated from the Issuer's strategic business units by a strict functional division.

In its function as a **central savings and clearing bank**, the Issuer offers the service of a clearing house and funding source for municipal savings banks located in the German Federal States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania. The Issuer supports the municipal savings banks in their money transfers and other areas, such as cash and liquidity management and asset-liability management. NORD/LB offers the same services to other municipal savings banks in the Federal Republic of Germany, in particular in the German Federal States of *Schleswig-Holstein* and *Brandenburg*. In addition the Issuer makes its products and services available to the customers of the municipal savings banks.

### Business Segments

Since the beginning of 2012, the Issuer conducts its business through the following five business segments:

- Private and Commercial Customers;
- Corporate Customers & Markets;
- Energy and Infrastructure Customers;
- Ship and Aircraft Customers; and
- Real Estate Banking Customers.

The Corporate Customers & Markets segment replaced the former business areas Savings Bank Network, Financial Markets/Institutional Customers and Corporate Customers, thus enabling the Issuer to offer products and services to its customers in a more focused and customer-oriented manner.

While the former business areas Corporate Customers and Savings Bank Network were merged into the new Corporate Customers & Markets segment without considerable change, this segment now also includes financial market activities that were formerly covered by the Financial Markets/Institutional Customers business area.

### ***Private and Commercial Customers***

The Private and Commercial Customers segment comprises the retail business of the Issuer, which focuses on individual and small business customers as well as small and medium sized companies, and private banking business, focusing on high-net-worth individuals. In the Brunswick region, the Issuer assumes the role of a municipal savings bank as *Braunschweigische Landessparkasse*, operated as a division of the Issuer. With more than 100 of NORD/LB's approximately 110 branches, *Braunschweigische Landessparkasse* has an area-wide presence in the Brunswick region. *Braunschweigische Landessparkasse* is also the only municipal savings bank present in the Brunswick region.

The retail business offers all traditional banking products and services, such as deposit taking and lending, execution of payment transactions, savings and investments, internet banking as well as direct brokerage and associated financial services, certain insurance products, home finance savings contracts and investment funds. In particular, for small and medium sized companies, the Issuer also offers currency and interest rate hedges, letters of credit for their cross-border business, lease finance and other products to enable such customers to make the best use of their working capital.

The private banking units offer a variety of services to high-net-worth individuals. These include advisory services, such as asset structure analysis, financial planning and succession planning, but also tax advantaged investment products or estate and trust management. In the Bremen region, through Bremer Landesbank, the private banking units also offer real estate management and family office services.

### ***Corporate Customers & Markets***

The Corporate Customers & Markets segment comprises the Issuer's business with municipal savings banks, municipalities and corporate clients, with a special focus on the agricultural and public housing sector as well as institutional customers, such as banks, insurance companies, pension funds and social insurance agencies. This segment combines most of the activities previously reported in the business segments Savings Bank Network, Financial Markets/Institutional Customers and Corporate Customers. In addition, the financial markets activities performed on behalf of customers that were formerly reported in the business segment Financial Markets/Institutional Customers now form a part of the Corporate Customers & Markets business segment.

The Markets unit responds to customer needs by providing products, such as structured debt as well as derivatives. It trades securities in the secondary markets and provides custody services. It also creates tailored solutions for institutional customers, such as roll-ups of investment funds, the structuring of private investment funds, discretionary accounts and public investment funds.

The Markets unit also provides advisory, placement agency and transaction management services for a wide range of securities issues. The Issuer places a particular focus on structured debt products with tailored interest or redemption structures, which correspond to the specific needs of its customers. The Issuer also acts as lead manager for public bond issues in the Federal Republic of Germany and covered bond issues in Northern and Western Europe.

The Corporate Customers & Markets segment focuses on regional corporate clients with annual turnover in excess of EUR 50 million. These customers include public-owned companies, such as utilities. NORD/LB is also one of the largest German sources of finance for the agricultural sector,

servicing both the farming community and its suppliers and traders as well as wholesalers for agricultural goods. In addition, NORD/LB is among the largest German financiers of public housing development and re-development, working with municipal and other companies to adjust housing stocks to urban and demographic changes.

NORD/LB is a full financial service provider for its corporate customers. The activities range from traditional credit and deposit products over trade finance and payment services to interest and foreign exchange risk hedging instruments and a variety of advisory services. The Issuer also provides its customers with access to broader or alternative funding sources by arranging syndicated loans and private placements, and offers flexible working capital solutions, such as factoring, reverse factoring and borrowing base financing. To address the specific needs of some customers, NORD/LB also offers niche products, such as commodity forward trading for the agricultural sector.

Another group of principal customers in the Corporate Customers & Markets segment consists of the municipalities in the region and the 68 associated municipal savings banks in the German states of Lower Saxony, Saxony-Anhalt, Mecklenburg-Western Pomerania and Bremen and certain additional municipal savings banks in the German states of Schleswig-Holstein and Brandenburg for whom the Issuer serves as a lender, advisor, infrastructure provider, product provider and partner.

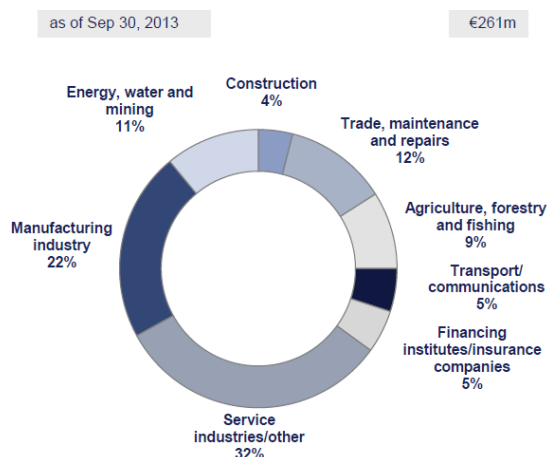
The Issuer is a market leader in northern Germany for domestic and foreign payment transaction services and is responsible for a significant portion of the money transfers of the German state of Lower Saxony and savings banks in the German states of Brandenburg, Bremen, Lower Saxony, Saxony-Anhalt, Mecklenburg-Western Pomerania and Schleswig-Holstein.

NORD/LB cooperates with the municipal savings banks in its region in providing funding to their corporate customers. Whenever a savings bank is not able to increase a loan due to external or internal risk limitations, it can syndicate this business with the Issuer or other banks. NORD/LB supports the municipal savings banks as a partner in these transactions. While NORD/LB serves as product and process specialist, the municipal savings bank remains responsible for the relationship with the customer. The core products are loans, overdraft facilities and credit guarantees, but other products, such as derivatives are becoming more significant. In the area of corporate finance, NORD/LB supports the savings banks with special financing and advisory know-how. The savings banks and their customers also benefit from NORD/LB's international presence to support their trade finance and international payment transactions.

The Issuer also offers to municipal savings banks a range of products and services that they use in connection with their own trading business or to complete their product platform in dealing with private customers and small and medium sized companies and in granting public sector or agricultural loans. These include securities, currency and derivative products as well as structured debt securities. The products that NORD/LB offers to savings banks also include private banking investments, such as funds. These investments consist primarily of fixed-rate debt securities and money market instruments. Another important element of NORD/LB's activity is municipal finance. NORD/LB conducts a portion of its municipal finance business in cooperation with municipal savings banks.

As a federal state bank, NORD/LB also provides administrative support for economic development activities of the German states of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania directly and through *Investitionsbank Sachsen-Anhalt* and *Landesförderinstitut Mecklenburg-Vorpommern*. NORD/LB does not act as lender in this line of business.

The following chart provides unaudited information on the business segment “Corporate Customers & Markets” based on consolidated profit by industry of NORD/LB Group as of 30 September 2013:



Source: Figures based on internal calculations

### **Energy and Infrastructure Customers**

The segment Energy and Infrastructure Customers combines the Issuer’s financing activities in the field of energy generation, with a focus on renewable energy, and infrastructure.

In the renewable energy sector, NORD/LB develops customised financing solutions for energy generation projects, such as wind farms and photovoltaic parks. Most renewable energy projects have a financing volume below EUR 100 million. NORD/LB provides financing as sole lender, as part of a small group of lenders (“club deals”) or acts as arranger in syndicated financings. Typically, in renewable energy projects NORD/LB does not join syndicates in which they do not act as arranger.

The Issuer also provides advisory services to ensure the financial viability of projects and assists its customers in entering new markets.

The loan portfolio of the Issuer in this business segment comprises loans for renewable energy projects predominantly in Europe and North America. In Europe, the current core markets in this sector are Germany, the United Kingdom, France and Ireland.

In addition to the renewable energy business, NORD/LB also finances, on a case-by-case basis, gas-fired power projects which are part of the energy mix in some of NORD/LB’s core markets.

The customer base for financing energy assets consists primarily of project developers, private and institutional equity firms, municipal utilities and turbine manufacturers with single purpose companies as ultimate borrowers.

In the field of infrastructure finance, the Issuer finances a large variety of infrastructure assets, with a focus on social infrastructure and public buildings, such as educational facilities, public housing and emergency infrastructure (*e.g.*, police stations). In the form of public private partnerships, NORD/LB finances “typical” assets, such as prisons and schools. Most public private partnerships have a financing volume of EUR 100 million to EUR 200 million.

The customer base of NORD/LB in infrastructure finance primarily consists of equity sponsors for the projects, again with individual project companies as ultimate borrowers. These equity sponsors are often affiliates of large European construction companies. NORD/LB designs financing solutions tailored to match the specific cash-flow generation of the financed asset, which usually stems from a

long-term contract with a municipality or other public sector entity. In these financings, the Issuer does not take on the risk of actual use by the public. NORD/LB's infrastructure business is focused on European projects.

Also included in the segment Energy and Infrastructure Customers are the activities of Bremer Landesbank as a leading financier of small and medium sized leasing companies which lease movable assets, such as cars and vehicles, production machinery and office equipment to a large variety of customers.

### **Ship and Aircraft Customers**

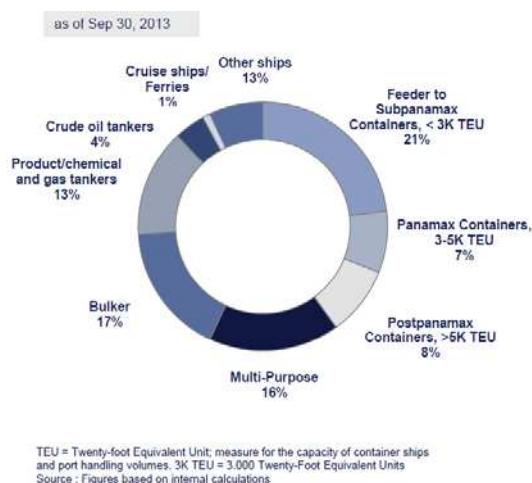
Based on internal calculations and by total volume of lending, NORD/LB is one of the leading sources of finance world wide in the field of ship and aircraft financing. The Issuer offers tailored short term and long term financings for different types of ships as well as for airplanes and spare engines. Furthermore, in particular with respect to aircraft financing, NORD/LB has developed a product range consisting of portfolio facilities, operating leases, finance leases, direct loans and predelivery finance. Therefore, NORD/LB is able to offer a variety of products to procure their customers with a good degree of flexibility. NORD/LB often acts as arranger and also provides advisory services.

In both ship and aircraft financings, the Issuer focuses on modern state of the art vessels and airplanes for a number of different uses. Loans for container ships currently form the largest portion of ship finance assets, but NORD/LB also finances tankers (for oil and chemicals as well as liquefied natural and petroleum gas), dry bulk ships and other vessels including passenger ships and offshore equipment for oil and gas exploration. For aircraft finance customers, NORD/LB finances both passenger and cargo planes as well as spare engines.

The customers are predominantly shipping companies and airlines as well as leasing companies. The ultimate borrowers are usually single vessel or aircraft entities, as is customary in the industry. Within the NORD/LB Group, the ship and aircraft financing business resides entirely within NORD/LB, focusing on domestic and international business, and Bremer Landesbank, concentrating on the German shipping market.

### **Ship portfolio**

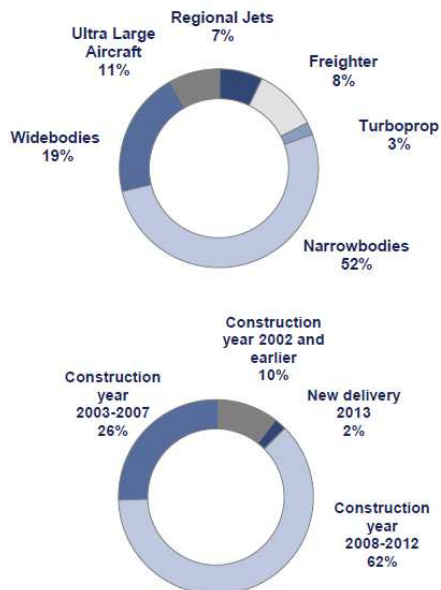
The following chart illustrates the diversification of the ship portfolio of NORD/LB Group by providing a breakdown of the type of ships financed by NORD/LB Group as of 30 September 2013 (unaudited):



### Aircraft portfolio

The following two charts illustrate the diversification of the aircraft portfolio of NORD/LB Group by providing a breakdown of the type and year of construction of aircrafts financed by NORD/LB Group as of 30 September 2013 (unaudited):

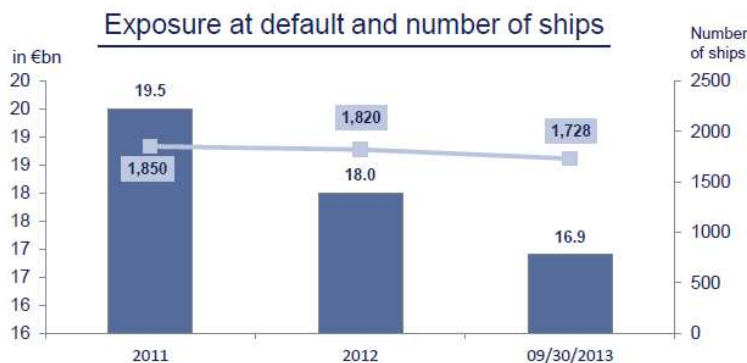
as of Sep 30, 2013



Source : Figures based on internal calculations

### NORD/LB Group's exposure with regard to its ship portfolio

The following chart provides unaudited information concerning NORD/LB Group's total exposure with regard to ship financings calculated on the basis of "exposure at default" and expressed as (i) a total EUR amount (expressed in billions) and (ii) a total number of ships financed for the years 2011 through 2012 and as at 30 September 2013:



Source: Figures based on internal calculations

### Real Estate Banking Customers

The business segment Real Estate Banking Customers finances large-scale commercial real estate projects in the Federal Republic of Germany and Europe (most importantly in the United Kingdom,

France, the Benelux countries and Poland). Historically, NORD/LB has also financed real estate projects in Spain and the United States of America but is not pursuing new business there.

