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Prospectus

Aareal Bank AG

Federal Republic of Germany, Wiesbaden

as Issuer

USD 425,000,000 Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 Notes of 2025

ISIN XS2971584813, Common Code 297158481, WKN A289M2

Issue price: 100.00 per cent.

Aareal Bank AG (the "**Issuer**") will issue on 22 January 2025 (the "**Issue Date**") USD 425,000,000 Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 Notes of 2025 (the "**Notes**") with a denomination of USD 200,000 each (the "**Original Nominal Amount**").

The Notes will bear interest on their Current Nominal Amount (as described below) from and including the Issue Date to but excluding the day on which the Notes will be due for redemption. The applicable rate of interest from and including the Issue Date to but excluding 31 July 2030 (the "**First Reset Date**") will be a fixed rate of 9.875 per cent. *per annum*. Thereafter, unless previously redeemed or purchased and cancelled, the applicable rate of interest will be reset at five-year intervals as the sum of the CMT Rate and the initial credit spread of 5.068 per cent. *per annum,* such sum converted from a semi-annual basis to an annual basis in accordance with market convention. Interest shall be payable annually in arrear on 31 July of each year (each an "**Interest Payment Date**"), commencing on 31 July 2025 (short first interest period). "**Current Nominal Amount**" means, with respect to any Note: (i) at the issue date, the Original Nominal Amount of such Note and (ii) thereafter, the then outstanding nominal amount of such Note as reduced by any write-downs to the extent not reinstated for by write-ups (subject to limitations and conditions provided for in the terms and conditions of the Notes as set out in the section "*TERMS AND CONDITIONS OF THE NOTES*" below (the "**Terms and Conditions**")).

Payments of interest (each an "**Interest Payment**") are subject to cancellation, in whole or in part, and, if cancelled, are non-cumulative and Interest Payments in following years will not increase to compensate for any shortfall in Interest Payments in any previous year. The Notes do not have a scheduled maturity date. The Notes are redeemable by the Issuer, subject to the prior approval of the competent supervisory authority, (a)(i) on the First Reset Date and (ii) on each Interest Payment Date following the First Reset Date or (b) in other limited circumstances and, in each case subject to limitations and conditions as described in the Terms and Conditions. In certain cases, the redemption amount per Note may be lower than the Original Nominal Amount. In addition, if the competent resolution authority were to exercise any write-down and conversion powers, the then outstanding nominal amount of the Notes might be (permanently) written down or the Notes might be converted into Common Equity Tier 1 instruments.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and was approved by the *Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg* (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is the subject of this Prospectus nor of the quality of the Notes that are the subject of this Prospectus. In accordance with Article 6 (4) of the Luxembourg Law of 16 July 2019 on prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*; the "**Luxembourg Prospectus Act**"), by approving this Prospectus, the CSSF assumes no responsibility for the economic or financial soundness of the transactions contemplated by this Prospectus or the quality and solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in the Notes. This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.luxse.com).

This Prospectus will be valid until 20 January 2026 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to this Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on a regulated market and at the latest upon expiry of the validity period of this Prospectus.

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Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**").

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes, upon issuance, are expected to be assigned a rating of BB- by Fitch Ratings Ireland Limited, registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Investing in the Notes involves certain risks. See "*RISK FACTORS*" beginning on page 8. The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. See "*PROHIBITION ON MARKETING AND SALES OF NOTES TO RETAIL INVESTORS*" beginning on page 5 and "*SUBSCRIPTION AND SALE OF THE NOTES – Selling Restrictions.*"

Global Coordinator:
Morgan Stanley

Joint Bookrunners:
BofA Securities, Citigroup, Goldman Sachs Bank Europe SE, Morgan Stanley, UBS Investment Bank

This Prospectus is dated 20 January 2025

Aareal

RESPONSIBILITY STATEMENT

Aareal Bank AG (the "**Issuer**" or "**Aareal Bank**" and together with all of its affiliated companies within the meaning of the German Stock Corporation Act (*Aktiengesetz*), the "**Aareal Bank Group**" or the "**Group**"), with its registered office in Wiesbaden, Germany, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer, the Aareal Bank Group and the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Aareal Bank Group and of the rights attached to the Notes; (ii) the information contained in this Prospectus relating to the Issuer, the Aareal Bank Group and the Notes is accurate and complete in all material respects and not misleading; (iii) that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Aareal Bank Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and (v) reasonable enquiries have been made by the Issuer to ascertain all such facts for the purposes aforesaid. The Issuer confirms that any information from third-party sources has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

NOTICE

No person is authorised by the Issuer to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners (as defined in "*SUBSCRIPTION AND SALE OF THE NOTES*"). Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes made hereunder shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer which is material in the context of the issue and sale of the Notes since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The legally binding language of this Prospectus is English. Any part of this Prospectus in German language constitutes a translation, except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus, unless otherwise specified, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, and references to "US Dollars" or "USD" are to the legal currency of the United States.

FORWARD-LOOKING STATEMENTS – This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*Information on Aareal Bank as Issuer – 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 Issuer. 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 the Issuer, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Joint Bookrunners assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

ROUNDING – Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any documents incorporated herein or therein by reference.

For the avoidance of doubt, the content of any website referred to in this Prospectus does not form part of this Prospectus (except for the information expressly incorporated by reference into this Prospectus) and the information on such websites has not been scrutinised or approved by the CSSF.

To the fullest extent permitted by law, neither the Joint Bookrunners nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes 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 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 the Joint Bookrunners to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

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 "*SUBSCRIPTION AND SALE OF THE NOTES – Selling Restrictions*."

MIFID II PRODUCT GOVERNANCE/ELIGIBLE COUNTERPARTIES, PROFESSIONAL INVESTORS AND ECPS ONLY – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. A Distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA") – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of MiFID II; or (ii) a customer within the meaning of the Directive 2016/97/EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPS REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA (the "**UK Delegated Regulation**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of article 2 (1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No 1286/2014 as amended as it forms part of UK law by virtue of the European Union (Withdrawal)

Act 2018 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PROHIBITION ON MARKETING AND SALES OF NOTES TO RETAIL INVESTORS – The Notes described in this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors. In the EEA, these laws, regulations or guidance comprise MiFID II and the PRIIPs Regulation, and in the UK, the Financial Conduct Authority ("**FCA**") Handbook Conduct of Business Sourcebook ("**COBS**"), UK MiFIR, certain provisions of the UK Delegated Regulation, and the UK PRIIPs Regulation. Together, these laws, regulations or guidance are referred to as the "**Regulations**". Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and the (ii) offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities such as the Notes.

The Joint Bookrunners are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase any Notes (or a beneficial interest in the Notes) from the Issuer and/or the Joint Bookrunners each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that:

(1) it is not a retail investor and it is not a retail client in the UK;

(2) whether or not it is subject to the Regulations:

   (A) it will not sell or offer the Notes (or any beneficial interest therein) to retail investors or to retail clients in the UK; or

   (B) it will not communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail investor or by a retail client in the UK;

   and in selling or offering the Notes or making or approving communications relating to the Notes it may not rely on the limited exemptions set out in COBS;

(3) if it is a person in Hong Kong, it is a 'professional investor' as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; and

(4) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II, COBS or the UK Delegated Regulation and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

For the purposes of this provision: the expression "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II; (iii) a retail client as defined in point (8) of Article 2 of the UK Delegated Regulation or (iv) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of article 2 (1) of UK MiFIR.

Each prospective investor further acknowledges that:

(1) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II or the UK Delegated Regulation) is eligible counterparties and professional clients;

(2) no key information document (KID) under the PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation; and

(3) no key information document (KID) under the UK PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interest therein) from the Issuer and/or any of the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Singapore Securities and Futures Act Product Classification Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time – The Notes are (i) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and (ii) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION – IN CONNECTION WITH THE ISSUE OF THE NOTES, MORGAN STANLEY EUROPE SE (THE "STABILISATION MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISATION 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, STABILISATION MAY NOT NECESSARILY OCCUR. 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 CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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

This Prospectus does not constitute and may not be used for the purposes 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.

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RISK FACTORS

Investing in the Notes involves certain risks. An investment in the Notes which are complex financial instruments is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment (in particular, the specific risks of investing in regulatory capital notes, including the risks associated with potential restrictions which may be imposed by competent authorities on the offering and sale or re-sale of the Notes and therefore potentially on the value of the Notes) and who have sufficient financial means to absorb any potential loss stemming therefrom. Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus or any supplement to this Prospectus (including any document incorporated by reference herein or therein) and should consult with their own professional advisers and reach their own views prior to making any investment decision.

The Issuer believes that the risks described below represent the principal risks that might be considered specific to Aareal Bank as Issuer, the Aareal Bank Group and the Notes and important when making an informed investment decision, however, the non-payment by the Issuer of any Interest Payment, redemption payment or other amount on the Notes may occur for other reasons (including that the Issuer may elect, in its sole and absolute discretion, to cancel any Interest Payment in whole or in part at any time and for any (or no) reason) and the Issuer does not represent that the risks discussed below are comprehensive.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this section of the Prospectus.

A. Risk Factors relating to Aareal Bank

Any investment in the Notes involves risks relating to the Issuer. Aareal Bank's risk exposure is largely concentrated on risks generally associated with banking. Some of its subsidiaries, however, are exposed to a variety of other types of risk outside typical banking risk.

The risk factors regarding Aareal Bank as Issuer are presented in the following categories:

- Risks related to the Issuer's financial situation
- Regulatory Risks
- Risks related to the Issuer's business activities and industry
- Environmental, Social and Governance Risks

The occurrence of one or more of the risks described below, alone or in combination with other circumstances, may have a material adverse effect on the business, cash flows, results of operations and financial condition of the Issuer and the Aareal Bank Group. Moreover, if any of these risks materialise, the market value of the Notes and the likelihood that the Issuer will be in a position to make payments on the Notes may decrease, in which case holders of Notes (the "**Holders**") could lose all or part of their investments. Additional risks and uncertainties, which are not currently known to the Issuer, or which the Issuer currently believes are immaterial, could likewise impair the business operations of the Issuer or the Aareal Bank Group and have a material adverse effect on its business, cash flows, results of operations and financial condition or otherwise impact the Issuer's ability to perform its obligations under the Notes.

1. Risks related to the Issuer's financial situation

Credit Risk

Aareal Bank defines credit risk as the risk of losses being incurred due to (i) a business partner defaulting on contractual obligations (counterparty default risk); (ii) a deterioration in a business partner's credit quality (migration risk); (iii) the effects of adverse exchange rate developments in the real estate financing portfolio (FX Lending risk). Both credit business and trading activities may be subject to counterparty default risk. Counterparty default risk exposure from trading activities may refer to risk exposure vis-à-vis counterparties or issuers.

Counterparty Default Risk in connection with Structured Property Financing

In connection with its Structured Property Financing assets, credit risk for Aareal Bank depends on a number of factors including, but not limited to, the respective borrower's creditworthiness, the relevant property's capacity to generate earnings, the ability of tenants to pay rents to borrowers, the price trend in the relevant segment of the real estate sector, the demand for real estate in the respective locations and the general economic situation as well as socioeconomic changes. If the trend in any of these factors is negative compared to the assumptions made when property financing was extended, there is an increased risk of credit defaults.

Counterparty Default Risk from Trading Activities

The Issuer defines counterparty risk from trading activities as the potential losses in value or foregone profit, which may occur through unexpected default or deterioration of the credit quality of trading counterparties with whom Aareal Bank has entered into securities or money market transactions, interest rate or currency derivatives, as well as securities repurchase transactions.

Market Risk

Market risk is defined as the negative change in the value of Aareal Bank's overall portfolio as a result of price fluctuations or changes in parameters influencing price. This refers to market risks which are not assigned to the interest rate risk. In particular, this also encompasses any type of spread risk exposure of instruments which are sensitive to changes in interest rates, and which are neither included in interest rate risk nor in counterparty credit risk. The source of these market risks may arise from changes in credit spreads (credit spread risk); foreign exchange rates (spot and forward FX risk); risks from adjustments to the credit valuation of OTC-derivatives (CVA risk); risks from fluctuations in the value of fund assets (fund risk) and risks from the trading book.

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is defined as the risk exposure of instruments held in the banking book which are sensitive to changes in interest rates, caused by yield curve shifts. This includes risks arising from maturity transformation (gap risk), spreads to the general yield curve including tenor spread risk but excluding credit spread risk (basis risk), explicit and implied interest rate options (option risk); and risks from changes in Aareal Bank's specific funding spreads (funding risk).

Pension Risk

Pension risk arises from adverse changes in the net defined benefit liability. This encompasses movements in the pension liability primarily caused by decreasing interest rates as well as negative changes in the market values of the corresponding plan assets.

Liquidity Risk

Aareal Bank is exposed to liquidity risk, i.e., the risk of being unable to meet current or future payment obligations or of being unable to fulfil such obligations in a timely manner and in all currencies it operates with. Liquidity risk can take various forms and may also be triggered by circumstances that are unrelated to Aareal Bank's business and may be outside of its control. Moreover, larger-scale losses, rating changes, a general decline in business activity in the financial sector, regulatory action, and a wide range of other reasons may have an adverse impact on Aareal Bank's access to liquidity and may, therefore, seriously affect its business performance and future prospects.

Investment Risk

Aareal Bank defines investment risk as the threat of unexpected losses incurred due to an impairment of the carrying value of equity investments, or a default of loans to equity investments. The concept of investment risk also encompasses risks arising from contingencies vis-à-vis relevant Group entities. Aareal Bank Group acquires equity investments strictly for the purpose of positioning the Group as an international property financing specialist and provider of property-related services.

Risk of a downgrading of the Issuer's ratings

The rating agencies Fitch Ratings Ireland Limited and Moody's Deutschland GmbH have assigned various credit ratings (inter alia short-term and long-term issuer ratings) to Aareal Bank. Aareal Bank's rating is an important comparative element in competition with other banks. If these ratings of Aareal Bank were to be downgraded in the future, this might impair Aareal Bank's access to refinancing sources and/or cause refinancing costs to rise.

Step-in Risks

Aareal Bank associates step-in risks with the risk that Aareal Bank may provide financial support to an entity beyond or in the absence of any contractual obligations to avoid consequential losses for Aareal Bank like reputational damages or default of important customers.