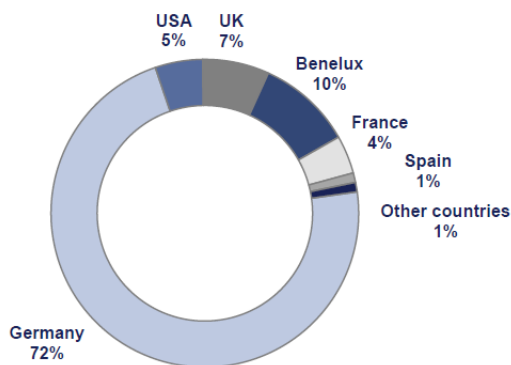
The commercial real estate business of the Issuer is mostly conducted through its subsidiary Deutsche Hypo, acting as an independent competence centre for real estate finance. Since 2009, NORD/LB has been gradually transferring its portfolio of real estate finance assets to Deutsche Hypo. Deutsche Hypo services real estate loans in that portfolio under a service level agreement.

Within this business segment, the focus is on commercial real estate finance with professional customers in Europe, such as developers, investors, real estate companies and institutional customers.

NORD/LB offers short-term interim loans for new construction projects as well as long-term loans for existing properties. In addition, the Issuer provides advisory services. NORD/LB mainly finances offices and retail properties, residential houses, hotels and logistics facilities in preferred conurbation centres with a good tenant structure. In addition, its subsidiary Bremer Landesbank is one of the leading banks in the field of financing community interest properties, in particular, nursing homes, in the Federal Republic of Germany.

The following chart provides unaudited information on the commercial real estate business of NORD/LB Group by providing a breakdown as to the country in which real estate was financed by NORD/LB Group as of 30 September 2013:

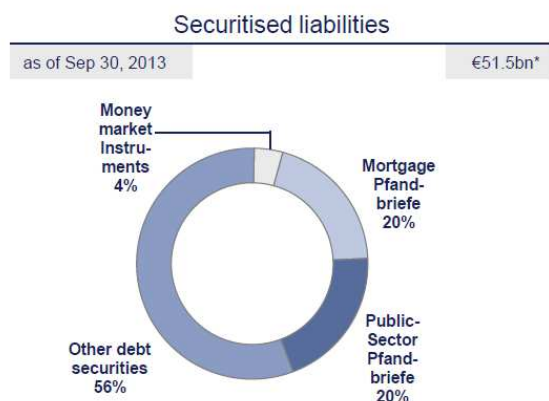
as of Sep 30, 2013



Source : Figures based on internal calculations

## Funding of NORD/LB Group

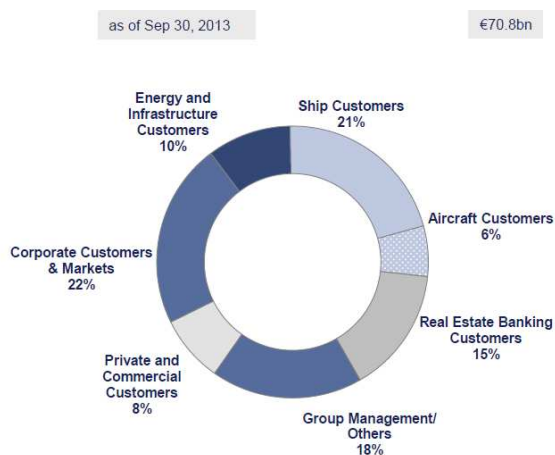
The following chart provides unaudited information on the different types of funding instruments issued by NORD/LB Group as at 30 September 2013. Approximately 40 per cent. of NORD/LB Group's funding is done by the issuance of Pfandbriefe.



\* Carrying amount.  
Source: Interim Report as of September 30, 2013, page 60, Note 28

## Risk weighted assets

The following chart provides unaudited information on risk weighted assets (RWA) by business areas\* of NORD/LB Group as at 30 September 2013:



\* Segment including reconciliation items  
Source: Figures based on internal calculations

## 6. Organisational structure

Norddeutsche Landesbank – Girozentrale – is the parent company of the NORD/LB Group. The NORD/LB Group comprises, *inter alia*, the fully consolidated subsidiaries Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Norddeutsche Landesbank Luxembourg S.A., Deutsche Hypothekenbank (Actien-Gesellschaft), NORD/LB Asset Management Holding GmbH and NORD/LB Covered Finance Bank S.A. as a wholly-owned subsidiary of Norddeutsche Landesbank Luxembourg S.A.

Further subsidiaries in the NORD/LB Group are Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig as well as Braunschweigische Landessparkasse, Landesförderinstitut Mecklenburg-Vorpommern and Investitionsbank Sachsen-Anhalt, the latter incorporated as an AidA.

## 7. Trend Information

Since 31 December 2012, there have been no material adverse changes in the prospects of Norddeutsche Landesbank – Girozentrale –.

## 8. Governing bodies of Norddeutsche Landesbank – Girozentrale –

The governing bodies of Norddeutsche Landesbank – Girozentrale – comprise:

- the **Managing Board** (*Vorstand*),
- the **Supervisory Board** (*Aufsichtsrat*) and
- the **Owners' Meeting** (*Trägerversammlung*)

### The Managing Board

Pursuant to the Articles of Association, the Managing Board has to be composed of a chair, one or more deputy chairs and other full or alternate members. The chair shall determine the assignment of executive functions in accordance with the standing orders (*Geschäftsordnung*) for the Managing Board.

The Managing Board conducts the Issuer's business on its own responsibility. It shall keep the Supervisory Board advised of important matters affecting NORD/LB. Resolutions of the Managing Board have to be adopted by a majority of the votes cast; in the case of a tie, the chair's casting vote shall prevail. Further details are regulated by the by-laws (*Geschäftsordnung*) of the Managing Board, which are to be established by the Supervisory Board.

The Managing Board represents the Issuer both in and out of court. In matters affecting a member of the Managing Board personally, NORD/LB is represented by the chair of the Supervisory Board. The Issuer is represented by two members of the Managing Board jointly. Members of the Managing Board are exempt from the restrictions of Article 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**"). The Managing Board may grant general power of signature (*Prokura*), and for day-to-day business or for specific transactions it may determine other arrangements which need to be published in the form of a list of authorised signatures.

The members of the Managing Board may be contacted at NORD/LB's business address.

The current principal mandates of the members of the Managing Board outside NORD/LB are as follows:

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Dr. Gunter Dunkel (Chairman)	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –	1. Supervisory Board 2. General Working and Credit Committee 3. Owners' Meeting ( <i>Trägerversammlung</i> )
	Continental AG	Supervisory Board

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
	Deutsche Hypothekenbank (Actien-Gesellschaft)	1. Supervisory Board (Chairman) 2. Credit Committee 3. Nomination Committee 4. Personnel Committee (Chairman)
	Norddeutsche Landesbank Luxembourg S.A.	1. Supervisory Board (Chairman) 2. Presidential Committee
	NORD/LB Covered Finance Bank S.A.	Supervisory Board (Chairman)
Ulrike Brouzi	NORD/LB Capital Management GmbH	Supervisory Board (Deputy Chairman)
	NORD/LB Kapitalanlagegesellschaft AG	Supervisory Board (Deputy Chairman)
	Norddeutsche Landesbank Luxembourg S.A.	Supervisory Board
	NORD/LB Covered Finance Bank S.A.	Supervisory Board
	Salzgitter AG, Stahl und Technologie	Supervisory Board
Eckhard Forst	Deutsche Hypothekenbank (Actien-Gesellschaft)	1. Supervisory Board (Deputy Chairman) 2. Credit Committee 3. Nomination Committee 4. Personnel Committee 5. Audit Committee (Deputy Chairman)
	LHI Leasing GmbH	Supervisory Board (Deputy Chairman)
Dr. Hinrich Holm	LBS Norddeutsche Landesbausparkasse Berlin/Hannover	1. Supervisory Board 2. Audit Committee
	NORD/LB Capital Management GmbH	Supervisory Board (Chairman)
	NORD/LB Kapitalanlagegesellschaft AG	Supervisory Board (Chairman)
	Caplantic GmbH	Supervisory Board
Christoph Schulz	LBS Norddeutsche Landesbausparkasse Berlin/Hannover	1. Supervisory Board (Chairman) 2. Personnel Committee of the Supervisory Board
	Norddeutsche Landesbank Luxembourg S.A.	1. Supervisory Board 2. Presidential Committee
	NORD/LB Covered Finance Bank S.A.	Supervisory Board

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Herr Thomas S. Bürkle	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –	Supervisory Board Owners' Meeting Nomination Committee Risk Committee Remuneration Review Committee
	RSU Rating Service Unit GmbH	Owners' Meeting
	Norddeutsche Landesbank Luxembourg S.A.	Supervisory Board
	NORD/LB Covered Finance Bank S.A.	Supervisory Board
	LHI Leasing GmbH	Supervisory Board

### **The Supervisory Board**

The Supervisory Board currently consists of the following 18 members:

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Peter-Jürgen Schneider, Minister of Finance of the German Federal State of Lower Saxony (Chairman)	Bremer Landesbank	Supervisory Board
Thomas Mang, President of Lower Saxony Savings Banks and Giro Association ( <i>Niedersächsischer Sparkassen- und Giroverband</i> ) (First Deputy Chairman)	Braunschweigische Landessparkasse	Second Deputy Chairman
	Bremer Kreditanstalt	Administrative Board
	DekaBank Deutsche Girozentrale	Administrative Board
	Landesbank Berlin AG Öffentliche Versicherung Braunschweig	Supervisory Board
	Öffentliche Versicherung Oldenburg	Supervisory Board
Jens Bullerjahn, Minister of Finance of the German Federal State of Saxony-Anhalt (Second Deputy Chairman)	-	-
Frank Berg, Chairman of the Managing Board of OstseeSparkasse Rostock	-	-

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Norbert Dierkes, Chairman of the Managing Board of Sparkasse Jerichower Land	-	-
Edda Döpke, bank employee of Norddeutsche Landesbank – Girozentrale –	-	-
Ralf Dörries, Deputy Director of Norddeutsche Landesbank – Girozentrale –	-	-
Hans-Heinrich Hahne, Chairman of the Managing Board of Sparkasse Schaumburg	-	-
Frank Hildebrandt, bank employee of Norddeutsche Landesbank – Girozentrale –	Braunschweigische Landessparkasse	Administrative Board ( <i>Verwaltungsbeirat</i> )
Martin Kind, KIND Hörgeräte GmbH & Co. KG	-	-
Frank Klingebiel, Mayor of the City of Salzgitter	Braunschweigische Landessparkasse	Administrative Board ( <i>Verwaltungsbeirat</i> )
Professor Dr. Susanne Knorre, Management Consultant	-	-
Ulrich Mädge, Mayor of the City of Lüneburg	-	-
Heinrich von Nathusius, IFAROTORION –Holding GmbH	-	-
Antje Niewisch-Lennartz, Minister of Justice of the German Federal State of Lower Saxony	-	-
Freddy Pedersen, Assistant Managing Director of ver.di ( <i>Vereinte Dienstleistungsgewerkschaft</i> )	Öffentliche Versicherung Braunschweig	Supervisory Board

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Jörg Reinbrecht, Union Secretary of ver.di ( <i>Vereinte Dienstleistungsgewerkschaft</i> )	-	-
Ilse Thonagel, bank employee of State, Institute for Advancement of the Economy ( <i>Landesförderinstitut</i> ) of the German Federal State of Mecklenburg-Western Pomerania	-	-

The members of the Supervisory Board may be contacted at NORD/LB's business address.

#### **The Owners' Meeting (*Trägerversammlung*)**

Each owner, as defined in § 2 (1) and (3) of the Articles of Association, delegates up to two representatives to the Owners' Meeting (*Trägerversammlung*). The ex officio members of the Supervisory Board pursuant to § 10 (1) Nos. 1-3 of the Articles of Association shall be deemed to be authorised to represent the owner to which they respectively belong. In the event of a complete transfer of rights of ownership pursuant to § 2 (3) of the Articles of Association, only the entity to which rights of ownership are vested pursuant to § 2 (3) is entitled to delegate representatives. The representatives of each owner may only vote unanimously. Members of the Managing Board may attend meetings in an advisory capacity without voting rights, if invited to do so by the chair of the Owners' Meeting. The Owners' Meeting may establish standing orders (*Geschäftsordnung*) for its own procedures. All resolutions adopted by the Owners' Meeting shall be recorded in minutes which shall be signed by the chair.

The Owners' Meeting (*Trägerversammlung*) currently comprises the ten members below, who may be contacted at NORD/LB's business address.

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Thomas Mang, President of Lower Saxony Savings Banks and Giro Association ( <i>Niedersächsischer Sparkassen- und Giroverband</i> ) (Chairman of the Owners' Meeting ( <i>Trägerversammlung</i> ))	Braunschweigische Landessparkasse	Second Deputy Chairman
	Bremer Kreditanstalt	Administrative Board
	DekaBank Deutsche Girozentrale	Administrative Board
	Landesbank Berlin AG Öffentliche Versicherung Braunschweig	Supervisory Board
	Öffentliche Versicherung Oldenburg	Supervisory Board

<b>Name</b>	<b>Company</b>	<b>Mandates (principal outside activities)</b>
Frank Berg, Chairman of the Managing Board of OstseeSparkasse Rostock (First Deputy Chairman of the Owners' Meeting ( <i>Trägerversammlung</i> ))	-	-
Harri Reiche, Chief Executive ( <i>Landrat</i> ) of the District of Burgenlandkreis	-	-
Ulrich Böckmann, Senior Counsellor ( <i>Regierungsdirektor</i> ) of the Ministry of Finance of the German Federal State of Saxony-Anhalt	-	-
Frank Doods, Deputy State Secretary ( <i>Staatssekretär</i> ) of the Ministry of Finance of the German Federal State of Lower Saxony	-	-
Dr. Ingolf Lange, Principal ( <i>Ministerialrat</i> ) in the Ministry of Finance of the German Federal State of Saxony-Anhalt	-	-
Michael Richter, Deputy State Secretary ( <i>Staatssekretär</i> ) of the Ministry of Finance of the German Federal State of Saxony	-	-
Jürgen Kiehne, Chairman of the Managing Board of Sparkasse Burgenlandkreis	-	-
Dr. Paul Krüger, Mayor of the City of Neubrandenburg	-	-
Ludwig Momann, Chairman of the Management Board of Sparkasse Emsland	-	-

*Conflicts of interest of administrative, management and supervisory bodies*

The Issuer has established comprehensive mechanisms and regulatory procedures in order to ensure that conflicts of interest are avoided.

Based on this, to the knowledge of the Issuer, there are no conflicts of interest or potential conflicts of interest of members of the administrative, management and supervisory bodies with regard to their obligations towards the Issuer and their private interests and other obligations, as of the date of this Prospectus.

## **9. Owners of Norddeutsche Landesbank – Girozentrale –**

The owners of NORD/LB are the German Federal States of Lower Saxony and Saxony-Anhalt and the Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*), the Saxony-Anhalt Savings Banks Holding Association (*Sparkassenbeteiligungsverband Sachsen-Anhalt*) and the Special Purpose Holding Association of the Mecklenburg-Western Pomerania Savings Banks (*Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern*).

Pursuant to § 2 (2) of the Articles of Association the owners shall support the Issuer in the performance of its duties, provided however that the Issuer shall have no claim against the owners, and that there shall be no other obligation on the owners, to furnish the Issuer with funds.

The owners named above may, with the consent of the remaining owners as set out above, transfer by means of a contract made under public law their rights of ownership in the Issuer, including their share in the Issuer's capital stock, in whole or in part to a legal entity incorporated under private law or to a partnership in which the sole partner is the owner concerned or all of whose partners are members of the said owner or the said owner and members of the said owner (*Beleihung*). The said contract made under public law shall determine in particular the amount of consideration, the time of the transfer of the rights of ownership and the proportion of the capital stock to be transferred. Such transfer of rights of ownership, including that of a share in the Issuer's capital stock, shall be without prejudice to the liability of the owners named above pursuant to § 5 of the Articles of Association. Rights of ownership may only be vested in this way if it is assured that all the rights and obligations associated with ownership will be fulfilled by the legal entity incorporated under private law or the partnership in which the rights of ownership are vested.

The Issuer's capital stock amounts to EUR 1,607,257,810.00. EUR 950,426,575.00 (approximately 59.1334 per cent.) is held by the German Federal State of Lower Saxony, EUR 89,583,335.00 (approximately 5.5737 per cent.) is held by the German Federal State of Saxony-Anhalt, EUR 423,620,880 (approximately 26.3656 per cent.) is held by the Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*), EUR 84,787,100.00 (approximately 5.2785 per cent.) is held by the Saxony-Anhalt Savings Banks Holding Association (*Sparkassenbeteiligungsverband Sachsen-Anhalt*) and EUR 58,839,920.00 (approximately 3.6609 per cent.) is held by the Special Purpose Holding Association of the Mecklenburg-Western Pomerania Savings Banks (*Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern*).

The determination and the alteration of the capital stock and changes in the proportion of the shareholding in the Issuer's capital stock (*Stammkapital*) held by the various owners can be amended by resolution of the Owners' Meeting by a three-quarter majority of the capital stock represented and the consent of at least four of the five owners (see § 22 (5) b) of the Articles of Association).

## **10. Historical Financial Information**

The Consolidated Financial Statements 2011 and the Consolidated Financial Statements 2012 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) of the German Commercial Code (*Handelsgesetzbuch – "HGB"*), and have been audited, together with the respective group management reports (*Konzernlageberichte*) in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements (the "**German GAAP**").

Ernst & Young issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Consolidated Financial Statements 2011 and the group management report of NORD/LB Group for the financial year 2011. KPMG issued an unqualified auditor's report (*uneingeschränkter*

*Bestätigungsvermerk*) on the Consolidated Financial Statements 2012 and the group management report of NORD/LB Group for the financial year 2012.

The unconsolidated financial statements of NORD/LB for the financial year 2012 (the “**Annual Accounts 2012**”) were prepared in accordance with German GAAP and have been audited, together with the management report (*Lagebericht*), in accordance with § 317 HGB and German GAAP for the audit of financial statements by KPMG. KPMG has issued an unqualified auditor’s report (*uneingeschränkter Bestätigungsvermerk*) on the Annual Accounts 2012 and the management report of NORD/LB for the financial year 2012.

The unaudited and unreviewed interim consolidated financial statements of NORD/LB Group for the period from 1 January to 30 September 2013 (the “**Unaudited Interim Consolidated Financial Statements as of 30 September 2013**”) were prepared in accordance with IFRS on interim financial reporting (IAS 34), as adopted by the EU, and the interim group management report in accordance with the requirements of the German Securities Trading Act (*Wertpapierhandelsgesetz* (“**WpHG**”)).

#### **11. Court and Arbitration Proceedings**

As a result of its extensive business activities, Norddeutsche Landesbank – Girozentrale – may regularly be involved in a range of different court proceedings concerning a variety of transactions.

There have been no governmental, legal or arbitration proceedings in the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of NORD/LB or NORD/LB Group nor is NORD/LB aware of any such proceedings being pending or threatened.

#### **12. Significant changes in the financial position**

Since 30 September 2013, there have been no significant changes in the financial position of NORD/LB Group.

## IV. DESCRIPTION OF THE NOTES

### 1. Terms and Conditions of the Notes

#### German version

##### § 1 Stückelung und Form

(1) Die Schuldverschreibungen (die "**Schuldverschreibungen**"), die von der Norddeutschen Landesbank – Girozentrale – (die "**Emittentin**") begeben werden, werden in US Dollar ("**U.S.\$**" oder die "**festgelegte Währung**") im Gesamtnennbetrag von U.S.\$500.000.000 (der "**Gesamtnennbetrag**") begeben und sind eingeteilt in 2.500 auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je U.S.\$200.000 (die "**festgelegte Stückelung**" oder der "**Nennbetrag**").

(2) (a) Die Schuldverschreibungen sind bei Begebung zunächst durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde ohne Zinsscheine (die "**Dauerglobalurkunde**" und zusammen mit der Vorläufigen Globalurkunde, die "**Globalurkunden**"), die die Schuldverschreibungen für ihre gesamte Restlaufzeit verbrieft, ausgetauscht. Der Austausch wird frühestens 40 Tage nach dem Valutierungstag vorgenommen und zwar gegen Vorlage einer Bescheinigung über das Nichtbestehen von U.S.-Inhaberschaft (*beneficial ownership*), die nach Inhalt und Form den Anforderungen des Rechts der Vereinigten Staaten von Amerika oder den dann bestehenden Usancen der Clearing Systeme entspricht. Effektive Urkunden über einzelne Schuldverschreibungen oder Zinsscheine werden nicht ausgegeben.

(b) Die Globalurkunden werden von oder im Namen der Emittentin und zusätzlich von einem Kontrollbeauftragten des Fiscal Agent unterschrieben.

(c) Sollten Zinsen auf Schuldverschreibungen zur Zahlung fällig werden, die durch eine Vorläufige Globalurkunde verbrieft sind, werden die entsprechenden Zinszahlungen nur insoweit

#### English Version

##### § 1 Denomination and Form

(1) The notes (the "**Notes**") issued by Norddeutsche Landesbank – Girozentrale – (the "**Issuer**") with a total par value of U.S.\$500,000,000 (the "**Total Par Value**") are issued in United States dollars ("**U.S.\$**" or the "**Specified Currency**") and are divided into 2,500 Notes in bearer form with a par value of U.S.\$200,000 each (the "**Specified Denomination**" or the "**Par Value**").

(2) (a) On issue, the Notes will initially be represented by a temporary Global Note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchanged for a permanent Global Note without interest coupons (the "**Permanent Global Note**") and together with the Temporary Global Note, the "**Global Notes**", which will represent the Notes for their entire residual term. The exchange will take place 40 days after settlement, at the earliest, against presentation of a certification that no U.S. ownership (beneficial ownership) is involved, which corresponds with the requirements of the laws of the United States of America in terms of content and form or the existing practices of the Clearing Systems. Notes in definitive form for individual notes or interest coupons will not be issued.

(b) The Global Notes will be signed by or on behalf of the Issuer and, in addition, by an authentication agent of the Fiscal Agent.

(c) Should interest on Notes, which are represented by a Temporary Global Note, become due for payment, the respective interest payments will only be effected on the Temporary Global Note to the extent that a certification that

auf die Vorläufige Globalurkunde vorgenommen werden, als eine Bescheinigung des Nichtbestehens von U.S.-Inhaberschaft (*beneficial ownership*) dem/den Clearing System(en) vorliegt.

(3) Clearing System (das "**Clearing System**" oder die "**Wertpapiersammelbank**") im Sinne dieser Anleihebedingungen bedeutet jeweils Euroclear Bank SA/NV ("**Euroclear**") und Clearstream Banking *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") (Euroclear und Clearstream, Luxembourg sind in Bezug auf die Globalurkunden internationale Wertpapiersammelbanken ("*international central securities depositories*" (ICSD) (jeweils ein "**ICSD**" und zusammen die "**ICSDs**")) sowie jeder Funktionsnachfolger.

Die Schuldverschreibungen werden in Form einer *classical global note* ("**CGN**") begeben und von einer gemeinsamen Verwahrstelle ("*common depositary*") für die ICSDs verwahrt.

(4) "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder vergleichbaren Rechts an den Globalurkunden.

## § 2 Status und Rang

(1) Die Schuldverschreibungen sollen der Emittentin nach Maßgabe der anwendbaren Eigenmittelvorschriften als anrechenbare Eigenmittel in der Form von Ergänzungskapital zur Verfügung stehen ("**Ergänzungskapital**"). Die Schuldverschreibungen begründen unmittelbare, unbedingte, nachrangige und unbesicherte Verbindlichkeiten der Emittentin, die untereinander und mit sämtlichen anderen nachrangigen Verbindlichkeiten der Emittentin mindestens in gleichem Rang stehen mit Ausnahme von nachrangigen Verbindlichkeiten, die gegenüber den Schuldverschreibungen nachrangig sind. Im Falle der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder im Falle eines Verfahrens, das die Auflösung oder Liquidation der Emittentin zur Folge haben kann, sind diese Verbindlichkeiten vollständig nachrangig gegenüber den Ansprüchen aller nicht nachrangigen Gläubiger der Emittentin mit der Folge, dass in keinem Fall Zahlungen auf die Verbindlichkeiten geleistet werden, solange nicht alle nicht nachrangigen Gläubiger der

no U.S. ownership (beneficial ownership) is involved has been presented to the Clearing Systems.

(3) Clearing System (the "**Clearing System**" or the "**Central Securities Depository**") within the meaning of these Terms and Conditions means each of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") (Euroclear and Clearstream, Luxembourg are both international central securities depositories (ICSDs) (respectively an "**ICSD**", and together the "**ICSDs**") with respect to the Global Notes) and any successor in such capacity.

The Notes are issued in classical global note ("**CGN**") form and are kept in custody by a common depositary on behalf of the ICSDs.

(4) "**Holder**" means any holder of a co-ownership share (*Miteigentumsanteil*) or other comparable right in the Global Notes.

## § 2 Status and Ranking

(1) In accordance with applicable provisions concerning the classification as own funds, the Notes shall be available for the Issuer as eligible capital in the form of Tier 2 capital ("**Tier 2 Capital**"). The Notes constitute direct, unconditional, subordinated and unsecured liabilities of the Issuer ranking at least *pari passu* with each other and with all other subordinated liabilities of the Issuer except for subordinated liabilities expressed to rank junior to the Notes. In the event of the Issuer's dissolution, liquidation or insolvency or in the event of proceedings that may result in the Issuer's dissolution or liquidation, these liabilities will be wholly subordinated to the claims of all unsubordinated creditors of the Issuer with the result that, in any case, payments will not be made on the liabilities until all of the Issuer's unsubordinated creditors have been satisfied in full.

Emittentin vollständig befriedigt worden sind.

(2) Die Gläubiger der Schuldverschreibungen sind nicht berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen etwaige Ansprüche der Emittentin aufzurechnen. Zur Besicherung der Rechte der Gläubiger aus den Schuldverschreibungen wird weder jetzt noch künftig durch die Emittentin oder eines ihrer verbundenen Unternehmen oder einen Dritten mit enger Beziehung zur Emittentin oder eines seiner verbundenen Unternehmen oder durch eine andere Person eine Sicherheit, gleich welcher Art, bestellt.

(3) Die Schuldverschreibungen dürfen vor dem Fälligkeitstag nur mit vorheriger Zustimmung der zuständigen Aufsichtsbehörde (sofern erforderlich), wie in § 5 (4) unten beschrieben, gekündigt, eingelöst, zurückgezahlt oder zurückgekauft werden.

### § 3 Zinsen

(1) (a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom Verzinsungsbeginn (einschließlich) bis zum Ersten Zinszahlungstag (ausschließlich) und anschließend von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) (jeweils eine "**Zinsperiode**") mit dem Zinssatz verzinst. Zinsen sind halbjährlich nachträglich an jedem Zinszahlungstag in der festgelegten Währung zahlbar, es sei denn, bei dem betreffenden Zinszahlungstag handelt es sich nicht um einen Bankgeschäftstag.

Verzinsungsbeginn ist der 10. April 2014 (der "**Verzinsungsbeginn**"). Zinszahlungstage sind der 10. April und 10. Oktober eines jeden Jahres (jeweils ein "**Zinszahlungstag**"), bis zum Fälligkeitstag (einschließlich). Die erste Zinszahlung erfolgt am 10. Oktober 2014 (der "**Erste Zinszahlungstag**").

(b) "**Zinssatz**" bedeutet 6,25 % p.a.

(2) Falls der auf die Schuldverschreibungen zu zahlende Zinsbetrag für einen bestimmten Zeitraum zu

(2) The Holders of the Notes are not entitled to set off claims arising from the Notes against any of the Issuer's claims. No security of whatever kind is, or shall at any later time be, provided by the Issuer or any of its associated companies or any third party that has a close link with the Issuer or any of its associated companies or any other person securing rights of the Holders under the Notes.

(3) The Notes may only be called, redeemed, repaid or repurchased prior to the Maturity Date with the prior permission of the competent regulatory authority (if required), as described in Section 5 Paragraph (4) below.

### § 3 Interest

(1) (a) The Notes will bear interest on their Par Value from the Interest Commencement Date (inclusive) until the First Interest Payment Date (exclusive), and thereafter from each Interest Payment Date (inclusive) until the next Interest Payment Date (exclusive) (each an "**Interest Period**") at the Rate of Interest. Interest is payable semi-annually in arrear on each Interest Payment Date in the Specified Currency unless the Interest Payment Date in question is not a Bank Business Day.