Risks relating to the European Sovereign Debt Crisis

The European sovereign debt crisis might potentially raise its head again in Europe as the problem of high levels of indebtedness is still there. With the expiry of the net bond purchase programs and the ongoing monetary tightening of central banks, risk premiums for highly indebted countries could rise. Given high levels of debt, a rise in risk premiums is accompanied by an increase in debt burden, which may cast doubt on the sustainability of the fiscal stance of countries concerned. Although the European Central Bank ("**ECB**") has created a tool to ensure the smooth normalisation of the Eurozone's monetary policy and prevent excessive tightening of financial conditions for individual member states, the effectiveness of this instrument has not yet been tested. Regulatory and political actions by European governments may not be sufficient to prevent a crisis from spreading or prevent the departure of one or more member countries from the common currency. In particular, anti-austerity populism in member

countries of the Eurozone could undermine confidence in the continued viability of those countries' participation in the euro. The default or departure from the euro of any one or more countries could have unpredictable political consequences as well as consequences for the financial system and the greater economy, potentially leading to a disruption of Aareal Bank's business, causing write-downs of assets and material losses. The Aareal Bank's ability to protect itself against these risks is limited.

Risks attached to the Banking & Digital Solutions segment

There is a risk that current economic developments, such as the shortage of skilled labour in the skilled trades sector, increased labour and interest costs, and the interest rate competition activated following the turnaround in interest rates, could have a diminishing effect on the amount of deposits deposited with Aareal Bank by the housing industry and related industries. This would have a negative impact on the amount of fee income that can be generated accordingly.

Risks relating to First Financial Software GmbH

Regarding Aareal Bank's shareholding in First Financial Software GmbH, Mainz, Germany, the main risk groups are management and organisational risks as well as operational risks regarding the further development and operation of systems, as well as market risks due to the close relationship with Aareal Bank as main customer of First Financial Software GmbH and the distribution in respect to banking products offered predominantly to customers by Aareal Bank.

2. Regulatory Risks

Risks for the Issuer in connection with own funds and liquidity requirements as well as the leverage ratio

With a view to Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended, the "**CRD IV Directive**") and the capital requirement regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (as amended, the "**CRR**"), (CRD IV Directive and CRR together referred to "**CRD IV Package**"), the capital requirements for credit institutions have and continue to become significantly tighter in terms of quality and materially increase in terms of required quantity.

The CRD IV Package itself has been substantially amended through a revised banking package. This package consists of Regulation (EU) 2019/876 amending the CRR (the "**CRR II**") and Directive (EU) 2019/878 amending the CRD IV (the "**CRD V**") as well as Regulation (EU) 2019/877 amending Regulation (EU) No. 806/2014, as amended ("**SRM Regulation**") (the "**SRM II**") and Directive (EU) 2019/879 amending the Directive for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, the "**BRRD**") (the "**BRRD II**") (together, the "**EU Banking Package**"). The SRM II is applicable since 28 December 2020, while CRD V and BRRD II have been implemented into national law by the German Risk Reduction Act (*Gesetz zur Reduzierung von Risiken und zur Stärkung der Proportionalität im Bankensektor*). The CRR II has been fully applied since 28 June 2021, which had a significant impact on regulatory requirements. On 1 January 2025, an amended version of the CRR came into force, implementing the remaining elements of the Basel III reform (so-called Basel IV reforms) into EU law. This will also have a significant impact on the capital requirements of credit institutions, including changes to the definitions and calculations of regulatory capital ratios and their components and the regulatory output floors contemplated by the Basel IV reforms, which set floors in the capital requirements calculated under internal models in terms of a percentage of the capital requirements that would result under the standardised approach.

Pursuant to the CRR, credit institutions are required to maintain a minimum ratio of Tier 1 capital of 6 per cent. and a minimum ratio of Common Equity Tier 1 capital of 4.5 per cent. The minimum total capital ratio of own funds (being the sum of the Tier 1 capital and the Tier 2 capital) is 8 per cent. The German Banking Act (*Kreditwesengesetz*) by transposing the CRD IV package into national law also requires banks to maintain a mandatory capital conservation buffer of 2.5 per cent. and authorises the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") to require credit institutions to build an additional countercyclical buffer during periods of high credit growth. In addition, BaFin may require credit institutions to build up a systemic risk buffer as a matter of prevention against long-term non-cyclical systemic or macro-prudential risks, in particular if risk aspects are not fully covered by the capital requirements under the CRR or if the risk-bearing capability is endangered. In January 2022 BaFin announced a so called "*macroprudential measures package*" which contains a reintroduction of a countercyclical capital buffer of 0.75 per cent. and a sectoral systemic risk buffer of 2.00 per cent. for exposures secured by residential real estate, both to be applied since 1 February 2023. Furthermore, it can also be observed that also other jurisdictions that implemented the Basel framework started to (re-)introduce countercyclical capital buffers, which apply to all exposures within their territory, meaning that also foreign banks are required to hold additional capital for their exposures in respective jurisdictions.

Additionally, the Issuer is subject to further regulatory requirements such as the Liquidity Coverage Ratio (the "**LCR**") (which requires credit institutions to maintain certain liquid assets for a 30-day period against the background of a stress scenario) and the Net Stable Funding Ratio (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). The Issuer is required to maintain a minimum LCR of 100 per cent. The NSFR (binding minimum quota of 100 per cent. since 28 June 2021) is calculated as the ratio of available stable funding resources across all maturities to the required stable funding and imposes further obligations on the Issuer.

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 regulatory authorities could, among other things, bring administrative or judicial proceedings against the Issuer, which could result, among other things, in suspension or revocation of the Issuer's licences, cease and desist orders, increase of own funds requirements, conditions, fines, civil penalties, criminal penalties or other disciplinary action.

Given that own funds and/or liquidity requirements will increase and further regulatory requirements may change or be implemented, this may increase the Issuer's refinancing costs or require the Issuer to raise own funds instruments, increase other forms of capital or reduce its 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 the economic or legal position of creditors of the Issuer. Any of the aforementioned changes may also have a material adverse effect on the operating results and financial position of the Issuer.

Risks for the Issuer in connection with the Single Supervisory Mechanism (SSM) and/or the Supervisory Review and Evaluation Process (SREP)

Since November 2014, the ECB, supported by the participating national competent authorities (NCAs, such as BaFin), is responsible for conducting banking supervision in the euro area based inter alia on the regulation on the single supervisory mechanism (Council Regulation (EU) No. 1024/2013 of 15 October 2013, the "**SSM Regulation**" and the "**SSM**", respectively) which confers specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. The SSM is considered as the first pillar of the so-called EU Banking Union. Since then, the Issuer is a "significant" credit institution (and thus subject to direct ECB supervision, the ECB acting with the day-to-day assistance of the NCAs) under the SSM.

With a view to fulfil the supervisory tasks assumed by it, the ECB is empowered, in particular as part of the Supervisory Review and Evaluation Process ("**SREP**"), to inter alia, analyse the business model, reliability of internal control arrangements (including the internal models to measure adequacy of capital and liquidity also referred to as "*Internal Capital Adequacy Assessment Process*" (ICAAP) and "*Internal Liquidity Adequacy Assessment Process*" (ILAAP), respectively), risk governance of individual groups of significant credit institutions (such as the Issuer) and to require those to comply with own funds, leverage and liquidity adequacy requirements which may exceed regular regulatory requirements or to take early correction measures to address potential problems.

The key result of the application of the SREP is a common scoring which may result in specific additional individual capital, leverage and liquidity requirements for the supervised credit institutions subject to the SSM (including the Issuer). As a result, each affected credit institution receives a SREP decision by the ECB imposing, among other, individual capital requirements applicable. Based on the SREP decision dated 10 December 2024, the Total SREP Capital Requirements (TSCR) of Aareal Bank Group amounts to 11 per cent. and comprises the minimum own funds requirement pursuant to Article 92 (1) of the CRR and the Pillar 2 Requirement (P2R). The Overall Capital Requirement (OCR) of the Group amounts to 14.20 per cent. and additionally includes the combined buffer requirement (currently composed of capital conservation buffer, countercyclical buffer and systemic risk buffer).

Procedures within the SSM and 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 for the Issuer. Furthermore, such developments may require re-adjustment of its business plan or may have other material adverse effects on its business, results from operations or financial condition.

Risks from changes in the regulatory requirements or enforcement activities

The Issuer is subject to banking and financial services laws and government regulation in each of the jurisdictions in which it conducts business as well as intense supervision by bank regulators and central banks in several of these jurisdictions. The competent regulatory authorities have an extensive administrative surveillance authority over many aspects of the financial services business, including (but not limited to), inter alia, liquidity, capital adequacy and permitted investments, market behaviour requirements, organisational requirements, anti-money laundering, privacy, record keeping, as well as marketing and selling practices. The Issuer is therefore, among other requirements, obliged to meet minimum capital (own funds) requirements (on a group level) and to maintain a complex, sophisticated and expensive risk management system. The regulatory framework is subject to permanent developments and changes in legislation or administrative practice not only at the national level. Also international bodies such as the Financial Stability Board and the Basel Committee as well as the lawmakers and regulatory authorities in Europe are continuously working on additional recommendations, regulations, standards, etc. It is likely that in future further regulations need to be considered which might adversely affect the positions of creditors of credit institutions (such as the Issuer).

If the Issuer fails to address, or appears to fail to address, appropriately any changes or initiatives in banking or financial services regulation, its reputation could be harmed and regulatory authorities could, among other things, bring administrative or judicial proceedings against the Issuer, which could result, among other things, in suspension

or revocation of the Issuer's licences, cease and desist orders, increase of own funds requirements, conditions, fines, civil penalties, criminal penalties or other disciplinary action.

Any of such changes and enforcement actions may result in the necessity for the Issuer to raise additional own funds or other forms of capital, to restrict or modify its business or to 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. Moreover, compliance with amended or newly-imposed rules may lead to an increase in administrative expenses (including the expense of maintaining capital resources as required by own funds provisions), cost of compliance and reporting and consequently to higher cost ratios for the Issuer. The general administrative expenses of the Issuer may also increase as a consequence of increased supervisory fees. New regulatory requirements and in particular a failure of the Issuer to meet them as well as enforcement activities could also have other material adverse effects on the Issuer's financial position and results of operations.

Bank Crisis Management and deposit insurance framework

On 18 April 2023, the European Commission adopted a legislative proposal to adjust the EU's bank crisis management and deposit insurance ("**CMDI Framework**"). The package implies the review of the BRRD and SRM Regulation as well as a separate legislative proposal to amend the Deposit Guarantee Schemes Directive (Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency, the "**DGSD**"), all of which aim at further preserving financial stability, protecting taxpayers and depositors, and supporting the real economy and its competitiveness. The proposals enable authorities to organise the orderly market exit for a failing bank of any size and business model and consists of three pillars: (i) preserving financial stability and protecting taxpayers' money through facilitating the use of deposit guarantee schemes in crisis situations; (ii) shielding the real economy from the impact of bank failure by allowing authorities to fully use resolution as a key component of the crisis management toolbox; and (iii) better protecting depositors. The European Commission's proposal harmonises the standards of depositor protection across the EU and further extends the new framework of depositor protection to public entities. Furthermore, the proposal harmonises the protection of temporary high balances on bank accounts in excess of EUR 100,000 linked to specific life events. In particular, the new rules introduce a new depositor preference, according to which the "super-preference" of deposit guarantee schemes is removed and a single-tier ranking for all deposits (covered deposits and deposit guarantee schemes' claims, non-covered deposits of households and small and medium enterprises, other non-covered deposits) is created. Furthermore, the new rules foresee that all deposits relative to ordinary unsecured claims are preferred. However, there is a high degree of uncertainty with regards to the proposed adjustments to the CMDI Framework and when they will be finally implemented in the EU. Therefore, as at the date of this Prospectus, the exact impact of these adjustments and the potential effects on the Issuer cannot be assessed yet.

Risks related to regulatory actions the Issuer is subject to

In January 2013 the Basel Committee on Banking Supervision has published the paper "Principles for effective risk data aggregation and risk reporting" ("**BCBS 239 Principles**"). The objective of the regulation is to improve banks' risk data aggregation capabilities and internal risk reporting practices, thus enhancing the risk management and decisions making processes at banks. The BCBS 239 Principles constitute the first concrete regulatory requirements in relation to the IT structure and data management of banks, which shall ensure an overall view of the data and processes. As a consequence, banks will need to maintain significantly higher standards regarding the quality and consistency of their risk data as well as the speed and flexibility of their reporting. On a national level, the recommendations presented by the BCBS 239 Principles have been implemented in 2017 by the 5th amendment to the circular of the BaFin "*Mindestanforderungen an das Risikomanagement*" (MaRisk). Non-compliance with the BCBS 239 Principles can result in several penalties or repercussions (including, but not limited to, fines and sanctions as well as restrictions on certain business activities being imposed by regulators).

3. Risks related to the Issuer's business activities and industry

Risks specific for Structured Property Financing, including risks relating to geopolitics and to monetary policy tightening

There are various risks and uncertainties regarding the macro-economic environment which have become relevant or could be relevant if they were to materialise to a considerable extent for the financial and capital markets as well as for the commercial real estate markets and thus negatively affect Aareal Bank's business:

The economy, financial markets and commercial property are all exposed to a number of different risks in 2024. Geopolitical conflicts, such as the ongoing Russia-Ukraine war and the Israel-Hamas war, which currently involve Iran and Lebanon as well, present significant risks for the global economy. These conflicts can negatively impact economic growth through various channels. They lead to loss of life, destruction of capital and infrastructure, and result in supply chain disruptions, causing food and energy shortages. Furthermore, they adversely affect investor sentiment. Beyond armed conflicts, increasing trade tensions and political hostility between China and Western countries as well as the Taiwan and China tensions have the potential to undermine global economic growth. A broader definition of such risks includes terrorism, cyberattacks, and sabotage of critical infrastructure.

Despite recent positive developments regarding inflation and rate cuts by major central banks, monetary policy in advanced economies remains restrictive, rather than entering expansionary territory. While inflationary pressures have eased compared to the previous year, the still elevated level of core inflation indicates that companies are continuing to pass on higher prices to consumers. The effects of prior tightening could still be severe and lead to a rise in yields on the bond markets and negative corrections on the equity and property markets. Liquidity-constrained refinancing markets could also exert considerable pressure on financial institutions and, in conjunction with uncertainties about economic momentum, restrict banks' lending activities. Furthermore, the ECB's decision to set the interest rate on minimum reserves at 0 per cent., together with the increase in regulatory requirements, represents a burden on the profitability of banks. This would be exacerbated by the possibility of increasing the minimum reserve rates, which is being discussed in individual national central banks of the Euro system.

The recent US presidential election has introduced significant near-term uncertainty, with potential lasting economic implications extending beyond 2024, depending on how the winner implements their campaign promises. Another risk is that government debt and bond yields have significantly risen in many economies due to the massive fiscal support during the Covid-19 pandemic, but also as a result of the economic slowdown and the difficulties in reforms (e.g. in UK and Eurozone). With discontinued and expired bond purchase programmes and the tightening of monetary policy by central banks risk premiums for highly indebted countries could rise again. Non-financial corporate debt has climbed to a high level in many advanced economies, mainly reflecting bond issuances. Deteriorating cash flows and the inability to make interest payments can be a reason for downgrading the rating of these bonds.

The political shift away from European cohesion poses a significant long-term threat to the EU, but also to Europe as a whole. The lack of coordination and cooperation in the refugee crisis and the slowdown in economic growth have led, among other things, to a rise in populism and increased the electoral success of populist and in some cases EU-critical parties in several countries, including in the EU parliamentary elections. The reform backlog and structural economic problems in some eurozone countries represent further uncertainties, risks and negative factors. Although the EU investment package is aimed in particular at supporting these countries, there is a risk that the measures will not be fully sufficient to address structural problems.

The efforts of many countries and companies to limit global warming require a profound transformation of the entire economy. At the same time, the macroeconomic impact of this transformation is uncertain, and its effect depends on a variety of factors. Likewise, this transformation involves costs that are likely to burden both businesses and consumers. In this context, the decarbonisation of the economy not only encompasses energy supply, but also requires significant changes in industry, transport, construction, and agriculture. In addition to the transition costs incurred in decarbonising the global economy, the costs directly caused by climate change will also increase in the medium term. Extreme weather events, temperature fluctuations, and more frequent extreme heat events cause physical damage that will intensify over time. The extent to which these physical damages increase will depend on how well the global community succeeds in reducing greenhouse gas emissions.

The risks and adverse effects on the economic development including the financial and capital markets as well as on commercial property markets could have a material adverse effect on Aareal Bank's profitability. Profitability may also be adversely affected where Aareal Bank decides to prolong loans rather than to insist on repayment in order to avoid defaults on repayment obligations.

There are several risks and uncertainties for commercial property. Against the backdrop of continued higher financing costs, the general conditions for the real estate markets remain challenging. There are several uncertainties and risks in the macroeconomic environment that could affect the market. For example, political and geopolitical uncertainties could affect the stability of the markets and lead to investor restraint. In addition, low transaction volumes make pricing on the market more difficult. A sluggish economy could dampen demand for commercial real estate, while restrictive lending standards and high borrowing costs make investments more difficult and hinder a timely recovery. The ongoing refinancing of fixed-rate loans means that the effective interest rate paid by the market will continue to rise on average in the near term. Especially with expiring fixed interest rate commitments or expiring hedging instruments, the capacity to service debt or the free cash flow for investors after debt service can be constrained. A default of tenants due to negative economic developments and the resulting lower demand for use can further exacerbate the issue.

Should the trend towards increased remote working continue or even intensify, more and more companies may decide to rent less office space. The transition to such a new way of working could exert pressure on rental prices and demand for office space, varying by market, country, and property quality. Additionally, generative artificial intelligence is expected to significantly influence the economy by automating workplace tasks, particularly in office-centric occupations. This sector may face increased exposure to artificial intelligence, which could further reduce space demand unless offset by growth in office-using employment. On the other hand, communal and flexible working space will be increasingly sought after in a changing world of work, halting or even reversing the pre-pandemic trend of decreasing office space per employee. There is also the possibility that office properties that do not meet the changed tenant requirements may permanently leave the market, which could lead to a shortage of office supply and could counteract a decline in rent levels.

Due to these factors, there is the risk that these developments could have negative effects not only on cash-flows but also on property values the Aareal Bank Group holds in its property financing portfolio and could also have an

adverse effect on the amount of non-performing loans, the staging of loans, and on the allowances for credit losses of Aareal Bank Group.

With a view to the financing markets for commercial properties, Aareal Bank anticipates that strong competitive pressure will persist, particularly in regions and for property types that have already experienced high demand in recent years. Higher financing costs and restrictive lending standards should counteract an increase in loan-to-value ratios. Nevertheless, changes in the market environment could increase pressure on margins (gross as well as net) or lead to moderate increases in loan-to-value ratios. As lenders are expected to prefer financing first-class properties in top locations, just like for investors, the shortage of properties and reduced transaction volumes in this segment as well as the uncertainty regarding the further economic development could constrain financing opportunities. The developments in competition and economic development could adversely affect the profitability of Aareal Bank and its risk position. Deteriorating economic forecasts and prolonged recovery periods for defaulted loans must be seen as a risk which in general could lead to higher risk provisioning.

Operational Risk

According to Article 4(52) CRR, Aareal Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and includes legal risk. Aareal Bank classifies various material non-financial risk sub-types below the definition of operational risk and takes them into account along the risk management cycle. Each of these sub-types can lead to a material adverse effect on Aareal Bank's business performance, financial situation and future prospects.

Fraud Risk

Risks to the asset, income or liquidity position of the institution that arise from intentional and unlawful acts. These are primarily the offenses of fraud and breach of trust according to §§ 263 et. seq of the German Criminal Code (*Strafgesetzbuch*), as well as crimes in which the act and the subjective aspect of the crime are similar to fraud.

ICT Risk

Risks to the asset, income or liquidity position of the institution arising from the ICT risk may result from a variety of different aspects: ICT availability and continuity risk, ICT security risk, ICT modification risk, ICT data integrity risk.

Outsourcing Risk

Risk owing to the regular performance of Aareal Bank-specific tasks by third-party service companies (dependence on external service providers); this also includes ICT outsourcing risks.

BCM Risk

Risks to the asset, income or liquidity position of the institution resulting from suddenly occurring events (e.g. loss of IT/infrastructure, buildings, service providers/suppliers or employees), which can impair sound business operations.

Legal Risk

Aareal Bank defines legal risks as risks for the institution's assets, earnings or liquidity situation arising from non-identification or non-compliance with regulatory and/or legal obligations or a disadvantageous interpretation and/or unenforceability of contractual provisions. This also includes retroactive changes to the legal situation (or changes to general legal opinion) that affect existing contractual provisions and the failure to pursue legal positions.

Tax Risk

It describes the risks to the asset, income or liquidity position of the institution arising from non-identification or non-compliance with regulatory and/or legal obligations in relation to tax matters. This also includes the retroactive change in the legal situation/legal opinion in tax matters, the failure to pursue legal positions as well as payments resulting from (alleged) legal violations through late payment surcharges, late payment surcharges, administrative offense fines, etc.

Model Risk

The model risk is the risk of faulty steering decisions owing to an inappropriate reflection of reality by the models in question. The model risk first of all comprises the specific risk of underestimating the regulatory capital requirements of models subject to mandatory approval (e.g. models based on internal assessments for assessing credit risk). In addition, it comprises the risk of incorrect model-based steering decisions in reality, resulting in adverse impacts on the asset, income or liquidity position.

Personnel Risk

Risks to the asset, income or liquidity position of the institution resulting from staff shortages, fluctuations or performance. In addition, risks arising from (changes to) the employee structure (e.g. age structure) are covered hereunder.

Project Risk

Project risks encompass all potential events that may have an adverse impact in the course of a project on the project goal itself or also on parts of a project. This also includes the project management risk. In particular, these include consequences that jeopardise the project plan and can cause loss or damage to Aareal Bank.

In addition, there are risks from inadequate processes or human errors in processes as well as other operational risks from external factors such as floods, storms, fire, bodily harm, vandalism and arson or political/social developments such as war, terrorism or strikes.

Reputational Risks

Aareal Bank defines reputational risk as the risk of loss events or other events having a negative impact on the value of the "Aareal" brand. Reputational risks can lead to a material adverse effect on Aareal Bank's business performance, financial situation and future prospects.

Risks in connection with acquisitions

In the course of any acquisition of a business, a delayed or inefficient implementation of integration measures, unexpectedly high integration expenses or risks may result in any integration synergies and / or unexpected underperformance of the business being less than anticipated. Furthermore, it cannot be excluded that liabilities and risks may not have been identified or precisely determined in the acquisition process. As a result, Aareal Bank Group may be confronted with risks that only become apparent following completion of the acquisition in the wake of integration efforts including impairment risks.

Business Risk

Business risk represents potential risks of a general nature, which could potentially jeopardise the achievement of corporate goals and which may arise, for example, from changes in the competitive environment or due to unsuitable strategic positioning in the macroeconomic environment.

Systemic Risks

Aareal Bank associates systemic risk with the risk of the collapse of the entire financial system or an entire market. Systemic risks can lead to a material adverse effect on Aareal Bank's business performance, financial situation and future prospects.

4. Environmental, Social and Governance Risks

The Issuer may be exposed to environmental, social and governance ("**ESG**") risks, which include risks of negative impact resulting from climate change (physical risks (e.g. natural disasters) and transitory risks (e.g. impact of political actions / regulatory measures to foster the transition towards a low-carbon economy)) and breach or insufficient consideration of ESG aspects in business activities.

The business activities of the Issuer's customers may be adversely affected by the effects of climate change, such as extreme weather events and the associated catastrophe losses, which could, inter alia, impact the value of real estate collateral.

Climate change concerns could also disrupt the Issuer's business, affect client activity levels and credit-worthiness and damage the Issuer's reputation as a result of increasing stakeholder expectations with respect to the Issuer's contribution to a low-carbon resource-efficient economy, a lack of a broad range of green products / services offering as well as from its involvement, or its client's involvement in troubled business activities from a sustainability point of view or when dealing with controversial clients.

Climate change may cause extreme weather events – and with respect to adaption – significant costs that could have a negative impact on certain industries which may negatively affect the Issuer's ability to service and interact with its clients or have a negative impact on the financial condition of the Issuer's clients, which may decrease revenues from those clients and increase the credit risk, associated with loans and other credit exposures to those clients.

In addition, political adaption measures aimed at reducing greenhouse gases could have a significant impact due to modernisation needs of so called non-green (brown) buildings which may negatively affect the value of real estate collateral. Corresponding disclosure requirements, apart from the associated costs of ESG regulation, might damage the Issuer's or the Issuer's customers reputation e.g. when showing only a small proportion of green business compared to main competitors.

All these risks can worsen the creditworthiness of the Issuer's customers and negatively affect the value of real estate collateral with adverse effects on the Issuer's financial position and profitability.

B. Risk Factors relating to the Notes

The Notes are intended to qualify as Additional Tier 1 instruments within the meaning of Article 52(1) CRR and as such are complex instruments, in particular with regard to their deep subordination, the possibility of cancellations of Interest Payments, an early redemption, a write-down of the Notes and the imposition of Resolution Measures. Potential investors in the Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of their own circumstances and the complexity of the Notes. In particular, each potential investor should:

- 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 or any applicable supplement to this Prospectus;
- 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 the investment in the Notes will have on its overall investment portfolio;
- 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 is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets;
- have sufficient knowledge and experience for investing in regulatory capital notes and should be familiar with the specific risks of investing in regulatory capital notes, including the risks associated with potential restrictions which may be imposed by competent authorities on the offering and sale or re-sale of the Notes and therefore potentially on the value of the Notes; and
- 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 which are complex financial 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. An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving Interest Payments and repayment of principal.

The risk factors relating to the Notes are organised into the following categories depending on their nature:

- Risks relating to the subordination of the Notes
- Risks relating to interest payments on the Notes
- Risks relating to a write-down of the nominal amount of the Notes
- Risks relating to the Redemption Structure of the Notes
- Other risks relating to an investment in the Notes

5. Risks relating to the subordination of the Notes

Claims under the Notes constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer. There is a significant risk that Holders will lose all or some of their investment in case of insolvency or liquidation of the Issuer. In addition, irrespective of, and even prior to, the opening of insolvency proceedings against the Issuer, payments under the Notes may be prohibited.

The Notes constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer, ranking *pari passu* among themselves. In the event of resolution measures imposed on the Issuer and in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the Notes

(i) shall rank *pari passu* with the obligations of the Issuer under other AT 1-Instruments (as defined below); and,

(ii) shall rank senior to the obligations of the Issuer under the CET 1-Instruments (as defined below), in particular the ordinary shares; and

(iii) shall be fully subordinated to all Senior Ranking Obligations of the Issuer (as defined below) so that in any such event no amounts shall be payable in respect of the Notes until the Senior Ranking Obligations of the Issuer have been satisfied in full.

"**AT 1-Instrument**" means any (directly or indirectly issued) capital instrument of the Issuer that qualifies as an additional tier 1 instrument pursuant to Article 52 CRR at the relevant time (including any capital instrument or other instrument that qualifies in whole or in part as an additional tier 1 item pursuant to the transitional provisions under the CRR at the relevant time).

"**CET 1-Instrument**" means any capital instrument of the Issuer which, according to the CRR, qualifies as a common equity tier 1 instrument pursuant to Article 26 CRR (including the ordinary shares and other instruments (if any) of the Issuer which pursuant to their terms or mandatory provisions of law rank *pari passu* with ordinary shares).

"**Senior Ranking Obligations of the Issuer**" means:

(i) the claims arising from unsubordinated obligations of the Issuer (including claims against the Issuer under its non-preferred senior debt instruments within the meaning of § 46f(6) sentence 1 KWG (as defined in § 3(9) of the Terms and Conditions) (also in connection with § 46f(9) KWG) or any successor provision thereto);

(ii) the claims arising from statutorily subordinated obligations of the Issuer pursuant to § 39(1) nos. 1 to 5 InsO (as defined in § 3(9) of the Terms and Conditions);

(iii) the claims arising from contractually subordinated obligations of the Issuer within the meaning of § 39(2) InsO which do not qualify as own funds instruments of the Issuer at the time of resolution measures being imposed on the Issuer or in the event of the insolvency, dissolution, liquidation or composition of the Issuer, or of other proceedings for the avoidance of insolvency of the Issuer or against the Issuer;

(iv) the claims under Tier 2-Instruments of the Issuer (as defined in § 3(9) of the Terms and Conditions); and

(v) the claims arising from other instruments of the Issuer which pursuant to their terms or mandatory provisions of law (including pursuant to § 46f(7a) sentence 3 KWG or any successor provision thereto) rank senior to AT 1-Instruments and that are not already captured in clauses (i) to (iv) above.

"**InsO**" means the German Insolvency Statute (*Insolvenzordnung*), as amended or replaced from time to time.

"**KWG**" means the German Banking Act (*Kreditwesengesetz*), as amended or replaced from time to time.

"**Tier 2-Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as a Tier 2-instrument pursuant to Article 63 CRR (including any capital instrument or subordinated loan instrument or other instrument that qualifies as a Tier 2 item pursuant to transitional provisions under the CRR).