Interest Commencement Date is 10 April 2014 (the "**Interest Commencement Date**"). Interest Payment Dates are 10 April and 10 October of each year (in each case an "**Interest Payment Date**"), up to the Maturity Date (inclusive). The first interest payment will be made on 10 October 2014 (the "**First Interest Payment Date**").

(b) "**Rate of Interest**" means 6.25 per cent. per annum.

(2) If the amount of interest payable under the Notes is required to be calculated for any period of time (other than in respect of the

berechnen ist (mit Ausnahme des Betrags, der halbjährlich an einem Zinszahlungstag gezahlt wird), wird dieser Zinsbetrag berechnet, indem der relevante Zinssatz, der auf die jeweilige Zinsperiode gemäß Absatz (1) anwendbar ist und der Zinstagequotient (wie nachfolgend definiert) auf den Nennbetrag der Schuldverschreibung bezogen wird. Der so errechnete Zinsbetrag wird auf die nächste Untereinheit der festgelegten Währung gerundet, wobei jeweils ab einer halben solchen Untereinheit nach oben aufgerundet wird.

(3) Der Zinstagequotient (der "**Zinstagequotient**") in Bezug auf die Berechnung eines Betrags auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") bedeutet die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu je 30 Tagen zu ermitteln ist, es sei denn,

(i) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums 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

(ii) der letzte Tag des Zinsberechnungszeitraums 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.

(4) Falls der jeweilige Zinszahlungstag kein Bankgeschäftstag ist, hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Bankgeschäftstag. Der Gläubiger ist weder berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Anpassung zu verlangen, noch muss er aufgrund der Anpassung eine Kürzung seiner Zinsen hinnehmen.

(5) "**Bankgeschäftstag**" im Sinne dieser Anleihebedingungen bezeichnet einen Tag, an dem Geschäftsbanken und Devisenmärkte in New York City Zahlungen in US Dollar

amount payable semi-annually on an Interest Payment Date), such amount of interest shall be calculated by applying the Rate of Interest applicable to the respective Interest Period pursuant to Paragraph (1) and the Day Count Fraction (as defined below) to the Par Value of the Note. The interest payable calculated in this manner shall be rounded down to or, where the value equals or exceeds half of a monetary unit, up to the next monetary unit in the Specified Currency.

(3) With regard to the calculation of any amount payable on the Notes for any period (the "**Interest Calculation Period**"), day count fraction (the "**Day Count Fraction**") means the number of days in the Interest Calculation Period divided by 360, whereby the number of days is to be established on the basis of a year of 360 days with 12 months of 30 days, each, unless:

(i) the last day of the Interest Calculation Period falls on the 31st day of a month, whereas the first day of the Interest Calculation Period falls neither on the 30th nor on the 31st day of a month, in which case the month comprising this day is not to be treated as a month reduced to 30 days in this case, or

(ii) the last day of the Interest Calculation Period falls on the last day of February, whereby February is not to be treated as a month extended to 30 days in this case.

(4) If the relevant Interest Payment Date is not a Bank Business Day, the Holder shall not be entitled to receive payment before the next Bank Business Day. The Holder shall not be entitled to further interest or other payment in respect of such adjustment nor, as the case may be, shall the amount of interest to be paid be reduced due to such adjustment.

(5) For the purposes of these Terms and Conditions, a "**Bank Business Day**" means a day on which commercial banks and foreign exchange markets in New York City settle

abwickeln.

(6) Die Verzinsung der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorhergeht, an dem die Schuldverschreibungen zur Rückzahlung fällig werden.

Sollte die Emittentin die Schuldverschreibungen am Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig werden, nicht oder nicht vollständig einlösen, so endet die Verzinsung des ausstehenden Gesamtnennbetrags der Schuldverschreibungen nicht mit Ablauf des Tages, der dem Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig werden, vorhergeht, sondern erst mit dem Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorhergeht.

Der dann geltende Zinssatz ist der gesetzliche Verzugszinssatz<sup>1</sup>, es sei denn, der auf die Zinsperiode (gemäß Absatz (1)) anwendbare Zinssatz, in die der Tag fällt, an dem die Schuldverschreibungen zur Rückzahlung fällig werden, ist höher als der gesetzliche Verzugszinssatz. In diesen Fällen gilt der Zinssatz (gemäß Absatz (1)) fort.

#### § 4

##### Einlösung der Schuldverschreibungen

(1) Soweit nicht zuvor bereits zurückgezahlt oder angekauft, werden die Schuldverschreibungen am 10. April 2024 (der "Fälligkeitstag") zu ihrem Nennbetrag (der "Rückzahlungsbetrag") eingelöst.

(2) Falls der Fälligkeitstag auf einen Tag fällt, der kein Bankgeschäftstag ist, hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Bankgeschäftstag.

#### § 5

##### Vorzeitige Rückzahlung und Rückkauf

(1) Sollte infolge einer nach Valutierung der Schuldverschreibungen wirksam werdenden Änderung der in dem Land, in dem die Emittentin ihren Sitz hat, oder in den

payments in United States dollars.

(6) The accrual of interest on the Notes ends with the expiration of the day preceding the due date for redemption.

Should the Issuer fail to redeem the Notes on the due date for redemption or not redeem the Notes in full, the accrual of interest on the outstanding Total Par Value of the Notes will not end with the expiration of the day preceding the due date for redemption but will only end with the expiration of the day preceding the day on which the Notes are actually redeemed.

The interest rate then applicable is the default rate of interest established by law<sup>2</sup>, unless the Rate of Interest applicable to the Interest Period (pursuant to Paragraph (1)) in which the due date for redemption falls is higher than the default rate of interest established by law. In this case, the Rate of Interest (pursuant to Paragraph (1)) will continue to apply.

#### § 4

##### Redemption of the Notes

(1) Unless previously redeemed or repurchased, the Notes will be redeemed on 10 April 2024 (the "Maturity Date") at Par Value (the "Redemption Amount").

(2) If the Maturity Date falls on a day that is not a Bank Business Day, the Holder shall have no right to payment before the next Bank Business Day.

#### § 5

##### Early Redemption and Repurchase

(1) Should the Issuer be obliged to pay additional amounts in accordance with Section 7 of these Terms and Conditions as a result of a change affecting the legal provisions applying in

<sup>2</sup> Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz (1), 247 Absatz (1) BGB.  
The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, Sections 288 Paragraph (1), 247 Paragraph (1) German Civil Code.

Vereinigten Staaten von Amerika, geltenden Rechtsvorschriften oder einer Änderung in der Anwendung dieser Rechtsvorschriften oder der amtlichen Auslegung die Emittentin zur Zahlung zusätzlicher Beträge gemäß § 7 dieser Anleihebedingungen verpflichtet sein, so ist die Emittentin berechtigt, vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde gemäß § 5 (4) (sofern erforderlich) und vorbehaltlich der Einhaltung einer Frist von mindestens 30 und höchstens 60 Tagen, durch Bekanntmachung gemäß § 12 dieser Anleihebedingungen die ausstehenden Schuldverschreibungen insgesamt, jedoch nicht teilweise, zur vorzeitigen Rückzahlung zum Rückzahlungsbetrag zuzüglich der bis zu dem für die Rückzahlung bestimmten Tag aufgelaufenen und gemäß § 3 Absatz (2) dieser Anleihebedingungen ermittelten Stückzinsen zu kündigen. Die Kündigung der Emittentin ist unwiderruflich und muss den Tag angeben, an dem die Schuldverschreibungen vorzeitig zurückgezahlt werden. Eine solche Kündigung darf jedoch frühestens 90 Tage vor dem Zeitpunkt erfolgen, an welchem die Änderung der Rechtsvorschriften oder ihrer Anwendung oder ihrer amtlichen Auslegung wirksam wird. Die Rechte und Pflichten aus den Schuldverschreibungen erlöschen mit der Rückzahlung.

(2) Die Emittentin ist berechtigt, die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach ihrer Wahl beim Vorliegen eines aufsichtsrechtlichen Ereignisses, vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde gemäß § 5 Absatz (4) (sofern erforderlich), zu kündigen.

Ein "**aufsichtsrechtliches Ereignis**" liegt vor, wenn die Emittentin feststellt, dass auf Grund einer Änderung der in dem Land, in dem die Emittentin ihren Sitz hat, geltenden Rechtsvorschriften oder einer Änderung in der Anwendung dieser Rechtsvorschriften oder der amtlichen Auslegung die Schuldverschreibungen nicht als Ergänzungskapital anerkannt werden oder als Eigenmittel geringerer Qualität neu eingestuft werden.

Die Rückzahlung der Schuldverschreibungen erfolgt in diesem Fall nach Maßgabe der in Absatz (1) genannten Bestimmungen. Die

the country where the Issuer's registered office is located or in the United States of America or as a result of a change in their application or official interpretation after the issue of the Notes, the Issuer, subject to the prior permission of the competent regulatory authority pursuant to Section 5 Paragraph (4), if required, and subject to a notice period of at least 30 days and not more than 60 days, shall be entitled to give notice in accordance with Section 12 of these Terms and Conditions that it calls in the outstanding Notes, in whole but not in part, for early redemption at the Redemption Amount plus interest accrued until the date determined for redemption and calculated pursuant to Section 3 Paragraph (2) of these Terms and Conditions. The Issuer's call shall be irrevocable and must specify the day on which the Notes will be redeemed early. However, any notice of this kind may be given no earlier than 90 days before the date on which the change in the legal provisions or their application or their official interpretation comes into effect. The rights and obligations arising from the Notes shall expire upon redemption.

(2) The Issuer shall be entitled to call the Notes in whole but not in part, at the option of the Issuer, upon the occurrence of a Regulatory Event, subject to the prior permission of the competent regulatory authority pursuant to Section 5 Paragraph (4), if required.

A "**Regulatory Event**" means the determination by the Issuer that, due to a change affecting the legal provisions applying in the country in which the Issuer's registered office is situated or as a result of a change in their application or official interpretation, the Notes are disqualified from Tier 2 Capital or are reclassified as own funds of lower quality.

In this case the redemption of the Notes shall be effected in accordance with the provisions contained in Paragraph (1). Termination is

Kündigung ist unwiderruflich. Die Rechte und Pflichten aus den Schuldverschreibungen erlöschen mit der Rückzahlung.

(3) Die Emittentin darf jederzeit, vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde gemäß § 5 Absatz (4) (sofern erforderlich), Schuldverschreibungen am freien Markt oder in sonstiger Weise zu einem beliebigen Kurs zurückkaufen.

(4) Die Schuldverschreibungen dürfen nur dann gemäß den Absätzen (1), (2) und (3) dieses § 5 zurückgekauft oder zurückgezahlt werden, wenn die Emittentin auf Grundlage der Eigenkapitalvorschriften, wie von der zuständigen Aufsichtsbehörde angewandt und in der jeweils ergänzten Fassung (einschließlich, jedoch nicht hierauf beschränkt, der Eigenkapitalverordnung (wie nachstehend in § 10 Absatz (1) (f) definiert), die vorherige Zustimmung der zuständigen Aufsichtsbehörde (sofern erforderlich) erhalten hat.

#### **§ 6**

##### **Ausschluss der Kündigungsrechte des Gläubigers**

Der Gläubiger hat kein Recht, die Schuldverschreibungen zu kündigen oder in sonstiger Weise die vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.

#### **§ 7**

##### **Quellensteuer**

(1) Alle Zahlungen von Kapital und Zinsen auf die Schuldverschreibungen sind ohne Einbehalt oder Abzug von oder auf Grund von gegenwärtigen oder zukünftigen Steuern, Abgaben oder Gebühren, gleich welcher Art, die durch das oder in dem Land, in dem die Emittentin ihren Sitz hat oder den Vereinigten Staaten von Amerika auferlegt, erhoben oder eingezogen werden ("**Quellensteuern**") zu leisten, es sei denn, dass ein solcher Einbehalt oder Abzug gesetzlich oder durch einen zwischen der Emittentin bzw. dem Land, in dem die Emittentin ihren Sitz hat, und den Vereinigten Staaten abgeschlossenen Vertrag vorgeschrieben ist.

irrevocable. The rights and obligations arising from the Notes shall expire upon redemption.

(3) The Issuer may at any time (subject to the prior permission of the competent regulatory authority pursuant to Section 5 Paragraph (4), if required) purchase Notes in the open market or otherwise and at any price. Any Notes so purchased may be held, re-sold or cancelled at the Issuer's discretion.

(4) The Notes may only be repurchased or redeemed (as applicable) pursuant to Paragraphs (1), (2) and (3) of this Section 5 if the Issuer has, on the basis of the regulatory capital rules as applied by the competent regulatory authority and amended from time to time (including, but not limited to, the CRR (as defined in Section 10 Paragraph (1) (f) below)), obtained the prior permission of the competent regulatory authority (if required).

#### **§ 6**

##### **Exclusion of Holder's Termination Rights**

The Holder shall not be entitled to terminate or otherwise demand early redemption of the Notes.

#### **§ 7**

##### **Withholding Tax**

(1) All payments of principal and interest in respect of the Notes shall be made without withholding or deduction of or because of any present or future taxes, duties or fees of whatever nature that may be imposed, levied or collected by or in the country where the Issuer's registered office is located or in the United States of America ("**Withholding Taxes**") unless such withholding or deduction is required by law or pursuant to an agreement entered into between the Issuer or, as the case may be, the country where the Issuer's registered office is located and the United States of America.