In addition, no Holder may set off his claims arising under the Notes against any claims of the Issuer. No security or guarantee of whatever kind is, or will at any time be, provided by the Issuer or any other person securing claims of the Holders under the Notes. Any security or guarantee already provided or granted in the future (as the case may be) in connection with other liabilities of the Issuer may not be used for claims under the Notes.

It should also be noted that Holders will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In the course of insolvency proceedings over the assets of the Issuer, the Holders will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*). Accordingly, the Holders may only affect the outcome of a restructuring to a very limited extent.

Therefore, in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, there is a significant risk that Holders will lose all or some of their investment.

Further, irrespective of, and even prior to, the commencement of any insolvency or liquidation proceedings over the assets of the Issuer, the Issuer shall not make a scheduled payment of interest or a repayment of principal if

(i) on the date of the relevant payment, the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO or illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO (regardless of whether the commencement of insolvency proceedings has been applied for); or

(ii) the payment of the relevant amount would result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO, an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO (regardless of whether the commencement of insolvency proceedings has been applied for) or would accelerate the occurrence of such an event.

Such a prohibition on payments may be in effect for an indefinite period of time and even permanently. See also "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which a payment of interest will be compulsory for the Issuer.*".

European and German recovery and resolution legislation may have regulatory consequences that could affect the Issuer and consequently the Notes.

The Notes are subject to provisions enabling the Resolution Authority to apply under certain circumstances loss absorbency regimes to the Notes, even if such regimes are not referred to in the Terms and Conditions. The consequence of such loss absorbency rules is that the investors of the Notes would have to share in the losses of the Issuer, might lose the value of their entire investment or their rights might be severely affected.

These provisions are *inter alia* laid down in the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – the "**SAG**") which implemented the BRRD into German law. Additionally, and in addition to the BRRD, within the EU a Single Resolution Mechanism (the "**SRM**") was established by the SRM Regulation, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms and a Single Resolution Fund. The predominant part of the provisions of the SRM Regulation is applicable since 1 January 2016.

As a result of the SRM Regulation, most of the responsibilities of the national resolution authorities in the relevant Member State under the BRRD were shifted from the national level to the European level, in particular to the Single Resolution Board established by the EU as a central resolution authority (the "**Single Resolution Board**"), for the purposes of a centralised and uniform application of the resolution regime for those credit institutions that are considered to be systemically relevant. The Single Resolution Board may adopt resolution decisions, write down capital instruments and take other early intervention measures in collaboration with the respective national resolution authority. The obligation to meet minimum requirements of eligible liabilities may increase the Issuer's refinancing costs and may adversely affect its ability to make payments under the Notes.

Besides, the Single Resolution Board is inter alia responsible for resolution planning of the credit institutions which are directly supervised by the ECB, and for, setting the minimum requirement for own funds and eligible liabilities ("**MREL**").

Further, as a result of the interplay of the SRM Regulation and the BRRD (as nationally transposed) among other things, (i) credit institutions and resolution authorities are obliged to draw up recovery and resolution plans on how to deal with situations of financial stress, (ii) competent authorities are entitled to take early intervention measures, (iii) a set of resolution tools which resolution authorities can apply to preserve critical functions without the need to bail out a credit institution (or its creditors) has been introduced, and (iv) resolution funds are being set up to finance and facilitate the effective and efficient resolution of credit institutions.

With respect to the above mentioned early intervention measures, the competent authority may take various actions and measures, depending on the relevant situation, e.g. require changes to legal and/or operational structures, require the drawing up of detailed recovery plans which set out how stress scenarios or cases of systemic instability could be addressed or request reduction of the Issuer's risk profile, measures enabling recapitalisation measures, improving the liquidity situation or otherwise require improvement actions regarding the resilience of the core business lines and critical functions and even require the management to be removed/replaced.

Any such legal provisions and/or regulatory measures may severely affect the rights of the Holders and may have a negative impact on the market value of the Notes also prior to the effectiveness of such measures or resolution.

Holders are further subject to the risk of the application of the so-called bail-in tool (see "*The Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions) or converted into equity, and the terms of the Notes may be varied to the detriment of the Holders, by the competent resolution authority*.").

In addition to the bail-in tool, the competent resolution authorities may apply a broad range of other resolution tools, measures and powers. This includes inter alia the formation of a bridge institution (*Brückeninstitut*), the sale of the relevant entity (*Unternehmensveräußerung*) or its shares or the separation of valuable assets from the impaired assets of a failing credit institution, any transfer of rights and obligations to another entity, other amendment of the Terms and Conditions (including their cancellation) or even the change of the legal form of the Issuer.

These aforementioned tools, measures and powers are binding on the Holders. Therefore, Holders would in particular have no claim or any other right against the Issuer arising out of any resolution measure to make payments under the Notes against the Issuer. This would occur if the Issuer is considered to be systemically relevant and becomes, or is deemed by the competent authority to have become, failing or likely to fail (in particular if its continued existence is at risk (*Bestandsgefährdung*)) or, alternatively, require extraordinary public financial support and certain other conditions are met (as set forth in the SRM Regulation, the SAG and other applicable rules and regulations).

The exercise of any resolution measure shall not entitle the Holders to terminate or otherwise accelerate the redemption of the Notes. In case the Issuer is subject to any resolution measure exercised by a competent resolution authority, Holders and other creditors of the Issuer face the risk that they may lose all or part of their investment, including the principal amount plus any accrued interest, or that the obligations under the Notes are subject to any change or variation in the Terms and Conditions (which change will be to the detriment of the Holder), or that the

Notes would be transferred to another entity (which may lead to a detrimental credit exposure) or are subject to any other measure if resolution measures occur.

The regulatory classification of the Notes as AT 1-Instruments may change, which may adversely impact the Issuer's capitalisation and entitle the Issuer to redeem the Notes for regulatory reasons.

The Notes are intended to qualify as AT 1-Instruments upon issue. However, no supervisory authority will approve the regulatory classification of the Notes as AT 1-Instruments of the Issuer prior to their issuance.

There is a risk that there is a change in the regulatory classification of AT 1 instruments pursuant to Article 52 CRR (such as AT 1-Instruments and in particular the Notes) which may result in the exclusion of the Notes from the Issuer's own funds under the CRR or reclassification as own funds of lower quality. Such change in the regulatory classification may be caused not only by changes in law but also by other reasons, for example changes in the corporate structure of the Group such that the Notes are no longer eligible as own funds of the Issuer. If the Notes are excluded from the Issuer's own funds or reclassified as own funds of lower quality, this can have a negative impact on the capitalisation of the Issuer, and – subject to certain conditions to be met – the Issuer may redeem the Notes for regulatory reasons in accordance with § 5(3)(b) of the Terms and Conditions (see "*The Notes may be redeemed solely at the Issuer's option (subject to the prior approval of the competent authority), which may result in a lower yield than expected and, if the Notes are called for certain regulatory reasons, tax reasons, or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued, the redemption amount may be substantially lower than the Original Nominal Amount of the Notes due to a write-down that has not been fully written up or due to a Resolution Measure. In case of a write-down to zero, this may result in a full loss of the relevant Holder's invested capital.*").

There is no restriction on the amount or type of further instruments, including those which depend, amongst others, on the Issuer's Available Distributable Items, or other indebtedness that the Issuer may issue, incur or guarantee.

The Issuer has not entered into any restrictive covenants in connection with the Notes regarding its ability to dispose of its assets or to issue or guarantee further instruments, including those which depend, amongst others, on the Issuer's Available Distributable Items, or other indebtedness ranking *pari passu* with or senior to claims under the Notes. The disposal of assets and/or the issue or guaranteeing of any such further instruments or indebtedness may limit the Issuer's ability to make payments of principal and interest under the Notes, in particular where payments of principal or interest on such other indebtedness reduces or must be made from the Issuer's Available Distributable Items as is the case for CET 1-Instruments and AT 1-Instruments of the Issuer, and may reduce the amount recoverable by the Holders on a liquidation or winding-up of the Issuer. The issuance of further AT 1-Instruments may increase the risk that the Issuer must cancel Interest Payments on the Notes if it is subject to payment restrictions and applying maximum distributable amounts such as the Maximum Distributable Amount (MDA) (as defined in below) are insufficient. See also "*Interest Payments may be excluded and cancelled for regulatory reasons, including if the Issuer fails to comply with minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and requirements for own funds and eligible liabilities.*" and "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which a payment of interest will be compulsory for the Issuer.*".

As a result, the trading price of the Notes and the liquidity of the Notes may be materially and adversely affected and the Holders may lose all or part of their investment in the Notes.

6. Risks relating to interest payments on the Notes

Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which a payment of interest will be compulsory for the Issuer.

The Notes accrue Interest Payments in accordance with the Terms and Conditions. However, pursuant to the Terms and Conditions, no Interest Payments will accrue or be payable by the Issuer on any Interest Payment Date:

(i) if the Issuer has elected, at its sole discretion, to cancel all or part of any scheduled payment of interest; or

(ii) if and to the extent that the sum of the following amounts:

  (A) the amount of the relevant scheduled payment of interest on the Notes,

  (B) the amount of any write-up of the Notes in accordance with § 5(9) of the Terms and Conditions,

(C) the total amount of any additional Relevant Distributions (as defined in § 3(9) of the Terms and Conditions) by the Issuer on other Tier 1-Instruments (as defined in § 3(9) of the Terms and Conditions); and

(D) the total amount of write-ups, if any, on any other Written Down AT 1-Instruments (as defined in § 5(9)(c)(i) of the Terms and Conditions),

that are scheduled to be paid or made on the relevant Interest Payment Date and that have been paid or made in the then current financial year of the Issuer prior to the relevant Interest Payment Date, would exceed the Available Distributable Items, provided that, for such purpose, the Available Distributable Items shall be increased by (x) the amounts that have been deducted as expenses for distributions in respect of Tier 1-Instruments (including payments of interest on the Notes) in the determination of the profit on which the Available Distributable Items are based, and (y) any other amounts that may be included for the purposes of determining the amounts distributable on AT 1-Instruments under capital regulations applicable to the Issuer from time to time (see "*Interest Payments depend, among other things, on the Issuer's Available Distributable Items which, on any or all Interest Payment Dates, may not be sufficient*."); or

(iii) if and to the extent that the competent authority orders that all or part of the relevant payment of interest be cancelled; or

(iv) if and to the extent that any other prohibition of distributions is imposed by law or the competent authority or any other restriction to make distributions exists under the Applicable Supervisory Regulations (including, but not limited to, any prohibition of distributions in connection with the calculation of, and the compliance with any limit resulting from, the Maximum Distributable Amount (MDA) (see "*Interest Payments may be excluded and cancelled for regulatory reasons, including if the Issuer fails to comply with minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and requirements for own funds and eligible liabilities*.")); or

(v) if the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO or illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO on the relevant Interest Payment Date, or to the extent that the relevant payment of interest would result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO or in an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or in an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO.

In addition, upon the occurrence of a Trigger Event (as defined below), any accrued but unpaid interest on the Notes up to and including the relevant Trigger Event (whether or not such interest has become scheduled to be paid) will be automatically cancelled. For the avoidance of doubt: Any accrued but unpaid interest from and including the date of the occurrence of the Trigger Event to and including the Write-Down Effective Date (as defined in § 5(8)(e) of the Terms and Conditions) will also be automatically cancelled even if no notice has been given to that effect (see "*The nominal amount of the Notes will be reduced under the Terms and Conditions upon the occurrence of a Trigger Event which may result in lower Interest Payments as well as lower capital payments upon repayment of the Notes. In case of a reduction to zero, this may result in a full loss of the money invested in the Notes. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes.*").

"**Applicable Supervisory Regulations**" means the provisions of bank supervisory laws and any regulations and other rules thereunder applicable from time to time (including the BRRD (as implemented into local law), the CRD (as implemented into local law), the CRR, the SRM Regulation, the SSM Regulation and the guidelines and recommendations of the European Banking Authority and/or the European Central Bank, the Competent Supervisory Authority and/or the Resolution Authority, the administrative practice of any other competent authority, any applicable decision of a court and any applicable transitional provisions) relating to capital adequacy, solvency, other prudential requirements and/or resolution and applicable at the relevant time to the Issuer and/or to the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3) in the Terms and Conditions).

"**Available Distributable Items**" means, with respect to any payment of interest, the distributable items as defined in Article 4(1) no. 128 CRR; at the time of the issuance of the Notes, such term refers to the amount of the annual profit (*Jahresüberschuss*) at the end of the financial year of the Issuer immediately preceding the relevant Interest Payment Date, for which audited annual financial statements are available, plus any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments, less any losses brought forward and any profits which are non-distributable pursuant to the applicable laws of the European Union or Germany or the articles of association of the Issuer and any sums placed in non-distributable reserves in accordance with the applicable laws of Germany or the articles of association of the Issuer, in each case with respect to the specific category of own funds of the Notes as AT 1-Instruments to which the applicable laws of the European Union or Germany or the articles of associations of the Issuer relate, provided that the distributable items and the relevant profits, losses and reserves shall be determined on the basis of the unconsolidated financial statements of the Issuer prepared in accordance with German commercial law (and not on the basis of any (sub-) consolidated financial statements of the Issuer, if any).

The determination of the Available Distributable Items shall be based on the Applicable Supervisory Regulations applicable at the relevant time and, accordingly, only those amounts shall be added or deducted that may be added or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1-Instruments under the Applicable Supervisory Regulations.

"**Maximum Distributable Amount (MDA)**" means the maximum distributable amount determined in accordance with § 10(1) sentence 1 no. 5(e) KWG in conjunction with § 37 SolvV for the combined capital buffer requirement in accordance with § 10i KWG (currently transposing Article 141(2) CRD IV into German law).

"**Tier 1-Instrument**" means any capital instrument which, pursuant to the CRR, qualifies as a CET 1-Instrument or an AT 1-Instrument.

The Issuer may make the election to cancel the payment of any Interest Payment (in whole or in part) on any Interest Payment Date for any reason. In addition, the Issuer will be legally prevented to pay interest (in whole or in part) if and to the extent any of the conditions described under points (i) to (v) above is fulfilled.

Prospective investors in the Notes should note that irrespective of, and even prior to, the opening of any insolvency or liquidation proceedings over the assets of the Issuer, the Issuer shall not make a scheduled payment of interest if the condition under point (v) above is fulfilled. Such a prohibition on payment may be in effect for an indefinite period of time and even permanently. The same applies to scheduled payments of principal (see "*Claims under the Notes constitute direct, unsecured, and subordinated obligations of the Issuer. There is a significant risk that Holders will lose all or some of their investment in case of insolvency or liquidation of the Issuer. In addition, irrespective of, and even prior to, the opening of insolvency proceedings against the Issuer, payments under the Notes may be prohibited.*" and "*The Notes have no scheduled maturity date and the Terms and Conditions neither provide for any events of default allowing acceleration or termination nor for a redemption option at the discretion of a Holder. Even if the Issuer exercises a right to redeem the Notes, it may be prohibited to pay any scheduled amount of principal if a Trigger Event is continuing or pre-insolvency restrictions on payments of principal apply.*").