Wenn ein Einbehalt oder Abzug von Quellensteuern gesetzlich oder durch ein zwischen der Emittentin bzw. dem Land, in dem die Emittentin ihren Sitz hat, und den Vereinigten Staaten abgeschlossenen Vertrag vorgeschrieben ist, ist die Emittentin verpflichtet, diejenigen zusätzlichen Beträge an die Gläubiger zu zahlen, die erforderlich sind, damit die von den Gläubigern empfangenen Nettobeträge nach solchen Einhalten oder Abzügen den jeweiligen Beträgen an Kapital und Zinsen entsprechen, die sie ohne solche Einhalte oder Abzüge empfangen hätten. Die Emittentin ist jedoch nicht verpflichtet, zusätzliche Beträge im Hinblick auf solche Quellensteuern zu zahlen:

(a) die von einem Kredit- oder Finanzdienstleistungsinstitut in der Bundesrepublik Deutschland oder in dem Land, in dem die Emittentin ihren Sitz hat (oder einer in der Bundesrepublik Deutschland oder in dem Land, in dem die Emittentin ihren Sitz hat, gelegenen Zweigstelle eines ausländischen Kredit- oder Finanzdienstleistungsinstituts) einbehalten oder abgezogen werden, weil es die Schuldverschreibungen in seiner Eigenschaft als Depotbank oder Inkassobeauftragte des Gläubigers oder in einer ähnlichen Funktion verwahrt oder verwaltet hat oder noch verwahrt oder verwaltet; oder

(b) die durch die Erfüllung von gesetzlichen Anforderungen oder durch die Vorlage einer Nichtansässigkeitserklärung oder durch die sonstige Geltendmachung eines Anspruchs auf Befreiung gegenüber der betreffenden Steuerbehörde vermeidbar sind oder gewesen wären; oder

(c) die nur deshalb zahlbar sind, weil der Gläubiger in einer anderen Beziehung zu dem Land steht, in dem die Emittentin ihren Sitz hat, als dem bloßen Umstand, dass er Gläubiger der Schuldverschreibungen ist, auf die die Zahlung erfolgt; oder

(d) denen der Gläubiger nicht unterläge, wenn er innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag bzw. nach dem Tag, an dem die für eine solche Zahlung erforderlichen Beträge bei dem Fiscal Agent eingegangen sind und dies gemäß § 12 dieser Anleihebedingungen bekannt gemacht worden

If a withholding or deduction of Withholding Taxes is prescribed by law or pursuant to an agreement entered into between the Issuer or, as the case may be, the country where the Issuer's registered office is located and the United States of America, the Issuer will be obliged to pay those additional amounts to the Holders that are needed to ensure that the net amounts received by the Holders after withholdings or deductions of this kind correspond to the respective amounts of capital and interest that they would have received without withholdings or deductions of this kind. However, the Issuer is not obliged to pay additional amounts with respect to Withholding Taxes of this kind:

(a) that are withheld or deducted by a credit or financial institution in the Federal Republic of Germany or in the country where the Issuer's registered office is located (or a branch office of a foreign credit or financial institution located in the Federal Republic of Germany or in the country where the Issuer's registered office is located) because it has kept or administered or keeps or administers the Notes in its capacity as custodian bank or collection agent of the Holder, or in a similar capacity; or

(b) that are avoidable or would have been avoidable by fulfilling statutory requirements or submitting a declaration of non-residence or by otherwise enforcing a claim for exemption vis-à-vis the relevant tax authority; or

(c) that are only payable because the Holder has another relationship with the country in which the Issuer's registered office is situated other than the mere circumstance that he is a Holder of the Notes on which the payment is effected; or

(d) that the Holder would not be subject to if he had demanded payment of capital and interest within 30 days of the respective due date or following the date on which the moneys needed for a payment of this kind were received by the Fiscal Agent and this was announced in accordance with Section 12 of these Terms and

ist, die Zahlung von Kapital und Zinsen verlangt hätte; oder

(e) die von einer Zahlstelle abgezogen oder einbehalten werden, wenn die Zahlung durch eine andere, insbesondere eine ausländische Zahlstelle ohne einen solchen Abzug oder Einbehalt hätte erfolgen können; oder

(f) die aufgrund einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen (wie die Richtlinie 2003/48/EG (Zinsinformationsrichtlinie) in ihrer jeweiligen Fassung) oder einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der das Land, in dem die Emittentin ihren Sitz hat, oder die Europäische Union beteiligt sind, oder einer Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abgezogen oder einbehalten werden; oder

(g) die abgezogen oder einbehalten werden, weil der wirtschaftliche Eigentümer der Schuldverschreibungen nicht selbst rechtlicher Eigentümer (Gläubiger) der Schuldverschreibungen ist und der Abzug oder Einbehalt bei Zahlungen an den wirtschaftlichen Eigentümer nicht erfolgt wäre oder eine Zahlung zusätzlicher Beträge bei einer Zahlung an den wirtschaftlichen Eigentümer nach Maßgabe der vorstehenden Regelungen (a) bis (g) hätte vermieden werden können, wenn dieser zugleich rechtlicher Eigentümer (Gläubiger) der Schuldverschreibungen gewesen wäre; oder

(h) die gemäß Abschnitt 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in seiner jeweiligen Fassung oder aufgrund eines zwischen der Emittentin bzw. dem Land, in dem die Emittentin ihren Sitz hat, und den Vereinigten Staaten abgeschlossenen Vertrags, erhoben wurden.

(2) Jede Bezugnahme in diesen Anleihebedingungen im Zusammenhang mit dem zu zahlenden Betrag an Kapital und Zinsen umfasst auch zusätzliche Beträge gemäß diesem § 7.

Conditions; or

(e) that are deducted or withheld by a Paying Agent, if the payment could have been effected by another Paying Agent, in particular, a foreign Paying Agent, without a deduction or withholding of this kind; or

(f) that are deducted or withheld on the basis of a directive or regulation of the European Union relating to the taxation of interest income (such as Directive 2003/48 EC (European Savings Directive)), as amended, or an inter-governmental agreement on its taxation in which the country where the Issuer's registered office is located or the European Union is involved, or of a provision that implements or follows this directive, regulation or agreement; or

(g) that are deducted or withheld because the beneficial owner of the Notes is not himself the legal owner (Holder) of the Notes and the deduction or withholding in respect of payments to the beneficial owner would not have been made or the payment of additional amounts in respect of a payment to the beneficial owner in accordance with above provisions (a) to (g) could have been avoided if the latter had also been the legal owner (Holder) of the Notes; or

(h) that are levied pursuant to section 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, or pursuant to an agreement entered into between the Issuer or, as the case may be, the country where the Issuer's registered office is located and the United States of America.

(2) Each reference in these Terms and Conditions in connection with the amount of capital and interest to be paid also includes additional amounts in accordance with this Section 7.

## § 8

### Fiscal Agent, Zahlstellen; Zahlungen

(1) Der anfänglich bestellte Fiscal Agent und die anfänglich bestellte Zahlstelle sowie deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch  
33, rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg  
Großherzogtum  
Luxemburg

Zahlstellen: Norddeutsche Landesbank – Girozentrale – Friedrichswall 10  
30159 Hannover  
Bundesrepublik  
Deutschland

BNP Paribas Securities Services, Luxembourg Branch  
33, rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg  
Großherzogtum  
Luxemburg

Der Fiscal Agent und die Zahlstellen behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) Die Emittentin behält sich das Recht vor, jederzeit die Bestellung eines Fiscal Agents oder einer Zahlstelle zu ändern oder zu beenden und einen anderen Fiscal Agent oder eine andere Zahlstelle zu bestellen.

Die Emittentin wird jederzeit (i) einen Fiscal Agent unterhalten und (ii) eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt unterhalten, und (iii), solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert sind, eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in der

## § 8

### Fiscal Agent, Paying Agents; Payments

(1) The initially appointed Fiscal Agent and the initially appointed Paying Agents as well as their initially appointed offices are as follows:

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch  
33, rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of  
Luxembourg

Paying Agents: Norddeutsche Landesbank – Girozentrale – Friedrichswall 10  
30159 Hanover  
Federal Republic of  
Germany

BNP Paribas Securities Services, Luxembourg Branch  
33, rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of  
Luxembourg

The Fiscal Agent and the Paying Agents reserve the right to replace the designated office with another designated office in the same town at any time.

(2) The Issuer reserves the right to change or terminate the appointment of a Fiscal Agent or a Paying Agent at any time and to appoint another Fiscal Agent or another Paying Agent at any time.

At all times, the Issuer will maintain (i) a Fiscal Agent, (ii) a Paying Agent (which may be the Fiscal Agent) with a designated office in a continental European city, (iii) as long as the Notes are listed on the Luxembourg stock exchange, a Paying Agent (which may be the Fiscal Agent) with a designated office in the city in which the stock exchange's registered office is located and/or at such other places as required

Stadt, in der sich der Sitz der Börse befindet, und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen, und (iv), falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der teilweisen oder 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 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 § 13 dieser Anleihebedingungen vorab unter Einhaltung einer Frist von mindestens 30 Tagen und nicht mehr als 45 Tagen informiert wurden.

(3) Der Fiscal Agent und die Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin. Sie haben daher keinerlei Pflichten gegenüber den Gläubigern und stehen auch nicht in einem Auftragsverhältnis zu diesen.

(4) Die Zahlungen auf die Schuldverschreibungen erfolgen, ohne dass, abgesehen von der Beachtung etwaiger Steuer-, Devisen- und sonstiger Vorschriften des Landes der betreffenden Zahlstelle, die Ausfertigung einer gesonderten Erklärung oder die Erfüllung einer sonstigen Formalität verlangt werden darf.

Die Zahlungen auf die Schuldverschreibungen erfolgen an die Clearing Systeme zur Gutschrift auf den Konten der jeweiligen Kontoinhaber der Clearing Systeme, die Hinterleger der Schuldverschreibungen sind. Zahlungen der Emittentin an die Clearing Systeme befreien die Emittentin in Höhe der geleisteten Zahlungen von ihren Zahlungsverbindlichkeiten aus den Schuldverschreibungen.

by the rules of this stock exchange, and (iv) if payments are illegal or actually excluded at or by the offices of all Paying Agents outside the United States because of the introduction of exchange controls or similar restrictions with respect to the partial or complete payment or receipt of the corresponding amounts in United States dollars, a Paying Agent with a designated office in New York City.

Except in the event of insolvency when a change of this kind becomes effective immediately, any variation, dismissal, appointment or other change will only become effective if the Holders were informed of this in advance subject to a notice period of at least 30 days and not more than 45 days in accordance with Section 12 of these Terms and Conditions.

(3) The Fiscal Agent and the Paying Agent will act solely as the Issuer's agents. They therefore do not have obligations of any kind towards the Holders and will not act as their agents in any way.

(4) The payments on the Notes will be effected without the right to demand the issue of a separate declaration or fulfilment of any other formality apart from compliance with any tax, foreign exchange and other provisions in the country where the relevant Paying Agent is located.

The payments on the Notes will be effected to the Clearing Systems for crediting to the accounts of the respective account holders with the Clearing Systems who have deposited the Notes. Payments by the Issuer to the Clearing Systems will release the Issuer from its payment obligations under the Notes up to the amount of the payments made.

**§ 9**  
**Vorlegungsfrist**

Die in § 801 Absatz (1) Satz 1 BGB bestimmte und für die Verjährung maßgebliche Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre abgekürzt.

**§ 10**  
**Ersetzung der Emittentin**

(1) Die Emittentin kann, sofern sie sich mit keiner Zahlung auf Kapital oder Zinsen der Schuldverschreibungen im Rückstand befindet, jederzeit ohne Zustimmung der Gläubiger hinsichtlich sämtlicher Rechte und Pflichten aus oder im Zusammenhang mit den Schuldverschreibungen durch eine andere Gesellschaft als die Emittentin (die "**Neue Emittentin**") ersetzt werden, wenn:

(a) ein für die Emittentin wichtiger Grund vorliegt, wie insbesondere, jedoch nicht ausschließlich, die Einführung einer Quellensteuer, die die Emittentin zu Zusatzzahlungen verpflichtet, eine wesentliche Änderung im Kapitalmarkt stattfindet oder eine wesentliche Änderung aufsichtsrechtlicher Bestimmungen in dem Land, in dem die Emittentin ihren Sitz hat, eintritt und

(b) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen durch einen wirksamen schriftlichen Übertragungsvertrag einschließlich gegebenenfalls weiterer zur Wirksamkeit der Ersetzung erforderlicher Verträge, Erklärungen und Genehmigungen (gemeinsam die "**Übertragungsdokumente**") dergestalt übernimmt, dass die Neue Emittentin jedem Gläubiger gegenüber die Verpflichtung aus diesen Anleihebedingungen in demselben Umfang übernimmt, als wenn die Neue Emittentin in den Globalurkunden und den Anleihebedingungen anstelle der Emittentin (oder anstelle einer vorherigen Neuen Emittentin) als Hauptschuldnerin genannt worden wäre und

(c) die Emittentin und die Neue Emittentin alle erforderlichen staatlichen Genehmigungen und Erlaubnisse für die Ersetzung nach Maßgabe dieses § 10 erhalten haben

**§ 9**  
**Presentation Period**

The presentation period stipulated in Section 801 Paragraph (1) Sentence 1 German Civil Code (*BGB*) which is relevant for prescription is reduced to ten years for the Notes.

**§ 10**  
**Substitution of the Issuer**

(1) Provided that no payment of capital or interest on the Notes is in arrears, the Issuer may be substituted at any time without the Holders' consent with respect to all rights and obligations arising under or in connection with the Notes by any entity other than the Issuer (the "**New Issuer**"), if:

(a) the Issuer has good cause, including, but not limited to, the introduction of a withholding tax that would oblige the Issuer to make additional payments, a significant change takes place in the capital markets or a significant change occurs in the provisions of regulatory law in the country where the Issuer's registered office is located and

(b) the New Issuer assumes all the Issuer's obligations under or in connection with the Notes and by means of an effective, written transfer agreement including, if applicable, further agreements, declarations and permissions needed to make the substitution effective (together the "**Transfer Documents**") in such a way that the New Issuer assumes the obligation to each Holder under these Terms and Conditions to the same extent as if the New Issuer had been named in the Global Notes and Terms and Conditions as the principal debtor in place of the Issuer (or in place of a previous New Issuer) and

(c) the Issuer and the New Issuer have obtained all government approvals and permissions required for the substitution in accordance with this Section 10 (including, but

(einschließlich, jedoch nicht beschränkt auf die vorherige Zustimmung der zuständigen Aufsichtsbehörde (sofern erforderlich) und

(d) die Neue Emittentin imstande ist, sämtliche Zahlungsverpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen in der festgelegten Währung ohne Abzug oder Einbehalt von oder wegen Steuern, Abgaben oder amtlichen Gebühren zu erfüllen und

(e) jede Wertpapierbörse, an der die Schuldverschreibungen notiert sind, bestätigt hat, dass die Schuldverschreibungen nach der geplanten Ersetzung der Emittentin durch die Neue Emittentin weiterhin an der betreffenden Wertpapierbörse notiert bleiben werden und

(f) (i) die Neue Emittentin ein in die Konsolidierung (hinsichtlich der Emittentin) einbezogenes Unternehmen gemäß Artikel 63(n) Unterabsatz (i) im Sinne der Verordnung des Europäischen Parlaments und des Rates über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen vom 26. Juni 2013 ist, die am 27. Juni 2013 im offiziellen Amtsblatt der Europäischen Union veröffentlicht wurde, in ihrer jeweils ergänzten oder ersetzten Fassung ("**Eigenkapitalverordnung**"), (ii) die Erträge stehen der Emittentin unmittelbar und uneingeschränkt in einer Form zur Verfügung, die den Bedingungen der Eigenkapitalverordnung genügt, (iii) die von der Neuen Emittentin übernommenen Verbindlichkeiten zu Bedingungen nachrangig sind, die mit den Nachrangbestimmungen der übernommenen Verbindlichkeiten identisch sind, (iv) die Neue Emittentin den Betrag der Schuldverschreibungen bei der Norddeutschen Landesbank – Girozentrale – zu Bedingungen anlegt, die denen der Schuldverschreibungen entsprechen und (v) die Norddeutsche Landesbank – Girozentrale – die Verbindlichkeiten der neuen Emittentin aus den Schuldverschreibungen auf nachrangiger Basis gemäß § 2 dieser Anleihebedingungen garantiert und vorausgesetzt, die Anerkennung des in Bezug auf die Schuldverschreibungen eingezahlten Kapitals als Ergänzungskapital ist weiterhin sichergestellt und

(g) Rechtsgutachten seitens von der Emittentin ausgewählter Rechtsberater einer

not limited to, the prior permission of the competent regulatory authority (if required)) and

(d) the New Issuer is able to fulfil all payment obligations under or in connection with the Notes in the Specified Currency without any deduction or withholding of or because of taxes, duties or official fees and

(e) each stock exchange on which the Notes are listed has confirmed that the Notes will continue to be listed on the stock exchange in question after the planned substitution of the Issuer by the New Issuer and

(f) (i) the New Issuer is an entity which is part of the consolidation (relating to the Issuer) pursuant to Article 63(n) sub-paragraph (i) of the regulation of the European Parliament and of the Council on the prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (the "**CRR**"), (ii) the proceeds are immediately available to the Issuer, without limitation and in a form that satisfies the requirements of the CRR, (iii) the liabilities assumed by the New Issuer are subordinated on terms that are identical with the subordination provisions of the liabilities assumed, (iv) the New Issuer invests the amount of the Notes with Norddeutsche Landesbank – Girozentrale – on terms that match those of the Notes and (v) Norddeutsche Landesbank – Girozentrale – guarantees the New Issuer's liabilities under the Notes on a subordinated basis pursuant to Section 2 of these Terms and Conditions and provided that the recognition of the paid-in capital concerning the Notes as Tier 2 Capital continues to be ensured and

(g) legal opinions, which in each case may not be dated more than three days before the

international anerkannten Sozietät von Rechtsanwälten gegenüber dem Fiscal Agent abgegeben worden sind, die jeweils nicht mehr als drei Tage vor dem geplanten Ersetzungstermin datieren dürfen, und zwar für die Rechtsordnungen, in denen die Neue Emittentin ihren eingetragenen Sitz hat sowie für die Bundesrepublik Deutschland. Diese Rechtsgutachten müssen in geeigneter Form bestätigen, dass nach erfolgter Ersetzung die Voraussetzungen der vorstehenden Ziffern (b) – (f) vorliegen.

(2) Im Falle einer solchen Ersetzung sind sämtliche Bezugnahmen in diesen Anleihebedingungen (einschließlich § 10 Absatz (1)) auf die "Emittentin" auf die "Neue Emittentin" und sämtliche Bezugnahmen auf das "Land der Emittentin" auf das Land, in dem die Neue Emittentin ihren Sitz hat oder als Steuerinländer gilt, zu beziehen.

(3) Eine Ersetzung der Emittentin gemäß § 10 Absatz (1) ist gemäß § 12 dieser Anleihebedingungen bekannt zu machen.

### **§ 11 Begebung weiterer Schuldverschreibungen**

Die Emittentin behält sich vor, ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns, des Ersten Zinszahlungstags und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit den Schuldverschreibungen zusammengefasst werden, eine einheitliche Serie mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Der Begriff "Schuldverschreibungen" umfasst im Falle einer solchen Erhöhung auch solche zusätzlich begebenen Schuldverschreibungen.

### **§ 12 Bekanntmachungen**

(1) Alle die Schuldverschreibungen betreffenden Bekanntmachungen an die Gläubiger werden im Bundesanzeiger veröffentlicht.

planned substitution date, of legal advisors from an internationally recognised law firm chosen by the Issuer have been submitted to the Fiscal Agent for the jurisdictions in which the New Issuer has its registered office and for the Federal Republic of Germany. Those legal opinions must confirm in an appropriate form that, following the substitution, the requirements of Paragraphs (b) – (f) above will have been met.

(2) In the event of a substitution of this kind, all references in these Terms and Conditions (including Section 10 Paragraph (1)) to the "Issuer" are to refer to the "New Issuer" and all references to the "Issuer's country" will apply to the country in which the New Issuer has its registered office or is deemed to be tax resident.

(3) Any substitution of the Issuer in accordance with Section 10 Paragraph (1) is to be announced in accordance with Section 12 of these Terms and Conditions.

### **§ 11 Issue of further Notes**

The Issuer reserves the right to issue further Notes with the same terms (or in all respects except for the issue date, Interest Commencement Date, First Interest Payment Date and/or issue price) without the consent of the Holders in such a way that they will be consolidated with the Notes issued previously, form a uniform Series with them and increase their Total Par Value. In the event of an increase of this kind, the term "Notes" shall also encompass such additional Notes issued.

### **§ 12 Announcements**

(1) All announcements to Holders relating to the Notes will be published in the Federal Gazette (*Bundesanzeiger*).

(2) Alle Bekanntmachungen erfolgen zusätzlich durch elektronische Publikation auf der Internetseite der Luxemburger Wertpapierbörse ([www.bourse.lu](http://www.bourse.lu)). Die Emittentin wird sicherstellen, dass alle Bekanntmachungen ordnungsgemäß in Übereinstimmung mit den Erfordernissen der zuständigen Stellen der jeweiligen Börsen, an denen die Schuldverschreibungen notiert sind, und soweit rechtlich erforderlich in den weiteren gesetzlichen bestimmten Medien, erfolgen.

(3) Alle Bekanntmachungen erfolgen zusätzlich durch elektronische Publikation auf der Internetseite der Emittentin ([www.nordlb.de](http://www.nordlb.de)) (oder auf einer anderen Internetseite, welche die Emittentin mit einem Vorlauf von mindestens sechs Wochen nach Maßgabe dieser Bestimmung bekannt macht).

(4) Jede solche nach Absatz (1) oder Absatz (2) oder Absatz (3) erfolgte Bekanntmachung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt. Im Fall von mehreren Veröffentlichungen einer Bekanntmachung nach Absatz (1) oder Absatz (2) oder Absatz (3), ist für die Bestimmung der Wirksamkeit dieser Bekanntmachung die erste solche Veröffentlichung maßgeblich.

(5) Sofern und solange keine einschlägigen gesetzlichen Vorschriften entgegenstehen, ist die Emittentin berechtigt, eine Bekanntmachung nach Absatz (1) und Absatz (2) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu ersetzen. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

### **§ 13 Beschlüsse der Gläubiger**

(1) Die Gläubiger können nach Maßgabe des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - "**SchVG**") in seiner jeweiligen gültigen Fassung durch einen Beschluss mit der im nachstehenden Absatz 2 bestimmten Mehrheit Änderungen dieser Anleihebedingungen mit der Emittentin vereinbaren. Ein ordnungsgemäß gefasster

(2) All announcements shall additionally be made by means of electronic publication on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The Issuer shall ensure that announcements are published in the proper manner in compliance with the requirements set by the relevant bodies of the respective stock exchanges on which the Notes are listed and, if required by law, in such other media as determined by law.

(3) All announcements shall additionally be made by means of electronic publication on the Issuer's website ([www.nordlb.de](http://www.nordlb.de)) (or on another website announced by the Issuer at least six weeks in advance in accordance with this provision).

(4) Any such announcement as set forth in Paragraph (1) or Paragraph (2) or Paragraph (3) above shall be deemed effective on the third day after the date of publication. In the case of several publications of an announcement as set forth in Paragraph (1) or Paragraph (2) or Paragraph (3) above the first such publication shall be relevant for the determination of the effectiveness of such announcement.

(5) If and so long as no applicable statutory provisions require otherwise, the Issuer is entitled, in lieu of an announcement as set forth in Paragraph (1) or Paragraph (2) above, to deliver the notice 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 fifth day after the day on which the notice was delivered to the Clearing System.

### **§ 13 Resolutions of the Holders**

(1) In accordance with the German Bond Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz*) - "**SchVG**"), as amended from time to time, the Holders may agree with the Issuer on amendments of these Terms and Conditions by resolution with the majority specified in paragraph 2 below. A duly passed majority resolution shall be binding

Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.

(2) Die Gläubiger entscheiden mit einer Mehrheit von nicht weniger als 75 % (Qualifizierte Mehrheit) der an der Abstimmung teilnehmenden Stimmrechte über wesentliche Änderungen dieser Anleihebedingungen insbesondere über die in § 5 Absatz 3 des SchVG aufgeführten Maßnahmen. Beschlüsse, durch die der wesentliche Inhalt dieser Anleihebedingungen nicht geändert wird, bedürfen einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) Der Beschluss der Gläubiger erfolgt in einer Abstimmung ohne Versammlung wie in § 18 SchVG vorgesehen. Gläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags erreichen, können schriftlich die Durchführung einer Abstimmung ohne Versammlung nach Maßgabe von § 9 i.V.m. § 18 SchVG verlangen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Gläubiger bekannt gegeben.

(4) Die Gläubiger können zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen (der "**Gemeinsame Vertreter**"). Der Gemeinsame Vertreter hat die ihm im SchVG zugewiesenen oder durch Mehrheitsbeschluss der Gläubiger eingeräumten Aufgaben und Befugnisse.

(5) Für die Teilnahme an einer Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Gläubiger erforderlich. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung der Gläubigerversammlung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen.

(6) Gläubiger haben die Berechtigung zur Teilnahme an der Abstimmung zum Zeitpunkt der Stimmabgabe durch besonderen Nachweis der Depotbank (wie in § 14

equally upon all Holders.

(2) Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in Section 5 Paragraph 3 of the SchVG, shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) The resolution by the Holders shall be passed by voting without a meeting (*Abstimmung ohne Versammlung*) as provided in Section 18 of the SchVG. Holders holding Notes in the total amount of 5 per cent. of the outstanding Total Par Value may request, in writing, the holding of a vote without a physical meeting pursuant to Section 9 in connection with Section 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Holders together with the request for voting.

(4) For the exertion of their rights the Holders may appoint a joint representative for all Holders (the "**Joint Representative**"). The Joint Representative shall have the duties and capacities assigned to him in the SchVG or by majority resolutions of the Holders.

(5) Participation in a Holders' meeting (*Gläubigerversammlung*) or the exercising of voting rights requires a registration by the Holders. The registration has to be submitted on the third day prior to the Holders' meeting at the latest and shall be sent to the address which has been provided in the notification convening the Holders' meeting.

(6) The Holders must demonstrate their entitlement to participate in the vote at the time of voting by means of a special confirmation of the Depository Bank (as defined in Section 14

Absatz (4) dieser Anleihebedingungen definiert) und die Vorlage eines Sperrvermerks der Depotbank zugunsten der Zahlstelle als Hinterlegungsstelle für den Abstimmungszeitraum nachzuweisen.

(7) Die Emittentin wird Bekanntmachungen an die Gläubiger in Zusammenhang mit Beschlüssen der Gläubiger im Bundesanzeiger und zusätzlich auf der Internetseite der Emittentin ([www.nordlb.de](http://www.nordlb.de)) der Öffentlichkeit zugänglich machen.

#### **§ 14 Verschiedenes**

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

Die englische Sprachfassung der abgedruckten Anleihebedingungen dient lediglich der unverbindlichen Information, rechtlich bindend ist ausschließlich die deutsche Sprachfassung der abgedruckten Anleihebedingungen.

(2) Erfüllungsort im Zusammenhang mit den Schuldverschreibungen ist Hannover.

Für Kaufleute, juristische Personen des öffentlichen Rechts, öffentlich-rechtliche Sondervermögen und Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland ist Hannover nicht-ausschließlicher Gerichtsstand für alle Streitigkeiten aus den in den Anleihebedingungen geregelten Angelegenheiten.

(3) Sollte eine der Bestimmungen dieser Anleihebedingungen ganz oder teilweise unwirksam oder undurchführbar sein oder werden, so bleiben die übrigen Bestimmungen hiervon unberührt. Anstelle der unwirksamen oder undurchführbaren Bestimmung gilt eine wirksame bzw. durchführbare Bestimmung, die den wirtschaftlichen Zwecken der unwirksamen bzw. undurchführbaren Bestimmung soweit wie möglich Rechnung trägt.

Paragraph (4) of these Terms and Conditions) and by submission of a blocking instruction (*Sperrvermerk*) by the Depository Bank for the benefit of the Paying Agent as depository (*Hinterlegungsstelle*) for the voting period.

(7) Announcements to Holders in connection with resolutions of the Holders shall be made publicly available by the Issuer in the Federal Gazette (*Bundesanzeiger*) and additionally on the website of the Issuer ([www.nordlb.de](http://www.nordlb.de)).

#### **§ 14 Miscellaneous**

(1) The form and content of the Notes and the rights and obligations of the Holders and the Issuer shall be determined in all respects in accordance with German law.

The English language version of the printed Terms and Conditions is for information only and is non-binding. Only the German language version of the printed Terms and Conditions is legally binding.

(2) Hanover is the place of performance with regard to the Notes.

For merchants, legal persons under public law, special governmental funds and persons without a general place of jurisdiction in the Federal Republic of Germany, Hanover is the non-exclusive place of jurisdiction for all disputes arising in connection with the matters regulated in the Terms and Conditions.

(3) Should one of the provisions of these Terms and Conditions be or become invalid or unenforceable in whole or in part, this will not affect the remaining provisions. The invalid or unenforceable provision is to be replaced by a valid or enforceable provision, which comes as close as possible to the commercial intent of the invalid or unenforceable provision.

(4) Jeder Gläubiger kann in Rechtsstreitigkeiten gegen die Emittentin oder Rechtsstreitigkeiten, an denen der Gläubiger und die Emittentin beteiligt sind, im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen lediglich unter Vorlage folgender Unterlagen wahrnehmen und durchsetzen:

(a) eine Bescheinigung seiner Depotbank (wie nachstehend definiert), die (i) den vollen Namen und die volle Anschrift des Gläubigers bezeichnet; (ii) den gesamten Nennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot des Gläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (i) und (ii) enthält, sowie

(b) eine von einem Vertretungsberechtigten des Clearing Systems beglaubigte Ablichtung der Globalurkunde.

Im Sinne der vorstehenden Bestimmungen dieses § 14 Absatz (4) ist "**Depotbank**" eine Bank oder sonstiges Finanzinstitut (einschließlich des Clearing Systems), das über die erforderlichen Genehmigungen für das Wertpapier-Depotgeschäft verfügt und bei dem der Gläubiger Schuldverschreibungen im Depot verwahren lässt.