No such election to cancel the payment of any Interest Payment (or part thereof) or non-payment of any Interest Payment (or part thereof) for any of the reasons described above will constitute a default under the Notes for any purpose or entitle the Holders or any other person to demand such payment or to take any action to cause the liquidation, dissolution or winding-up of the Issuer (see "*The Notes have no scheduled maturity date and the Terms and Conditions neither provide for any events of default allowing acceleration or termination nor for a redemption option at the discretion of a Holder. Even if the Issuer exercises a right to redeem the Notes, it may be prohibited to pay any scheduled amount of principal if a Trigger Event is continuing or pre-insolvency restrictions on payments of principal apply.*").

If, due to any of the reasons set out above, Interest Payments (or part thereof) do not accrue and are not payable on any Interest Payment Date, such Interest Payment will not be paid at any later point of time (non-cumulative). Accordingly, Interest Payments on following Interest Payment Dates will not be increased to compensate for any shortfall in Interest Payments on any previous Interest Payment Date.

Furthermore, if the Issuer exercises its discretion not to pay interest on the Notes on any Interest Payment Date, this will not give rise to any restriction on the Issuer making distributions or any other payments to the holders of any instruments ranking *pari passu* with, or junior to, the Notes, and the Issuer is entitled to use the funds from cancelled payments of interest without restrictions for the fulfilment of its own obligations when due.

Investors should be aware that there will be no circumstances under which an Interest Payment will be compulsory for the Issuer.

Certain market expectations may exist among investors in the Notes with regard to the Issuer making Interest Payments. Should the Issuer's actions diverge from such expectations or should the Issuer be prevented from meeting such expectations for regulatory reasons, any such event which could result in an Interest Payment not being made or not being made in full may adversely affect the market value of the Notes and reduce the liquidity of the Notes.

Interest Payments depend, among other things, on the Issuer's Available Distributable Items which, on any or all Interest Payment Dates, may not be sufficient.

The amounts payable as Interest Payments under the Notes depend, among other things, on the future Available Distributable Items of the Issuer. Interest Payments will not accrue if and to the extent that the sum of the following amounts (i) the amount of the relevant scheduled payment of interest on the Notes, (ii) the amount of any write-up of the Notes in accordance with § 5(9) of the Terms and Conditions, (iii) the total amount of any additional Relevant Distributions by the Issuer on other Tier 1-Instruments; and (iv) the total amount of write-ups, if any, on any other Written Down AT 1-Instruments (as defined in § 5(9)(c)(i) of the Terms and Conditions), that are scheduled to be paid or made on the relevant Interest Payment Date and that have been paid or made in the then current financial year of the Issuer prior to the relevant Interest Payment Date, would exceed the Available Distributable Items, provided that, for such purpose, the Available Distributable Items shall be increased by (x) the amounts that have been deducted as expenses for distributions in respect of Tier 1-Instruments (including payments of interest on the Notes) in the determination of the profit on which the Available Distributable Items are based, and (y) any other

amounts that may be included for the purposes of determining the amounts distributable on AT 1-Instruments under capital regulations applicable to the Issuer from time to time (see "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer.*"). In such event, Holders would receive no, or reduced, Interest Payments on the relevant Interest Payment Date. With the annual profit (*Jahresüberschuss*) and any distributable reserves of the Issuer forming an essential part of the Available Distributable Items, investors should also carefully review section "*RISK FACTORS – Risk Factors relating to Aareal Bank*" since any change in the financial prospects of the Issuer or its inherent profitability, in particular a reduction in the amount of profit and/or distributable reserves on an unconsolidated basis, may have an adverse effect on the Issuer's ability to make a payment in respect of the Notes.

In addition, when determining whether Interest Payments under the Notes will or will not accrue, the determination of the Available Distributable Items shall be based on the Applicable Supervisory Regulations applicable at the relevant time and, accordingly, only those amounts shall be added or deducted that may be added or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1-Instruments under the Applicable Supervisory Regulations. The interpretation of the definition of 'distributable items' and its exact scope are, in the absence of an established supervisory practice, difficult to predict.

The Issuer's management has broad discretion within the applicable accounting principles to influence the amounts relevant for determining the Available Distributable Items and the amount of any write-ups and additional distributions will also be in the Issuer's discretion. In addition, the Issuer is not prevented from issuing further Tier 1-Instruments with interest payments and other distributions potentially being made thereunder also prior to the Interest Payment Date under the Notes in any financial year. This would reduce the Available Distributable Items available for making interest payments under the Notes on any Interest Payment Date (see "*There is no restriction on the amount or type of further instruments, including those which depend, amongst others, on the Issuer's Available Distributable Items, or other indebtedness that the Issuer may issue, incur or guarantee.*"). Accordingly, the Issuer is legally capable of influencing its ability to make Interest Payments to the detriment of the Holders.

Interest Payments may be excluded and cancelled for regulatory reasons, including if the Issuer fails to comply with minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and requirements for own funds and eligible liabilities.

Interest Payments will be excluded and cancelled for regulatory reasons if such Interest Payments are prohibited or restricted under statutory law or by virtue of a decision of the competent authority, such as the following:

If the Issuer fails to meet the combined buffer requirement, which is the case if the Issuer does not comply with the applicable own funds requirement in an amount needed to meet at the same time (a) its minimum capital requirements under the CRR (so-called "**Pillar 1 Requirement**"), (b) any additional capital requirements, such as the Pillar 2 Requirement imposed on the Issuer by the ECB on the basis of the annual SREP, and (c) the sum of the capital buffers applicable to it, the Issuer will be required to calculate the Maximum Distributable Amount (MDA). Until approval of a capital conservation plan, the Issuer will be prohibited from making any Interest Payments on the Notes. Upon approval of the capital conservation plan or upon specific approval of the competent authority to do so, the Issuer will be entitled to make Interest Payments on the Notes, however only up to the amount of its Maximum Distributable Amount (MDA). As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce discretionary payments, including potentially exercising the Issuer's discretion to cancel all or part of any Interest Payments in respect of the Notes.

Moreover, payments made earlier in the relevant period will reduce the remaining Maximum Distributable Amount (MDA) available for payments later in the relevant period, and the Issuer will have no obligation to preserve any portion of the Maximum Distributable Amount (MDA) for payments scheduled to be made later in a given period. Even if the Issuer attempts to do so, there can be no assurance that it will be successful, because the Maximum Distributable Amount (MDA) will depend, among other things, on the amount of profits earned during the course of the relevant period, which will be difficult to predict.

In addition, pursuant to Article 16 (2) point (i) SSM Regulation, the ECB has the power to restrict or prohibit distributions by the credit institution to shareholders, members or holders of AT 1-Instruments where the prohibition does not constitute an event of default of the institution. Relevant circumstances where the ECB may restrict or prohibit the Issuer from making any Interest Payment exist, for example, if the Issuer does not meet the Pillar 1 Requirement or any additional capital requirements ordered by the competent authority, such as the Pillar 2 Requirements set by the ECB as a result of the SREP.

Under the BRRD/SRMR, additional restrictions on distribution payments may be imposed on the Issuer in case it fails to comply with the MREL target (see "*Ongoing and future legislative reforms may lead to additional restrictions with regard to Interest Payments on the Notes.*").

Accordingly, even if the Issuer was intrinsically profitable and willing to make Interest Payments, it could be prevented from doing so by regulatory provisions or regulatory action. Any cancellation of an Interest Amount or

the perception that the Issuer will need to cancel an Interest Payment to comply with prohibitions and restrictions applicable to interest payments on the Notes could have a significant adverse effect on the trading price of the Notes and would negatively impact Holders' returns. In addition, as a result of the interest cancellation provisions, the trading price of the Notes may be more volatile than the trading prices of other interest-bearing debt securities that are not subject to such prohibitions or restrictions. As a result, the trading price of the Notes may be more sensitive generally to adverse changes in the Issuer's financial condition than such other securities and Holders may receive less interest than initially anticipated.

Ongoing and future legislative reforms may lead to additional restrictions with regard to Interest Payments on the Notes.

Many of the provisions of the Terms and Conditions depend on how the current regulatory framework (in particular the CRD IV/CRR and BRRD/SRM Regulation frameworks) and any (future) amendments thereon, in particular by the EU Banking Package (as described above), are (or will be) implemented, interpreted or applied.

The current regulatory framework applicable to the Issuer and the Group are complex sets of rules and regulations that imposes a series of requirements, some of which are still subject to transitional provisions and others which will be amended in the near future after the implementation of the EU Banking Package. Although CRR and SRM Regulation are directly applicable in each EU Member State, they provide for certain discretion and issues to be further specified through binding technical standards, delegated legal acts, guidelines and recommendations.

In particular, the interplay between the Pillar 2 Requirement and the Maximum Distributable Amount (MDA), maximum distributable amount related to the minimum requirement for own funds and eligible liabilities ("**M-MDA**") and any eventual application of the L-MDA (as defined below) framework if applicable to the Group in the future as well as the determination of these maximum distributable amounts are complex. The m Maximum Distributable Amount (MDA) imposes caps on the Issuer's legal ability to make discretionary payments including Interest Payments on the Notes, on the Issuer's ability to reinstate the Current Nominal Amount of the Notes following a write-down pursuant to § 5 (8) of the Terms and Conditions and on its ability to redeem or repurchase Notes. There are a number of factors for the complexity of the determination of the Maximum Distributable Amount (MDA), including the following:

The Maximum Distributable Amount (MDA) framework under CRD IV/CRR applies when certain capital buffers are not maintained. Certain capital buffers depend and will depend on the macro-economic situation (in the case of the institution-specific countercyclical buffer: the credit cycle and risks due to excess credit growth in an EU Member State, taking into account specificities of the national economy), the existence of systemic risks (in the case of the systemic risk buffer) or because of the assessment of the Issuer as a global systemically important institution ("**G-SII**") or another systemically important institution ("**O-SII**") (in the case of the G-SII buffer and the O-SII buffer). The buffer requirements are set by the competent authorities and are subject to change over time. As a result, it is difficult to predict when or if the Maximum Distributable Amount (MDA) will apply to the Notes, and to what extent. Presently, the Issuer does not qualify as a G-SII or O-SII.

In addition, any increase in the applicable requirements, for instance as a result of the imposition by supervisors of additional capital or MREL requirements (due to stricter legislation, any imposition or increase of capital buffers or any increase in the Pillar 2 Requirement or MREL applicable to the Issuer) increases the likelihood of the Issuer not being permitted to make Interest Payments in full or in part or any other amount falling due under the Notes due to the operation of the Maximum Distributable Amount (MDA) or M-MDA under the BRRD/SRM Regulation framework. Holders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Notes being prohibited from time to time as a result of the implementation of Article 141 (2) CRD IV under German law or other provisions of the Applicable Supervisory Rules relating to other limitations on distributions or payments.

Further, the CRD V Package provides for a new potential restriction on distributions in case an institution qualifying as a G-SII fails to meet the newly introduced leverage ratio requirement with sufficient Tier 1 capital. In such case, the institution would have to calculate the leverage ratio related maximum distributable amount ("**L-MDA**") in accordance with Article 141b CRD IV, which may limit distributions on capital instruments, which includes interest payments. If such additional requirements were to become applicable to the Issuer in the future, they could impact the Issuer's ability to meet its capital and leverage buffer requirement, which in turn, might impact its ability to make payments on the Notes (which could affect the trading price of the Notes). Presently, the Issuer does not qualify as a G-SII.

In any event, the Issuer will have discretion as to how the Maximum Distributable Amount (MDA) will be applied if insufficient to meet all expected distributions and payments and, in this respect, is not obliged to take the interest of the Holders into account.

These and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount (MDA) will apply as a practical matter to limit Interest Payments on the Notes, the reinstatement of the nominal amount of the Notes following a write-down pursuant to § 5(8) of the Terms and Conditions and the ability of the Issuer to redeem or repurchase Notes.

This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

The Notes may be traded with accrued interest, but under certain circumstances described above, subsequent Interest Payments may not be made in full or in part.

The Notes may trade, and the prices for the Notes may appear on trading systems on which the Notes are traded, with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that includes such accrued interest upon the purchase of the Notes. However, if all or part of any Interest Payment is cancelled in relation to an Interest Payment Date, purchasers of such Notes will not be entitled to all or part of any Interest Payment, and will not receive any compensation for an increased price paid due to accrued interest (see "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer.*" and "*Interest Payments may be excluded and cancelled for regulatory reasons, including if the Issuer fails to comply with minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and requirements for own funds and eligible liabilities.*").

Resettable fixed rate securities have a market risk.

The Notes are resettable fixed rate notes. A holder of fixed rate notes is particularly exposed to the risk that the price of the notes falls as a result of changes in market interest rates. While the nominal interest rate of the Notes as specified in the Terms and Conditions is fixed from and including the Issue Date to but excluding the First Reset Date and will thereafter be reset at five-year intervals on the basis of CMT Rate with a maturity of five years plus the initial credit spread (all as set out in the Terms and Conditions), the current market interest rates typically change on a daily basis. As the market interest rates changes, the price of fixed rate notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate notes typically decreases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate decreases, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

Risks related to the fixed rate interest applicable until the First Reset Date

The Notes bear interest at a fixed rate from and including the interest commencement date to but excluding 31 July 2030 (the "**First Reset Date**"). During that time, Holders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until, but excluding, the First Reset Date, the market yield typically changes continuously. As the market yield changes, the price of the Notes typically moves in the opposite direction. More specifically, if the market yield increases, the price of the Notes typically falls. If the market yield falls, the price of the Notes typically increases. Holders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Holders.

Noteholders should also be aware that the market yield has two components, i.e. the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of approximately equal tenor as a compensation for the risks inherent in the Notes. The credit spread reflects risks related to the Issuer's credit standing as well as risks related to the contractual features of the Notes. The credit spread changes over time and can decrease as well as increase for many different reasons. The market yield of the Notes can change due to changes of the credit spread, the risk-free rate, or both.