(4) In legal disputes against the Issuer or legal disputes in which the Holder and Issuer are involved, each Holder may assert and enforce his rights under the Notes attributable to him in his own name only by presenting the following documents:

(a) a certificate from his Depository Bank (as defined below) that (i) states the full name and full address of the Holder; (ii) gives a total principal amount for the Notes that are credited to the Holder's securities deposit account with that Depository Bank on the date the certificate is issued and (iii) confirms that the Depository Bank has sent a written notification to the Clearing System containing the details in (i) and (ii) as well as

(b) a copy of the Global Note certified by an authorised representative of the Clearing System.

For the purposes of the above provisions of this Section 14 Paragraph (4), "**Depository Bank**" is a bank or other credit institution (including the Clearing System), which has the necessary permits for securities deposit business and with which the Holder has Notes held on deposit.

## **2. General information concerning the Notes**

### **Interest of natural and legal persons involved in the issue**

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### **Total amount of Notes to be admitted to trading and specified denomination of each Note**

Aggregate principal amount: U.S.\$500,000,000

Specified denomination of each Note: U.S.\$200,000

### **Security Codes**

The following security codes have been assigned to the Notes:

ISIN: XS1055787680

Common Code: 105578768

WKN: NLB8B3

### **Legislation under which the Notes will be created**

German law

### **Form of Notes**

The Notes are issued in bearer form (*Inhaberschuldverschreibungen*). The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be deposited on or about the Closing Date with a common depository for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without interest coupons, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership.

### **Currency**

The Notes are denominated in U.S. dollars.

### **Ranking of the Notes**

In accordance with applicable provisions concerning the classification as own funds, the Notes shall be available for the Issuer as eligible capital in the form of Tier 2 capital ("**Tier 2 Capital**"). The Notes constitute direct, unconditional, subordinated and unsecured liabilities of the Issuer ranking at least *pari passu* with each other and with all other subordinated liabilities of the Issuer except for subordinated liabilities expressed to rank junior to the Notes. In the event of the Issuer's dissolution, liquidation or insolvency or in the event of proceedings that may result in the Issuer's dissolution or liquidation, these liabilities will be wholly subordinated to the claims of all unsubordinated creditors of the Issuer with the result that, in any case, payments will not be made on the liabilities until all of the Issuer's unsubordinated creditors have been satisfied in full.

The Holders of the Notes are not entitled to set off claims arising from the Notes against any of the Issuer's claims. No security of whatever kind is, or shall at any later time be, provided by the Issuer or any of its associated companies or any third party that has a close link with the Issuer or any of its associated companies or any other person securing rights of the Holders under the Notes.

### **Limitation of rights**

#### ***Tax Call***

Should the Issuer be obliged to pay additional amounts in accordance with Section 7 of the Terms and

Conditions as a result of a change affecting the legal provisions applying in the country where the Issuer's registered office is located or in the United States of America or as a result of a change in their application or official interpretation after the issue of the Notes, the Issuer, subject to the prior permission of the competent regulatory authority pursuant to Section 5 Paragraph (4) of the Terms and Conditions of the Notes, if required, and subject to a notice period of at least 30 days and not more than 60 days, shall be entitled to give notice in accordance with Section 12 of the Terms and Conditions that it calls in the outstanding Notes, in whole but not in part, for early redemption at the Redemption Amount (as defined in the Terms and Conditions) plus interest accrued until the date determined for redemption and calculated pursuant to Section 3 Paragraph (2) of the Terms and Conditions.

### **Regulatory Call**

The Issuer shall be entitled to call the Notes in whole but not in part, at the option of the Issuer, upon the occurrence of a Regulatory Event, subject to the prior permission of the competent regulatory authority pursuant to Section 5 Paragraph (4) of the Terms and Conditions of the Notes, if required.

A "**Regulatory Event**" means the determination by the Issuer that, due to a change affecting the legal provisions applying in the country in which the Issuer's registered office is situated or as a result of a change in their application or official interpretation, the Notes are disqualified from Tier 2 Capital or are reclassified as own funds of lower quality.

### **Interest on the Notes**

The Notes will bear interest on their Par Value from the Interest Commencement Date (inclusive) until the First Interest Payment Date (exclusive), and thereafter from each Interest Payment Date (inclusive) until the next Interest Payment Date (exclusive) (each an "**Interest Period**") at the Rate of Interest. Interest is payable semi-annually in arrear on each Interest Payment Date in the Specified Currency unless the Interest Payment Date in question is not a Bank Business Day.

Interest Commencement Date is 10 April 2014 (the "**Interest Commencement Date**"). Interest Payment Dates are 10 April and 10 October of each year (in each case an "**Interest Payment Date**"), up to the Maturity Date (inclusive). The first interest payment will be made on 10 October 2014 (the "**First Interest Payment Date**").

"**Rate of Interest**" means 6.25 per cent. per annum.

The presentation period stipulated in Section 801 Paragraph (1) Sentence 1 German Civil Code (*BGB*) which is relevant for prescription is reduced to ten years for the Notes.

### **Maturity Date**

The maturity date of the Notes is 10 April 2024.

### **Yield of the Notes**

The yield on the Notes is 6.25 per cent. The yield was calculated at the issue date on the basis of the issue price of the Notes as specified on the cover page of this Prospectus. It is not an indication of future yield.

### **Issue date of the Notes**

The issue date of the Notes is 10 April 2014.

### **Restrictions on free transferability**

None.

### **Admission to listing and trading**

Application has been made to the Luxembourg Stock Exchange for admission of the Notes to the Official List (*Bourse de Luxembourg*) and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

### **Estimate of total expenses related to the admission to listing and trading**

Approximately EUR 7,000.

### **Rating of the Notes**

As of the date of this Prospectus, the Notes received the following credit ratings from Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany ("**Moody's**"): Ba1

Moody's is established in the European Union and is currently registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Moody's is listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu>) in accordance with the CRA Regulation.

With regard to the rating of the Issuer, reference is made to the section "V. Description of Norddeutsche Landesbank – Girozentrale – 3. Ratings".

A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

## V. TAXATION

*The following is a general description of certain German tax considerations relating to the payment of principal and interest in respect of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not deal with other tax aspects of acquiring, holding or disposing of the Notes. It relates only to persons who are the absolute beneficial owners of Notes and may not apply to certain classes of holders of the Notes. In addition, these comments may not apply where interest on the Notes is deemed to be the income of any other person for tax purposes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date even with retrospective effect. The following is a general guide and should be treated with appropriate caution.*

***Taxation and its effects depend on the individual circumstances of the taxpayer. Prospective purchasers of the Notes should therefore consult their tax advisers as to the tax consequences of acquiring, holding or disposing of the Notes applicable to their particular situation under the tax laws of the country in which they are resident for tax purposes and under the tax laws of the Federal Republic of Germany.***

***The Issuer does not assume responsibility for any withholding of taxes at source.***

### 1. Taxation in Germany

#### a) Tax Residents

The following paragraphs apply to persons resident in Germany, i.e. persons whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany.

#### aa) Taxation of interest income and capital gains

##### *- Notes held as private assets*

Private income derived from capital investments (*Einkünfte aus Kapitalvermögen*) is generally subject to the flat tax (*Abgeltungsteuer*) regime. Such income from capital investments includes, *inter alia*, any interest received and capital gains from the disposal, redemption, repayment or assignment of the Notes, including interest having accrued up to the disposition of the Notes and credited separately (*Stückzinsen*, “**Accrued Interest**”), if any, held as non-business assets irrespective of a holding period. The taxable capital gain is the difference between the proceeds from the disposition, redemption, repayment or assignment on the one hand and the direct acquisition and disposal costs (including lump sum fees payable to banks for the administration of a depository account or of assets provided they are documented as covering transaction costs and not current management fees and subject to further requirements) on the other hand. As the Notes are issued in a currency other than Euro, the proceeds from the disposal, redemption, repayment or assignment and the acquisition costs each will be converted into Euro using the exchange rates as at the relevant dates, to the effect that currency gains and losses will also be taken into account in determining taxable income.

Related expenses (*Werbungskosten*) are not deductible, however, an annual tax allowance (*Sparer-Pauschbetrag*) of up to Euro 801 is granted in relation to all income from capital investments (up to Euro 1,602 for married couples filing a joint tax return).

Accrued Interest paid upon the acquisition of a privately held Note may give rise to negative income from capital investments. Such negative income and losses from capital investments can only be set off with income from capital investments. Any losses not offset in a given year may be carried forward to future years and may only be deducted from income from capital investments. The German Federal Ministry of Finance in its decree dated 9 October 2012 (IV C 1 - S 2252/10/10013) has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. Further, according to its decree dated 9 October 2012 the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a

consequence, a tax loss resulting from such disposal) shall not be recognised if the sales price does not exceed the actual transaction cost.

Income from capital investments is subject to German income tax at a special flat tax rate of 25 per cent. (plus a solidarity surcharge (*Solidaritatzuschlag*) thereon at a rate of 5.5 per cent., arriving at a tax rate of 26.375 per cent. plus, as the case may be, church tax). As a rule, the tax is imposed by way of withholding (*Kapitalertragsteuer*). The withheld tax amounts generally settle the personal income tax liability. In the event that no withholding tax was withheld (for example in cases where the Notes were kept in custody abroad), the relevant income has to be declared in the personal tax return and income tax is assessed on the gross income from capital investments at the special flat tax rate of 25 per cent. (plus solidarity surcharge (*Solidaritatzuschlag*) and, if applicable, church tax). An assessment may also be applied for in order to set off losses or to take advantage of the tax allowance if this was not done within the withholding process. An assessment may further be applied for if taxation at the personal progressive rates applicable for the relevant tax payer would lead to a lower tax burden (so-called favourableness test – *Gunstigerprufung*). Though not undisputed, a deduction of related costs exceeding the above mentioned lump sum deduction (which applies once to all items of investment income) is generally not possible in the assessment procedure.

#### - Notes held as business assets

Where the Notes are held as business assets, any income derived therefrom is taxed as income from agriculture or forestry, business income, or as income from a self-employed activity (*selbstandige Arbeit*), as the case may be. The flat tax regime is not applicable.

In the event that the Notes are held by an individual, the income is subject to income tax at the personal progressive tax rates of up to 45 per cent. (plus solidarity surcharge thereon of 5.5 per cent. and church tax if applicable). In addition, the income – to the extent it is business income – is subject to trade tax (trade tax rates may range from approx. 7 to 17 per cent. depending on the trade tax multiplier of the municipality concerned). Trade tax may in principle be (partially) credited against the income tax by way of a lump sum procedure.

If the Holder is a corporation, the income is subject to corporate income tax of 15 per cent. plus solidarity surcharge thereon of 5.5 per cent. and trade tax at the above rates.

If the Notes are held by a partnership, the income derived therefrom is allocated directly to the partners. Depending on if they are individuals or corporations, the income is subject to income tax or to corporate income tax at the level of the partner. The income – to the extent it is business income – is further subject to trade tax at the above rates at the level of the partnership. In case of a partner who is an individual, the trade tax may in principle (partially) be credited against the income tax by way of a lump sum procedure.

Losses from the disposal, redemption, repayment or assignment of the Notes are in general recognised for tax purposes.

#### bb) Withholding Tax

Withholding tax, if applicable, is levied at a uniform rate of 25 per cent. (in all cases plus solidarity surcharge thereon of 5.5 per cent. and, if applicable, church tax at rates of either 8 or 9 per cent., the latter provided that the Holder has informed the German Disbursing Agent (as defined below) of his membership in a congregation). A German branch of a German or non-German bank or of a German or non-German financial services institution, or a German securities trading bank or business (each a “**German Disbursing Agent**”) is in principle obliged to withhold withholding tax and pay it to the German tax authorities for the account of the Holder. In the case of income from capital investments received after 31 December 2014 by Holders holding the Notes as private assets, church tax is collected by way of withholding as a standard procedure, unless the Holder filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt fur Steuern*). The Issuer may be obliged to deduct and withhold withholding tax where (i) no German bank or German financial services institution is the disbursing agent and where additionally (ii) the Issuer holds the Notes in custody, administers them or effects a sale of the Notes and pays or credits the relevant amounts of interest or sales proceeds.

Where the Notes are held in a custodial account that the Holder of the Notes maintains with a German Disbursing Agent, withholding tax will be levied on the gross interest payments. In the event that the disposition, redemption, repayment or assignment of the Notes is made or commissioned through a German Disbursing Agent effecting such disposition, redemption, repayment or assignment commission, withholding tax is levied on the capital gains from the transaction. To the extent the Notes have not been kept in a custodial account with the German Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment, the withholding tax rate is applied to 30 per cent. of the disposal proceeds (substitute assessment base – *Ersatzbemessungsgrundlage*), unless the Notes have been previously kept in a custodial account of a foreign credit or financial services institution with registered seat in another EU member state or in the European Economic Area and the Holder of the Notes provides evidence of the actual acquisition cost by submitting a certificate of the previous German Disbursing Agent or a foreign credit or financial services institution.

In computing the withholding tax base, the German Disbursing Agent will take into account (the following each derived from private capital investments) Accrued Interest paid by the Holder of the Notes and, according to a specific procedure, settle these Accrued Interest as well as losses from the disposal of capital investments (other than stocks (*Aktien*)) from other transactions entered into through or with the same German Disbursing Agent. If, in this context, losses cannot be offset in full against positive income from capital investments, the German Disbursing Agent will upon request issue a certificate stating the losses in order for them to be offset or carried forward in the assessment procedure. The request must reach the German Disbursing Agent by 15<sup>th</sup> December of the current year and is irrevocable.

In general, no withholding tax will be levied if the Holder of the Notes is an individual who files an exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income derived from the Notes together with the other income from capital investment does not exceed the exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder of the Notes has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If the Notes are held as private assets and the income derived therefrom is not allocable to income from the leasing and letting of certain property, the personal income tax liability is, in principle, settled by the tax withheld. A tax assessment may be applied for in the cases outlined above. In assessment cases and in cases where the Notes are held as a business assets or is allocable to other types of income, the withholding tax is credited against the income tax or corporate income tax liability of the Holder, or is refunded.

Withholding tax, as a rule, does not have to be deducted or withheld if the Holder is a German branch of a German or non-German bank or of a German or non-German financial services institution or a German capital investment company (*Kapitalanlagegesellschaft*).

Taxes on the capital gains from the disposal of the Notes derived by a private law corporation that is subject to unlimited taxation in Germany and which is not exempt from corporate income tax, and that is neither a German branch of a German or non-German bank or of a German or non-German financial services institution nor a German capital investment company, are not collected in the form of withholding tax. In the case of certain specific kinds of corporations, this applies only if they provide evidence of falling under this group of taxpayers by a certificate from their competent tax office.

To the extent that the capital gains represent business income of a domestic business and the sole proprietor declares this to be so to the German Disbursing Agent on the officially required standard form, the German Disbursing Agent must not deduct an amount as withholding tax.

## **b) Non-residents**

aa) Taxation of interest income and capital gains

Income from capital investments (including interest, capital gains and Accrued Interest) is not subject to German taxation, unless (i) the Notes form part of the business assets of a permanent establishment (including a permanent representative) or a fixed base maintained in Germany by the Holder; or (ii) the income otherwise constitutes German-source income creating German limited tax liability (such as income from the letting and leasing of certain property located in Germany). In cases (i) and (ii), a regime similar to that explained above under “*Tax Residents*” applies.

#### bb) Withholding Tax

Non-residents are, in general, not subject to 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 German Disbursing Agent, withholding tax is levied as explained above under “*Tax Residents*”. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

#### c) Inheritance and Gift tax

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany, if, in the case of an inheritance *mortis causa*, neither the decedent nor the beneficiary, or, in the case of an endowment *intra vivos*, neither the donor nor the donee, has its residence or habitual abode or, as the case may be, its place of management or seat in Germany and such Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply for example to certain German citizens who previously maintained a residence in Germany. Otherwise, inheritance and gift tax may apply.

Inheritance or gift tax may apply *inter alia* – without any transfer – in intervals of 30 years, if the Notes are held by a qualifying family foundation (*Stiftung*) or a family association (*Verein*) having its statutory seat or place of management in Germany.

#### d) Other taxes

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

## 2. EU Savings Directive on the taxation of savings income

On 3 June 2003, the EU adopted the Savings Directive under which, subject to a number of important conditions, member states are required to provide to the tax authorities of another member state details of payments of interest (or similar income) paid by a paying agent (within the meaning of the Savings Directive) within their jurisdiction to, or for the benefit of, an individual resident or a residual entity established in that other member state. For a transitional period Austria (unless during such period it elects otherwise) and Luxembourg (presumably until 31 December 2014) will instead be required to operate a withholding system in relation to such payments (the ending of the transitional period being related to the conclusion of certain other agreements relating to information exchange with certain other countries).

Certain European countries which are not members of the European Union as well as a number of non-EU countries and certain member states' dependent or associated territories will apply measures equivalent to those contained in the Savings Directive, in accordance with agreements entered into by them with the European Union. Consequently, member states will apply an automatic exchange of information or, during the transitional period, deduct withholding tax in relation to persons resident in some of the European third countries or the territories in the described manner.

The provisions of the Savings Directive and the agreements with the European third countries and territories are applicable since 1 July 2005.

On 13 November 2008, the European Commission published a proposal for amendments to the Savings Directive, which included a number of suggested changes which, if implemented, would

broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009; the European Economic and Social Committee adopted its opinion on 13 May 2009. On 2 March 2012 the European Commission, following a second review of the Savings Directive, adopted a report on the Savings Directive to the Council of the European Union which again confirmed the Commission's advice on the need for changes. Finally, on 24 March 2014 the European Council formally adopted a directive amending the Savings Directive. The new rules will likely be applicable as from 2017. Investors who are in any doubt as to their position should consult their professional advisers.

## VI. SELLING RESTRICTIONS AND RELATED INFORMATION

This Prospectus may only be used for the purpose for which it has been published. This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any of the Notes. In no event should this Prospectus be considered as a recommendation by the Issuer, each of HSBC Bank plc, BNP Paribas, J.P. Morgan Securities plc, Nomura International plc and The Royal Bank of Scotland plc (each a “Joint Lead Manager” and, together, the “Joint Lead Managers”) or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### Selling restrictions

#### *General*

Each Joint Lead Manager has acknowledged that no action has been or will be taken in any country or jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

*For avoidance of doubt*, the approval of this Prospectus by the CSSF and the listing of the Notes on the Official List of the Luxembourg Stock Exchange does not constitute a public offering. Each Joint Lead Manager will comply, to the best of its knowledge and belief, with all applicable securities laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes such offering material, in all cases at its own expense.

#### *United States of America*

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each of the Joint Lead Managers has represented and agreed that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the “**distribution compliance period**”), only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Joint Lead Manager has 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 (as defined in Rule 902 of Regulation S) with respect to the Notes, and it and they have complied and will comply with the offering restrictions (as defined in Rule 902 of Regulation S) requirement of Regulation S. Each Joint Lead Manager has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor (as defined in Rule 902 of Regulation S), dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in the preceding paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them under the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Internal Revenue Code**”), and regulations thereunder.

The Notes are issued in accordance with the provisions of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the “**D Rules**”), including any successor regulations or rules in substantially the same form as the D Rules for purposes of Section 4701 of the U.S. Internal Revenue Code.

Each Joint Lead Manager has represented and agreed (and will cause each person to which it sells any Notes during the restricted period to represent and agree) that:

- (a) except to the extent permitted under the D Rules, (A) it has not offered or sold, and during the restricted period will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person and (B) in connection with the sale of the Notes during the restricted period, such Joint Lead Manager has not delivered and will not deliver within the United States or its possessions definitive Notes;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes 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 D Rules;
- (c) if such Joint Lead Manager 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 Joint Lead Manager 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) it acknowledges that an offer or sale will be considered to be made in the United States or its possessions if it has an address within the United States or its possessions for the offeree or purchaser of a Note subject to such offer or sale; and
- (e) with respect to each affiliate (if any) that acquires from such Joint Lead Manager Notes for the purpose of offering or selling such Notes during the restricted period, such Joint Lead Manager either (A) hereby represents and agrees on behalf of such affiliate to the effect set forth in subparagraphs (a), (b), (c) and (d) of this paragraph (i) or (B) agrees that it will obtain from such affiliate for the benefit of the Issuer, the representations and agreements contained in subparagraphs (a), (b), (c) and (d) of this paragraph.

Terms used in this paragraph have the meanings given to them under the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, until 40 days after the commencement of the offering of the Notes, an offer, sale or delivery of the Notes within the United States by any dealer that is not participating in the offering of the Notes may violate the registration requirements of the Securities Act if such offer, sale or delivery is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Each Joint Lead Manager has agreed that it has not entered and will not enter into any contractual arrangement with any distributor, within the meaning of Regulation S under the Securities Act, with respect to the distribution of the Notes, except with its affiliates or with the prior written consent of the Issuer.

### ***Japan***

Each Joint Lead Manager has acknowledged and understood that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”) and each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes to

any person in Japan (which term as used in this paragraph includes any corporation or other entity domiciled in Japan), or to others for re-offering or resale, directly or indirectly, to any person in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and guidelines of Japan promulgated by the relevant Japanese governmental and regulatory authorities and which are in effect at the relevant time.

### ***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 Joint Lead Manager has represented, that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus 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 the Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or a Supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### ***Selling Restrictions addressing additional French Securities Laws***

***This Prospectus has not been approved by the Autorité des marchés financiers (“AMF”).***

Each Joint Lead Manager 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, this Prospectus, or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals all as defined in, and in accordance with, Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

The direct or indirect resale of Notes to the public in France may be made only as provided and in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

### ***United Kingdom***

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (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 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Hong Kong***

Each Joint Lead Manager has represented and agreed that:

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

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to any offer pursuant to this Prospectus and, if in doubt about the contents of this Prospectus, obtain independent professional advice.

### ***Singapore***

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;

- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

#### ***The People's Republic of China***

The Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (the "**PRC**") (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

#### **Stabilisation**

In connection with the issue of the Notes, HSBC Bank plc (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

#### **Responsibility of the Joint Lead Managers**

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. No Joint Lead Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

## VII. IMPORTANT NOTICES

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or any state securities commission in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference into this Prospectus, in the underwriting agreement relating to the Notes and entered into by the Issuer and the Joint Lead Managers, in any other document prepared by or on behalf of the Issuer in connection with the issue of the Notes or as approved for such purpose by the Issuer.

Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, please see Section VI. “*Selling Restrictions and Related Information*”. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

This Prospectus contains certain forward-looking statements, including statements using the words “believes”, “anticipates”, “intends”, “expects”, “targets” or other similar terms. This applies in particular to statements under the caption “*Description of Norddeutsche Landesbank – Girozentrale – 4. Recent events in the business activities of Norddeutsche Landesbank – Girozentrale*” and “*5. Business overview*” and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the NORD/LB Group and NORD/LB, respectively. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of NORD/LB Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Furthermore, this Prospectus contains industry related data taken or derived from industry and market research reports published by third parties (“**External Data**”) on which basis the Issuer may have done internal calculations and research. Commercial publications generally state that the information they contain originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The External Data has not been independently verified by the Issuer.

The Issuer does not have access to the underlying facts and assumptions of numerical and market data and other information contained in publicly available sources. Consequently, numerical and market data or other information cannot be verified by the Issuer.

## VIII. GENERAL INFORMATION

### 1. Authorisation

The issue of the Notes was authorised by the Managing Board (*Vorstand*) of the Issuer on 19 November 2013 and 11 February 2014.

### 2. Availability of documents

From the date hereof and at least throughout the life of this Prospectus, copies of the following documents (together with English translations) may be inspected at the registered office of NORD/LB, in its capacity as Issuer during usual business hours, on any workday (Saturdays, Sundays and public holidays excepted):

- (i) State Treaty dated 22 August 2007, as amended on 12 July 2011;
- (ii) the Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale –;
- (iii) the Interim Report (*Zwischenbericht*) of NORD/LB Group as of 30 September 2013;
- (iv) the Annual Report (*Geschäftsbericht*) of NORD/LB Group for the Financial Year 2012;
- (v) the Annual Report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the Financial Year 2012;
- (vi) the Annual Report (*Geschäftsbericht*) of NORD/LB Group for the Financial Year 2011;
- (vii) this Prospectus.

Such documents are also available in electronic form on the Issuer's website (<http://www.nordlb.de>).

### 3. Incorporation by reference

The following documents shall be deemed to be incorporated into, and form part of, this Prospectus (the "**Documents**"). Only the following mentioned parts of the Documents shall be deemed to be incorporated into, and form part of, this Prospectus. The other parts within this Documents are expressly not incorporated into, and do not form part of, this Prospectus. The non-incorporated parts are either not relevant for the investor or covered elsewhere into this Prospectus.

Document	Pages	Reference in this Prospectus
Interim Report ( <i>Zwischenbericht</i> ) of NORD/LB Group as of 30 September 2013 containing the unaudited and unreviewed interim consolidated financial statements of NORD/LB Group as of 30 September 2013		
Key Figures*		
- Income statement	2	
- Balance figures	2	
Interim Group Management Report	24, 26	
Income Statement	34	
Income Statement – Summary by Quarter	35	
Statement of Comprehensive Income	36	
Statement of	37	

Comprehensive Income – Summary by Quarter	
Balance Sheet	38 - 39
Condensed Statement of Changes in Equity	40
Condensed Cash Flow Statement	40
Selected Notes	41 - 77

Annual Report  
(*Geschäftsbericht*) of NORD/LB  
Group for the Financial Year  
2012 containing the audited  
consolidated financial  
statements of NORD/LB Group  
as of 31 December 2012

Key Figures*	
- Income statement	2
- Balance figures	2
Development of the Business Segments	76 - 93
Group Management Report	124
Income Statement	156
Statement of Comprehensive Income	157
Balance Sheet	158 - 159
Statement of Changes in Equity	160 - 161
Cash Flow Statements	162 - 163
Notes to the Consolidated Financial Statements	164 - 252
Auditor's Report	257

Annual Report  
(*Geschäftsbericht*) of  
Norddeutsche Landesbank –  
Girozentrale – for the Financial  
Year 2012 containing the  
audited financial statements of  
the Issuer as of 31 December  
2012

Development of the Business Segments	20 - 29
Balance Sheet	70 – 73
Income Statement	74 - 75
Notes to the company accounts	77 - 113
Auditor's Report	117

Annual Report  
(*Geschäftsbericht*) of NORD/LB  
Group for the Financial Year  
2011 containing the audited  
consolidated financial  
statements of NORD/LB Group  
as of 31 December 2011

NORD/LB Group at a glance**	2
Development of the	88 - 103

Business Segments	
Group Management Report	127, 129
Income Statement	158
Statement of Comprehensive Income	159
Balance Sheet	160 - 161
Statement of Changes in Equity	162 - 163
Cash Flow Statements	164 - 165
Notes to the Consolidated Financial Statements	166 - 256
Auditor's Report	258

\* The information on NORD/LB's rating as set out on page 2 under the heading "NORD/LB ratings" is not incorporated by reference into this Prospectus.

\*\* The information on the rating of NORD/LB on the bottom of page 2 is not incorporated by reference into this Prospectus.

#### **4. Third party information**

The information relating to ratings and ratings definitions contained in this Prospectus has been sourced from third parties. The Issuer confirms that this information has been accurately reproduced and that – as far as the Issuer is aware and is able to ascertain from information published by that third party – no facts have been omitted which would render the reproduced information inaccurate or misleading.

Apart from this, no other information or statements contained in this Prospectus have been sourced from a third party.

#### **5. Joint Lead Managers transacting with the Issuer**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

## IX. NAMES AND ADDRESSES

### REGISTERED / HEAD OFFICE OF THE ISSUER

**Norddeutsche Landesbank**  
– Girozentrale –  
Friedrichswall 10  
30159 Hannover  
Germany

### SOLE GLOBAL COORDINATOR

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

### JOINT LEAD MANAGERS

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Nomura International plc**  
1 Angel Lane  
London EC4R 3AB  
United Kingdom

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

### FISCAL AGENT

**BNP Paribas Securities Services,  
Luxembourg Branch**  
33, rue de Gaspérich  
Howald-Hespérange  
2085 Luxembourg  
Luxembourg

### PAYING AGENTS

**Norddeutsche Landesbank**  
– Girozentrale –  
Friedrichswall 10  
30159 Hannover  
Germany

**BNP Paribas Securities Services,  
Luxembourg Branch**  
33, rue de Gaspérich  
Howald-Hespérange  
2085 Luxembourg  
Luxembourg

**AUDITORS OF THE ISSUER**

**KPMG AG, Wirtschaftsprüfungsgesellschaft**

Osterstraße 40  
30159 Hanover  
Germany

**LEGAL ADVISERS**

*to the Issuer*

**White & Case LLP**

Bockenheimer Landstraße 20  
60323 Frankfurt am Main  
Germany

*to the Joint Lead Managers*

**Ashurst LLP**

Operturm  
Bockenheimer Landstraße 2-4  
60306 Frankfurt am Main  
Germany