Risks related to the resettable rate of interest of the Notes applicable from the First Reset Date

If the Notes remain outstanding after the First Reset Date, the rate of interest on the Notes scheduled to be paid on the Notes will be reset every five years. From and including the First Reset Date to but excluding the next Reset Date, and thereafter from and including any Reset Date to but excluding the date on which the Issuer redeems the Notes in whole, but not in part, pursuant to the Terms and Conditions, the Notes generally entitle the Holders to interest at a rate which will be determined on each Reset Date on the basis of the then prevailing CMT Rate with a maturity of five years plus the initial credit spread (all as set out in the Terms and Conditions).

While the credit spread is fixed and remains unaffected by any reset, investors should be aware that the Reference Rate and therefore the rate of interest will change over time. As a result, the rate of interest following any reset date may be lower than the initial rate of interest or the rate of interest that is applicable prior to a reset date. Resets are likely to affect the amount of any interest payments under the Notes and thereby may impact their market value. Investors should be aware that the development of the Reference Rate cannot be anticipated, and that neither the current nor historical level of the Reference Rate is an indication of its future level. Hence, at the time of their investment decision, investors are not able to determine a definitive yield to maturity of the Notes so that their expected return on investment in the Notes cannot be compared with that of an investment in fixed rate instruments (i.e. with a coupon that is fixed until maturity).

Since the credit spread was fixed prior to the issue date of the Notes, Holders are moreover subject to the risk that, at any given point in time after the investment, the credit spread may not reflect the fair market spread that investors would require in addition to the Reference Rate as a compensation for the risks inherent in the Notes. Any such

discrepancy between the credit spread and the fair market spread will impact the fair market value of the Notes and may lead to potentially significant losses for Holders.

Furthermore, during each five-year period for which the interest rate has been reset, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current market interest rate. During each of these periods, the Holders are exposed to a similar risk as described under "Risks related to the fixed rate interest applicable until the First Reset Date".

Interest Payments on Notes are linked to a benchmark or other reference rates observable in the market and are therefore exposed to the risks of financial benchmarks and reference rate continuity; a discontinuity of the original reference rate (including a material alteration of the methodology for its calculation) could lead to the Notes effectively becoming fixed rate instruments due to fall-back provisions.

Any Interest Payments on the Notes for any interest period commencing on or after the First Reset Date will be calculated by reference to the then prevailing CMT Rate with a maturity of five years or such other rate as determined in accordance with the Terms and Conditions. The reference rate for Notes issued in USD is a central bank rate derived from the yield for U.S. Treasury securities. To the extent the CMT Rate cannot be determined in the manner specified in the Terms and Conditions, the applicable reference rate for the relevant reset period will be determined using alternative methods. Any of these alternative methods may result in interest payments that are lower than or do not otherwise correlate over time with the payments that would have been made on the Notes if the CMT Rate was available in its current form. Any of the foregoing may have an adverse effect on the value of the Notes.

7. Risks relating to a write-down of the nominal amount of the Notes

The nominal amount of the Notes will be reduced under the Terms and Conditions upon the occurrence of a Trigger Event which may result in lower Interest Payments as well as lower capital payments upon repayment of the Notes. In case of a reduction to zero, this may result in a full loss of the money invested in the Notes. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes.

The Terms and Conditions provide that the Current Nominal Amount of each Note shall be reduced by the amount of the relevant write-down if, at any time, the common equity tier 1 capital ratio pursuant to Article 92(1)(a) CRR determined (i) on an individual basis of the Issuer (if and as long as the Issuer, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on an individual basis); and/or (ii) on a (sub-)consolidated basis of the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (if and as long such undertaking, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on a (sub-)consolidated basis), (the "**Common Equity Tier 1 Capital Ratio**") falls below 5.125 per cent. (the "**Minimum CET 1 Ratio**" and such event, a "**Trigger Event**"), provided that (x) a Trigger Event in respect of the Minimum CET 1 Ratio determined on an individual basis of the Issuer shall only occur should the Issuer, in the future, in accordance with the Applicable Supervisory Regulations or by an administrative order, be required to comply with the prudential requirements on an individual basis and, for this purpose, to determine the Common Equity Tier 1 Capital Ratio on an individual basis, (y) a Trigger Event in respect of the Minimum CET 1 Ratio determined on a (sub-)consolidated basis may occur at any time as long as, in accordance with the Applicable Supervisory Regulations or by an administrative order, such undertaking is required to comply with the prudential requirements on a (sub-)consolidated basis and, for this purpose, to determine the Common Equity Tier 1 Capital Ratio on a (sub-)consolidated basis. At the Issue Date, the Issuer is required to comply with the prudential requirements on each of the following levels: consolidated situation of Atlantic Lux HoldCo S.à r.l., consolidated situation of Atlantic BidCo GmbH and sub-consolidated situation of Aareal Bank AG.

Upon the occurrence of a Trigger Event, a write-down shall be effected *pro rata* with all of the Issuer's other AT 1-Instruments which provide for a write-down (whether permanent or temporary) or a conversion into CET 1-Instruments upon the occurrence of such Trigger Event. The *pro rata* write-down also applies if upon the occurrence of a Trigger Event other AT 1-Instruments are also subject to a write-down or are subject to conversion into CET 1-Instruments, where the respective conditions provide for a trigger event at a Common Equity Tier 1 Capital Ratio level that deviates from the Minimum CET 1 Ratio (together with the Notes the "**Relevant AT 1-Instruments**"), any such write-down or conversion will occur in such order of application or ratio as required in accordance with the Applicable Supervisory Regulations. If no such order or ratio is required by the Applicable Supervisory Regulations, the following applies:

(i) Subject to the provision set out in the following sentence, the Notes will be written down pursuant to § 5(8)(b) of the Terms and Conditions *pro rata* with all other Relevant AT 1-Instruments. The Notes and all other Relevant AT 1-Instruments will in the aggregate only be written-down or (as the case may be) converted into CET 1-Instruments to the extent required to restore the Common Equity Tier 1 Capital Ratio as determined (A) on an individual basis (if and as long as the Issuer, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to determine the Common Equity Tier 1 Capital Ratio on an individual basis); and (B) on a (sub-)consolidated basis of the undertaking that is required to comply

with the prudential requirements on a (sub-)consolidated basis (if and as long as such undertaking, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to determine the Common Equity Tier 1 Capital Ratio on a (sub-)consolidated basis), to the ratio provided for in their respective terms as the ratio triggering the event resulting in such write-down and/or conversion into CET 1-Instruments; provided that the total amount of the write-downs and conversions into CET 1-Instruments shall not exceed the sum of the outstanding current nominal amounts of the Relevant AT 1-Instruments at the time of occurrence of the Trigger Event.

(ii) Any other Relevant AT 1-Instruments that may be written down or converted into CET 1-Instruments in full but not in part will, for the purposes of determining the relevant *pro rata* amounts for a write-down and calculation of the written-down amount, be treated as if its terms permit a partial write-down or conversion.

The Issuer's (present and future) outstanding junior instruments might not include write-down or similar features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a write-down, while other junior instruments remain outstanding and continue to receive payments.

In the event of a write-down pursuant to § 5(8) of the Terms and Conditions, each of the Notes shall for the full respective Interest Period in which such write-down occurs bear interest only as follows:

(i) Any accrued but unpaid interest on the Notes up to (and including) the Write-Down Effective Date will be cancelled; and

(ii) subject to a cancellation of interest pursuant to § 3(8) of the Terms and Conditions, the Notes will bear interest from but excluding the Write-Down Effective Date on the then Current Nominal Amount which has been reduced accordingly (see "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer.*").

In such event, even if the Issuer in its sole discretion decides to make Interest Payments under such circumstances and is legally permitted to make Interest Payments, Interest Payments will not accrue in full and Holders would receive no, or reduced, Interest Payments on the relevant Interest Payment Date.

Such write-down could also negatively affect the redemption amount payable on the Notes if the Issuer elects to call the Notes for redemption for certain regulatory reasons, tax reasons or if the number of Notes outstanding (calculated by dividing the aggregate Current Nominal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Nominal Amount) has fallen to 25 per cent. or less of the number of Notes originally issued at a time when the Current Nominal Amount of the Notes is below their Original Nominal Amount due to one or more write-downs. The amount to be repaid under the Notes, if any, may thus be substantially lower than the Original Nominal Amount of the Notes, and may also be reduced to zero which would result in a full loss of all money invested in the Notes.

Investors should note that a full loss of the money invested in the Notes is also possible under circumstances when inadequate own funds or an over-indebtedness (*Überschuldung*) result in the insolvency or liquidation of the Issuer. In such cases, the amounts payable under the Notes will most likely be reduced to zero and the Holders would have no claims in the liquidation. Their position might thus be worse than the position of holders of equity or of other debt instruments ranking junior to or *pari passu* with the Notes but which will not be written down or converted into shares upon the occurrence of a trigger event.

Any such write-down will not constitute an event of default with respect to the Notes (see "*The Notes have no scheduled maturity date and the Terms and Conditions neither provide for any events of default allowing acceleration or termination nor for a redemption option at the discretion of a Holder. Even if the Issuer exercises a right to redeem the Notes, it may be prohibited to pay any scheduled amount of principal if a Trigger Event is continuing or pre-insolvency restrictions on payments of principal apply.*").

As any event which could result in a write-down of the nominal amount of the Notes may adversely affect the market value of the Notes and reduce the liquidity of the Notes, the market price of the Notes is expected to be affected by changes in the Common Equity Tier 1 Capital Ratio. Such changes may be caused by changes in the amount of Common Equity Tier 1 capital and/or risk weighted assets (each of which shall be calculated by the Issuer on a fully loaded basis and on each of the following levels: consolidated situation of Atlantic Lux HoldCo S.à r.l., consolidated situation of Atlantic BidCo GmbH and sub-consolidated situation of Aareal Bank AG and, if and as long as the Issuer should be required pursuant to Applicable Supervisory Regulations or an administrative order, on an individual level), as well as changes to their definition and interpretation under the applicable regulations. Investors should be aware that the Common Equity Tier 1 Capital Ratio as of the end of any past accounting period which is set out in this Prospectus is subject to changes and cannot serve as an indication for the future development of the Common Equity Tier 1 Capital Ratio. Any indication that the Common Equity Tier 1 Capital Ratio is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes. A decline or perceived decline in the Common Equity Tier 1 Capital Ratio may significantly adversely affect the trading price of the Notes.

Following a write-down of the nominal amount in accordance with the Terms and Conditions described above, the Issuer will, subject to certain limitations set out in the Terms and Conditions, be entitled (but not obliged) to effect, in its sole discretion an increase of the redemption amount and thereby the nominal amount of the Notes up to their Original Nominal Amount (a "**Write-up**"). However, there can be no assurance that the Issuer will at any time have the ability and be willing to effect such Write-up.

The Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions) or converted into equity, and the terms of the Notes may be varied to the detriment of the Holders, by the competent resolution authority.

The Notes may be subject to a permanent write-down or conversion into ordinary shares or other instruments of ownership (in whole or in part) and/or to other resolution measures, in particular in circumstances where the competent authorities have determined that the Issuer or the Group (as applicable) has reached the point of non-viability and the competent resolution authority has taken the decision to apply these measures to the Issuer. Such risk is in addition to the risk that the nominal amount of the Notes may be written down if the Issuer's Common Equity Tier 1 Capital Ratio falls below the Minimum CET 1 Ratio provided for in the Terms and Conditions (see "*The nominal amount of the Notes will be reduced under the Terms and Conditions upon the occurrence of a Trigger Event which may result in lower Interest Payments as well as lower capital payments upon repayment of the Notes. In case of a reduction to zero, this may result in a full loss of the money invested in the Notes. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes.*").

Due to their expected qualification as AT 1-Instruments, the Notes are 'relevant capital instruments' as defined in Article 3(1) no. 51 SRM Regulation and § 2(2) SAG which are intended to be recognised for the purposes of meeting own funds requirements of the Issuer on each of the following levels: consolidated situation of Atlantic Lux HoldCo S.à r.l., consolidated situation of Atlantic BidCo GmbH and sub-consolidated situation of Aareal Bank AG. The Notes are therefore in particular subject to the write-down and conversion of capital instruments tool as set out in Article 21 SRM Regulation and § 89 SAG.

If the competent resolution authority determines that the Issuer is failing or likely to fail and certain other conditions are met (as set forth in the SRM Regulation, the SAG and other applicable rules and regulations), the competent resolution authority has the power to write down, including to write down to zero, claims for payment of the principal, interest or any other amount in respect of the Notes, to convert the Notes into ordinary shares or other instruments qualifying as common equity tier 1 capital (the write-down and conversion powers are hereinafter referred to as the "**Bail-in tool**"), or to apply any other resolution measure including, but not limited to, a transfer of the Notes to another entity, a variation of the Terms and Conditions (including, but not limited to, the variation of maturity of the Notes) or a cancellation of the Notes. The Bail-in tool and each of these other resolution measures are hereinafter referred to as a "**Resolution Measure**". The competent resolution authority may apply Resolution Measures individually or in any combination.

Furthermore, potential investors should be aware that, according to the BRRD, as implemented in the SAG, and the SRM Regulation, public financial support, if any, should only be granted as a last resort after having assessed and exploited, to the maximum extent practicable, the application of Resolution Measures, including the Bail-in tool, to the Issuer.

The competent resolution authority will have to exercise the Bail-in tool in a way that results in (i) common equity tier 1 instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) subsequently, the principal amount of other capital instruments (AT 1-Instruments and Tier 2-Instruments) being written down on a permanent basis or converted into common equity tier 1 instruments within the meaning of the CRR in accordance with their order of priority, (iii) subsequently, the Issuer's unsecured and subordinated liabilities that are not AT 1-Instruments or Tier 2-Instruments being written down on a permanent basis or converted into common equity tier 1 instruments, and (iv) finally, the Issuer's unsecured and unsubordinated liabilities (unless exempted by the SRM Regulation or the SAG, implementing the BRRD) being written down on a permanent basis or converted into common equity tier 1 instruments within the meaning of the CRR in accordance with their order of priority under § 46f(5) through (9) KWG.

The Holders are bound by any Resolution Measure. They would have no claim or any other right against the Issuer arising out of any Resolution Measure. Depending on the Resolution Measure, there would be no obligation of the Issuer to make payments under the Notes. The extent to which payment obligations under the Notes may be affected by Resolution Measures would depend on a number of factors that may be outside the Issuer's control, and it will be difficult to predict when, if at all, a Resolution Measure will occur. The exercise of any Resolution Measure shall not entitle the Holders to terminate or otherwise accelerate the redemption of the Notes. Accordingly, trading behaviour in respect of the Notes may not follow the trading behaviour associated with other types of securities issued by other financial institutions which may be or have been subject to a Resolution Measure. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest, if a Resolution Measure occurs, and should be aware that extraordinary public financial support for troubled banks, if any, would only potentially be used as a last resort after having assessed and exploited, to the maximum extent practicable, the Resolution Measures, including the Bail-in tool. If the power of write-down or conversion of relevant capital instruments or the Bail-in tool is applied to the Issuer, the principal

amount of the Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected.

In addition, investors should note that the provisions of the Terms and Conditions dealing with a potential write-up of the nominal amount of the Notes should the Notes have been subject to a write-down pursuant to § 5 (8) of the Terms and Conditions (see "*The nominal amount of the Notes will be reduced under the Terms and Conditions upon the occurrence of a Trigger Event which may result in lower Interest Payments as well as lower capital payments upon repayment of the Notes. In case of a reduction to zero, this may result in a full loss of the money invested in the Notes. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes.*") will not apply in case the Notes have been subject to a Resolution Measure and it is therefore generally the case that any write-down due to a Resolution Measure cannot be written up.

Upon the occurrence of a Trigger Event, there may be a Write-down of the Notes even if other capital instruments of the Issuer are not written down or converted into common equity tier 1 instruments.

The terms and conditions of other (present or future) instruments of the Issuer may vary and accordingly such instruments may not be written down at the same time as the Notes if the Notes are written down, or to the same extent, as the Notes, or at all. Alternatively, such other instruments may provide that they shall convert into common equity tier 1 instruments, or become entitled to reinstatement of the nominal amount of the Notes or other compensation in the event of a potential recovery of the Issuer and/or any other entity of the Group or a subsequent change in the financial condition thereof. Such other instruments may also provide for such reinstatement or compensation in different circumstances from those in which, or to a different extent to which, the nominal amount of the Notes may be reinstated.

The Common Equity Tier 1 Capital Ratio and the maximum distributable amounts will be affected by a number of factors, any of which may be outside the control of the Issuer, as well as by its business decisions and, in making such decisions, the interests of the Issuer may not be aligned with those of the Holders.

The occurrence of a Trigger Event and therefore a write-down of the nominal amount of the Notes is inherently unpredictable and depends on a number of factors, any of which may be outside the control of the Issuer. The calculation of the Common Equity Tier 1 Capital Ratio and any maximum distributable amount could be affected by a wide range of factors, including, among other things, changes in the mix of the Group's business, major events affecting its earnings, dividend payments by the Issuer, regulatory changes (including changes to the definitions and calculations of regulatory capital ratios and their components and the regulatory output floors contemplated by the so-called 'Basel IV' reform, which set floors in capital requirements calculated under internal models in terms of a percentage of the capital requirements that would result under the standardised approach) and the Group's ability to manage risk-weighted assets. The Issuer will have no obligation to consider the interest of the Holders in connection with its strategic decisions, including in respect of capital management and the relationship among the various entities of the Group and its group structure.

Because the occurrence of a Trigger Event will be difficult to predict, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Common Equity Tier 1 Capital Ratio is approaching the level that would trigger a Trigger Event (whether actual or perceived) may have an adverse effect on the trading price and liquidity of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments. While the competent authority may require the Common Equity Tier 1 Capital Ratio to be calculated as of any date, a Trigger Event could occur at any time if the Issuer determines that the Common Equity Tier 1 Capital Ratio, on a (sub-)consolidated basis is less than 5.125 per cent. The Issuer currently publicly reports the Common Equity Tier 1 Capital Ratio of the Atlantic Group (as defined below) only as of the end of each quarterly period, and therefore, during a quarterly period, there is no published updating of the Atlantic Group's Common Equity Tier 1 Capital Ratio and there may be no prior warning of adverse changes in the relevant Common Equity Tier 1 Capital Ratio.

The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. Moreover, in order to avoid the use of public resources, the competent authority may decide that the Issuer should allow a Trigger Event to occur at a time when it is feasible to avoid it. The Issuer currently intends to give due consideration to the capital hierarchy, however, it may deviate from that approach at its sole discretion.

Holders will not have any claim against the Issuer and/or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Available Distributable Items (as defined below) or any maximum distributable amount. Such decisions could cause Holders to lose all or part of the value of their investment in the Notes.

The Issuer is under no obligation to reinstate any written down amounts.

The Issuer is under no obligation to reinstate any principal amounts which have been subject to any write-down upon the occurrence of a Trigger Event pursuant to § 5(8) of the Terms and Conditions up to a maximum of the

Original Nominal Amount, even if certain conditions (as further described in the Terms and Conditions) that would permit the Issuer to do so, were met. Any Write-up of the Notes is at the sole discretion of the Issuer.

The Issuer's ability to make a Write-up depends on the availability of an annual profit (*Jahresüberschuss*) as recorded on the basis of the unconsolidated financial statements of the Issuer prepared in accordance with German commercial law and is subject to a number of conditions set out in § 5(9) of the Terms and Conditions.

However, no assurance can be given that the Issuer will at any time have the ability and be willing to effect such Write-up (in full or in part) and Write-ups do not have priority over other payments and, therefore, the Issuer may make dividend payments and other payments of dividends and interest even if no Write-up has been effected. In case a Write-up is made, it will have to be effected *pari passu* with other Written Down AT 1-Instruments of the Issuer.

8. Risks relating to the Redemption Structure of the Notes

The Notes have no scheduled maturity date and the Terms and Conditions neither provide for any events of default allowing acceleration or termination nor for a redemption option at the discretion of a Holder. Even if the Issuer exercises a right to redeem the Notes, it may be prohibited to pay any scheduled amount of principal if a Trigger Event is continuing or pre-insolvency restrictions on payments of principal apply.

The Notes have no scheduled maturity date and will run for an indefinite period. As the Terms and Conditions only provide for termination by the Issuer and not by the Holders, the Holders have no right to terminate or otherwise accelerate the redemption of the Notes. Except for certain regulatory reasons, tax reasons or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued, as stipulated in this Prospectus, the Terms and Conditions provide that the Issuer may redeem the Notes only, subject to the prior approval of the competent supervisory authority, (i) on the First Reset Date and (ii) on each Interest Payment Date following the First Reset Date or (b) in other limited circumstances and, in each case, subject to limitations and conditions as described in the Terms and Conditions. In addition, the Terms and Conditions stipulate that no redemption by the Issuer shall become effective without prior approval of the competent supervisory authority and in accordance with the Terms and Conditions. Moreover, any redemption of the Notes by the Issuer will be at the Issuer's full discretion. Accordingly, the Issuer is under no obligation to redeem, in whole or in part, any of the Notes at any time.

Prospective investors should note that even if the Issuer elects to call the Notes for redemption, the Issuer shall not make a payment of principal if (A) a Trigger Event has occurred and is continuing or (B)(i) the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO or illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO on the date of such payment, or (ii) the payment of the relevant amount would result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO or illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or in an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO. Such a prohibition on payment may be in effect for an indefinite period of time and even permanently. The same applies to scheduled Interest Payments (see "*Claims under the Notes constitute direct, unsecured, and subordinated obligations of the Issuer. There is a significant risk that Holders will lose all or some of their investment in case of insolvency or liquidation of the Issuer. In addition, irrespective of, and even prior to, the opening of insolvency proceedings against the Issuer, payments under the Notes may be prohibited*." and "*Interest Payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects not to make an Interest Payment or is prevented from paying interest by law or under the Terms and Conditions, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to make up for such non-payment at any later point in time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer*." above). Furthermore, if, at the time of any redemption or repurchase, the Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as applicable, additional pre-conditions, if any.

The Terms and Conditions do not provide for any events of default under which a Holder may redeem the Notes, including if the Issuer is prohibited from redeeming the Notes on the date fixed for redemption in one of the aforementioned events. In addition, neither a write-down of the nominal amount of the Notes, non-viability nor a regulatory bail-in in connection therewith will constitute an event of default with respect to the Notes. Accordingly, if the Issuer fails to meet obligations under the Notes, including the payment of interest which has not been cancelled, the Holders are not entitled to terminate or otherwise accelerate the redemption of the Notes. The only remedy against the Issuer available to Holders for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts. In particular, as solely BaFin is entitled to file an application for the institution of insolvency proceedings in respect of the Issuer, Holders would not be able to file for the institution of insolvency proceedings with a view to recover such amounts.

Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption. Should the Issuer's actions diverge from such expectations or should the Issuer be prevented from meeting such expectations for regulatory reasons, the market value of the Notes could be adversely affected and the liquidity of the Notes could be reduced.

Therefore, Holders should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

The Notes may be redeemed solely at the Issuer's option (subject to the prior approval of the competent authority), which may result in a lower yield than expected and, if the Notes are called for certain regulatory reasons, tax reasons, or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued, the redemption amount may be substantially lower than the Original Nominal Amount of the Notes due to a write-down that has not been fully written up or due to a Resolution Measure. In case of a write-down to zero, this may result in a full loss of the relevant Holder's invested capital.

The Notes may be redeemed at the sole option of the Issuer at any time, in whole but not in part, in the following circumstances and in each case subject to prior approval of the competent authority pursuant to Article 78 CRR (provided that if, at the time of any redemption or purchase, the Applicable Supervisory Regulations permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out in Article 78 CRR, the Issuer shall comply with such other and/or, as applicable, additional pre-conditions, if any):

(i) The Issuer may call the Notes for redemption at its discretion on each Optional Redemption Date but only if any write-downs pursuant to § 5(8) of the Terms and Conditions have been fully written up to the Original Nominal Amount in accordance with § 5(9) of the Terms and Conditions. For the avoidance of doubt: No write-up is required if (and to the extent) the Notes have been written down due to the application of a Resolution Measure (see "*The Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions) or converted into equity, and the terms of the Notes may be varied to the detriment of the Holders, by the competent resolution authority*.");

(ii) The Issuer may call the Notes for redemption at its discretion at any time for regulatory reasons if there is a change in the regulatory classification of the Notes that would be likely to result in (i) their exclusion in full or in part from the Issuer's own funds under the CRR or (ii) a reclassification as own funds of lower quality, provided that in respect of a redemption prior to the fifth anniversary of the issue date of the Notes the conditions in Article 78(4)(a) CRR are met, pursuant to which the competent authority may approve such redemption only if (i) the competent authority considers the change in the regulatory classification to be sufficiently certain and (ii) the Issuer demonstrated to the satisfaction of the competent authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance;

(iii) The Issuer may call the Notes for redemption at its discretion at any time for tax reasons, if the tax treatment of the Notes, due to a change in applicable legislation or relevant jurisprudence, including any change in any fiscal legislation, rules or practices, which takes effect after the Interest Commencement Date, changes and, in respect of a redemption prior to the fifth anniversary of the issue date of the Notes, the conditions in Article 78(4)(b) CRR are met, pursuant to which the competent authority may approve such redemption only if there is a change in the applicable tax treatment of the Notes which the Issuer demonstrated to the satisfaction of the competent authority is material and was not reasonably foreseeable at the issue date; or

(iv) The Issuer may call the Notes for redemption at its discretion at any time if the number of Notes outstanding (calculated by dividing the aggregate Current Nominal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Nominal Amount) has fallen to 25 per cent. or less of the number of Notes originally issued (calculated by dividing the aggregate principal amount of Notes (including any Notes additionally issued in accordance with § 10(1) of the Terms and Conditions) originally issued by the Original Nominal Amount).

In addition, as of the date of this Prospectus, permission to redeem the Notes for regulatory reasons or reasons of taxation prior to the fifth anniversary of the issuance of the Notes requires that either of the following conditions is met pursuant to Article 78(1), (4) CRR: (i) before or at the same time as the redemption, the Issuer replaces the Notes with own fund instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (ii) the competent supervisory authority has permitted the redemption or the repurchase on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

The optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they may be redeemed. This may also be the case prior to any redemption period or date.

If the Issuer elects, in its sole discretion and subject to prior approval by the competent authority, to redeem the Notes for regulatory reasons, tax reasons or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued, the amount to be repaid under the Notes, if any, may be substantially lower than the Original Nominal Amount of the Notes due to any previous write-downs that have not been fully written up, and may also be reduced to zero which would result in a full loss of all money invested in the Notes (see "*The nominal amount of the Notes will be reduced under the Terms and Conditions upon the occurrence of a Trigger Event which may result in lower Interest Payments as well as lower capital payments upon repayment of the Notes. In case of a reduction to zero, this may result in a full loss of the money invested in the Notes. Any indication that*

the Common Equity Tier 1 Capital Ratio of the Issuer is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Notes.").

If the Issuer elects, in its sole discretion and subject to prior approval by the competent authority, to redeem the Notes on any Optional Redemption Date or at any time for regulatory reasons, tax reasons or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued, the amount to be repaid under the Notes, if any, may also be substantially reduced (including to zero) if, prior to such redemption, the Notes have been written down (including to zero) due to a Resolution Measure.

If the Issuer elects, in its sole discretion and subject to prior approval by the competent authority, to redeem the Notes, the Notes will be repaid as a consequence thereof. In addition, if the Issuer elects to redeem the Notes, a Holder is exposed to the risk that due to such redemption its investment will have a lower than expected yield. In this event an investor might not be able to reinvest the redemption proceeds at a comparable yield.

9. Risks relating to certain terms and conditions of the Notes

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by way of a Holders' resolutions and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate nominal amount of the Notes outstanding.

The Terms and Conditions provide that the Holders may, subject to compliance with the requirements of regulatory law for the recognition of the Notes as AT 1-Instruments, agree with the Issuer on amendments to the Terms and Conditions with regard to matters permitted by the SchVG by majority resolution in accordance with and subject to the SchVG. According to SchVG, the required participation of Holder votes (quorum) is principally set at 50 per cent. of the aggregate nominal amount of outstanding notes in the first Holders' meeting or in a vote without a meeting. In case there is no sufficient quorum in the first Holders' meeting or in the vote without a meeting, there is no minimum quorum requirement in a second meeting or voting on the same resolution (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25 per cent. of outstanding Notes by nominal amount must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate nominal amount of Notes outstanding, subject to certain quorums of participating Holders. Therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate nominal amount of the Notes outstanding. Therefore, any Holder is subject to the risk of being outvoted by a majority resolution of such Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate nominal amount of Notes participate in the vote and agree to amend the Terms and Conditions or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG. As such majority resolution is binding on all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority, certain rights of such Holder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

Since no Holders' Representative will be appointed as from the Issue Date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes.

No initial Holders' Representative will be appointed under the Terms and Conditions. Any appointment of a Holders' Representative for the Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders. If the appointment of a Holders' Representative is delayed, this will make it more difficult for Holders to take collective action to enforce their rights under the Notes.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed on to a Holders' Representative.

If a Holders' Representative will be appointed by majority decision of the Holders it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by majority vote for the Notes who is then exclusively responsible to claim and enforce the rights of all the Holders of the Notes.

10. Other risks relating to an investment in the Notes

There has been no prior market for the Notes, a liquid market may not develop and the Notes may be subject to significant market price volatility. Market price volatility might have reasons beyond the control or sphere of the Issuer.

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded, after their initial issuance, they may trade at a discount to their issue price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange which appears on ESMA's list of regulated markets, there is no assurance that an active trading market will develop and exist at all times. If such a market develops, neither the Issuer nor the Joint Bookrunners nor any

other person is obliged to maintain it. The possibility to sell Notes might additionally be restricted due to country-specific reasons. Moreover, the liquidity and the market for the Notes can be expected to vary with changes in the securities market and economic conditions, the financial condition and prospects of the Issuer and other factors which generally influence the market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Notes. Market liquidity in hybrid financial instruments similar to the Notes has historically been limited. In addition, potential investors should note that hybrid financial instruments similar to the Notes have experienced pronounced price fluctuations in connection with the crisis of the financial markets and the banking sector since 2007. It can thus not be excluded that the market price of the Notes will be negatively affected by factors that are beyond the control or sphere of the Issuer, e.g. if the price of other own funds instruments negatively develops, even if such other instruments are issued by third parties.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors including the creditworthiness of the Issuer as well as other factors such as the time remaining to maturity of the Notes, the outstanding amount of the Notes and the redemption features of the Notes. Such factors will also affect the market value of the Notes.

In an illiquid market, investors may not be able to sell Notes at all or at any time at fair market prices. No investor should purchase Notes unless the investor understands and is able to bear the risk that the Notes may not be readily sellable, that the value of the Notes will fluctuate over time and that such fluctuations may be significant.

The market value and the liquidity of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen, in particular if there is an adverse change in the credit ratings assigned to the Issuer and/or the Notes.

The market value and the liquidity of the Notes is expected to be influenced by a change in the creditworthiness of the Issuer (or the perception thereof) and by the credit rating assigned to the Issuer and/or the Notes and other factors, including (but not limited to) economic, financial and political conditions and events in Germany and other jurisdictions in which the Aareal Bank Group is active as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in Europe and elsewhere and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption or a cancellation of interest on the Notes.

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which an investor in the Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price of the Notes or the purchase price paid by such investor.

If, for example, because of the materialisation of any of the risks regarding Aareal Bank as Issuer and the Aareal Bank Group, the Issuer is less likely to make payments on the Notes when scheduled or to call the Notes for redemption, the market value of the Notes may suffer. In addition, even if the Issuer is not actually less likely to be in a position to make any scheduled payments on the Notes, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the Aareal Bank Group could adversely change.

The Issuer is rated BBB (outlook: stable) by Fitch Ratings Ireland Limited and Baa1 by Moody's Deutschland GmbH. The Notes are expected to be rated BB- by Fitch Ratings Ireland Limited. Any change in, or withdrawal of, the credit rating(s) assigned to the Issuer and/or the Notes may affect the market value and could reduce the liquidity of the Notes. Ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies. Changes in credit rating agencies' views of the level of implicit sovereign support for European banks and their groups are likely to lead to ratings downgrades. In addition, the credit ratings of the Issuer and the Notes may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time, or the Issuer may decide not to maintain a solicited rating by one or more rating agencies which may or may not lead to a withdrawal of the credit ratings assigned to the Notes.

The market for debt securities issued by banks (such as the Notes) is also influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance that events in Germany, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect. Such factors may favourably or adversely affect the trading price of the Notes. The price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

If any of these risks occurs, third parties may only be willing to purchase Notes for a lower price than before the materialisation of the relevant risk or may not be willing to purchase Notes at all.

There may be circumstances under which the Notes may be subject to withholding tax which will not be grossed-up, including U.S. withholding taxes under FATCA.

Prospective purchasers and sellers of the Notes should be aware that duties, other taxes and/or expenses (including any stamp duty, depository charges, transaction charges and other charges) may be levied in accordance with the laws and practices in the countries where the Notes are transferred and other relevant jurisdictions and that it is the obligation of an investor to pay all such duties, other taxes and expenses.

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or in or for the account of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If the Issuer is required by law to make such withholding or deduction on payments of interest (but not in respect of the payment of any principal in respect of the Notes), the Issuer shall, in limited circumstances and subject to the limitations set out in § 3(8) (Cancellation of Interest) of the Terms and Conditions pay such additional amounts ("**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts which would otherwise have been receivable by the Holders in the absence of such withholding or deduction, as further specified in the Terms and Conditions.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Germany) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA.

Investors should be aware that payments made under the Notes and capital gains from the sale or redemption of the Notes may be subject to taxation in the jurisdiction of the Holder or in other jurisdictions in which the Holder is required to pay taxes.

There may be changes in tax law which could affect the tax treatment of the Notes.

Investors should be aware that tax regulations and their application by the relevant taxation authorities may be subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Notes. Any such change may cause the tax treatment of the Notes to change from the tax position at the time of purchase and may render the statements in this Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Notes.

The Notes are subject to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in Euro. 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 Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro 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.

Such currency risks generally depend on factors over which the Issuer and the Holders have no control, such as economic and political events and the supply of, and demand for, the relevant currencies. In recent years, rates of exchange for certain currencies have been highly volatile, and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of the Notes.

Legality of Purchase

Prospective investors of the Notes should be aware that the lawfulness of the acquisition of the Notes might be subject to legal restrictions potentially affecting the validity of the purchase. Neither the Issuer, the Joint Bookrunners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different). A prospective investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

USE OF PROCEEDS

The purpose of the issuance of the Notes is to raise bank regulatory own funds in the form of additional tier 1 capital for the Issuer on an individual basis and for the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3) of the Terms and Conditions); such additional tier 1 capital is provided for an indefinite period of time.

The net proceeds from the issuance of the Notes will amount to approximately USD 421,387,500 and be used for general financing purposes, including a potential purchase and/or redemption of the Issuer's outstanding Additional Tier 1 Notes of 2014 (ISIN DE000A1TNDK2).

TERMS AND CONDITIONS OF THE NOTES

Die Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

The Terms and Conditions of the Notes are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is non-binding.

ANLEIHEBEDINGUNGEN

§ 1
Währung, Stückelung, Form

(1) *Währung; Stückelung*. Diese Emission von nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der Aareal Bank AG (die "**Emittentin**") wird in US Dollar ("**USD**") (die "**Festgelegte Währung**") im Gesamtnennbetrag von USD 425.000.000 (in Worten: vierhundertfünfundzwanzig Millionen US Dollar) in einer Stückelung von jeweils USD 200.000 (der "**Ursprüngliche Nennbetrag**") begeben.

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

(3) *Globalurkunde*. Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Globalurkunde**") ohne Zinsscheine verbrieft. Die Globalurkunde trägt die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(4) *Clearing System*. Die die Schuldverschreibungen verbriefende Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt. Die Schuldverschreibungen werden in Form einer klassischen Globalurkunde begeben und werden von einer gemeinsamen Verwahrstelle (*common depositary*) im Namen beider ICSDs verwahrt.

"**Clearing System**" bezeichnet jeweils Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Großherzogtum Luxemburg ("**Clearstream, Luxemburg**") und Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**") (Clearstream, Luxemburg und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**") oder deren Funktionsnachfolger.

(5) *Gläubiger von Schuldverschreibungen*. "**Gläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an der Globalurkunde, der bzw. das nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearing Systems übertragen werden können.

TERMS AND CONDITIONS

§ 1
Currency, Denomination, Form

(1) *Currency; Denomination.* This issue of subordinated notes (the "**Notes**") of Aareal Bank AG (the "**Issuer**") is being issued in US Dollars ("**USD**") (the "**Specified Currency**") in the aggregate nominal amount of USD 425,000,000 (in words: four hundred twenty-five million US Dollars) in a denomination of USD 200,000 (the "**Original Nominal Amount**") each.

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

(3) *Global Note*. The Notes are represented by a permanent global note (the "**Global Note**") without coupons. The Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Paying Agent. Definitive notes and interest coupons will not be issued.

(4) *Clearing System*. The Global Note representing the Notes will be kept in custody by or on behalf of a Clearing System. The Notes are issued in classical global note form and are kept in custody by a common depositary on behalf of both ICSDs.

"**Clearing System**" means each of Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") (Clearstream, Luxembourg and Euroclear each an "**ICSD**" and together the "**ICSDs**") or any successor in capacity thereof.

(5) *Holder of Notes*. "**Holder**" means any holder of a proportionate co-ownership or other right in the Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

§ 2
Status

(1) Die Schuldverschreibungen begründen direkte, nicht besicherte, nicht-garantierte und (nach Maßgabe von § 2(2) und (4)) nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.

(2) Im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin und im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin

(a) stehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im gleichen Rang wie die Verbindlichkeiten der Emittentin aus anderen Instrumenten des zusätzlichen Kernkapitals (wie in § 3(9) definiert); und

(b) gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen den Verbindlichkeiten der Emittentin aus Instrumenten des harten Kernkapitals (wie in § 3(9) definiert) im Rang vor, insbesondere den Stammaktien; und

(c) gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen den Vorrangigen Verbindlichkeiten der Emittentin (wie nachstehend definiert) vollständig im Rang nach, so dass Zahlungen auf die Schuldverschreibungen in einem solchen Fall so lange nicht erfolgen, bis die Vorrangigen Verbindlichkeiten der Emittentin vollständig befriedigt sind.

"**Vorrangige Verbindlichkeiten der Emittentin**" bezeichnet:

(a) die Forderungen aus nicht nachrangigen Verbindlichkeiten der Emittentin (einschließlich Forderungen gegen die Emittentin aus deren nicht bevorrechtigten, nicht nachrangigen Schuldtiteln im Sinne von § 46f Absatz 6 Satz 1 KWG (wie in § 3(9) definiert) (auch in Verbindung mit § 46f Absatz 9 KWG) oder einer Nachfolgebestimmung);

(b) die Forderungen aus gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Nr. 1 bis 5 InsO (wie in § 3(9) definiert);

(c) die Forderungen aus vertraglich nachrangigen Verbindlichkeiten der Emittentin im Sinne des § 39 Absatz 2 InsO, die zum Zeitpunkt von Abwicklungsmaßnahmen in Bezug auf die Emittentin oder im Fall der Insolvenz, der Auflösung, der Liquidation der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin, nicht als

§ 2
Status

(1) The Notes constitute direct, unsecured, unguaranteed and (as set forth in § 2(2) and (4)) subordinated obligations of the Issuer, ranking *pari passu* among themselves.

(2) In the event of resolution measures imposed on the Issuer and in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the Notes

(a) shall rank *pari passu* with the obligations of the Issuer under other AT 1-Instruments (as defined in § 3(9)); and

(b) shall rank senior to the obligations of the Issuer under the CET 1-Instruments (as defined in § 3(9)), in particular the ordinary shares; and

(c) shall be fully subordinated to all Senior Ranking Obligations of the Issuer (as defined below), so that in any such event no amounts shall be payable in respect of the Notes until the Senior Ranking Obligations of the Issuer have been satisfied in full.

"**Senior Ranking Obligations of the Issuer**" means:

(a) the claims arising from unsubordinated obligations of the Issuer (including claims against the Issuer under its non-preferred senior debt instruments within the meaning of § 46f(6) sentence 1 KWG (as defined in § 3(9)) (also in connection with § 46f(9) KWG) or any successor provision thereto);

(b) the claims arising from statutorily subordinated obligations of the Issuer pursuant to § 39(1) nos. 1 to 5 InsO (as defined in § 3(9));

(c) the claims arising from contractually subordinated obligations of the Issuer within the meaning of § 39(2) InsO which do not qualify as own funds instruments of the Issuer at the time of resolution measures being imposed on the Issuer or in the event of the insolvency, dissolution, liquidation or composition of the Issuer, or of other proceedings for the avoidance of insolvency of the Issuer or against the Issuer;

Eigenmittelinstrumente der Emittentin zu qualifizieren sind;

(d) die Forderungen aus Instrumenten des Ergänzungskapitals (wie in § 3(9) definiert); und

(e) die Forderungen aus anderen Instrumenten der Emittentin, die nach ihren Bedingungen oder zwingendem Recht vorrangig zu Instrumenten des zusätzlichen Kernkapitals (einschließlich gemäß § 46f Absatz 7a Satz 3 KWG oder einer Nachfolgebestimmung) sind und nicht bereits unter Buchstaben (a) bis (d) erfasst sind.

Diese Nachrangregelung begründet ein Zahlungsverbot dahingehend, dass Zahlungen auf die Schuldverschreibungen von der Emittentin nur nach Maßgabe der Bestimmungen dieser Nachrangregelung geleistet und von den Gläubigern verlangt werden dürfen; dies schließt Zahlungen im Zusammenhang mit einem Rückkauf der Schuldverschreibungen durch die Emittentin ein.

Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus ihrem sonstigen freien Vermögen zu bedienen.

Kein Gläubiger ist berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen ihn aufzurechnen.

Den Gläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden. Bereits gestellte oder zukünftig gestellte Sicherheiten oder Garantien im Zusammenhang mit anderen Verbindlichkeiten der Emittentin haften nicht für Forderungen aus den Schuldverschreibungen.

Wenn die Schuldverschreibungen insgesamt nicht mehr als Instrumente des zusätzlichen Kernkapitals oder andere Eigenmittelinstrumente i.S.v. Artikel 4 Absatz 1 Nr. 119 CRR qualifizieren, gehen gemäß § 46f Abs. 7a KWG die Verbindlichkeiten aus den Schuldverschreibungen sämtlichen Verbindlichkeiten aus Eigenmittelinstrumenten der Emittentin vor.

(3) Zahlungen, die den Verboten in § 2(2) und § 2(4) zuwiderlaufen, haben keine Tilgungswirkung. Nachträglich können der Nachrang gemäß § 2(1) und § 2(2) nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden.

Werden die Schuldverschreibungen unter anderen als den in § 2(2) beschriebenen Umständen oder infolge einer Kündigung nach Maßgabe von § 5(2) bis § 5(6) zurückgezahlt

(d) the claims under Tier 2-Instruments of the Issuer (as defined in § 3(9)); and

(e) the claims arising from other instruments of the Issuer which pursuant to their terms or mandatory provisions of law (including pursuant to § 46f(7a) sentence 3 KWG or any successor provision thereto) rank senior to AT 1-Instruments and that are not already captured in clauses (a) to (d).

This provision on subordination shall establish a prohibition on payments to the effect that payments on the Notes may only be made by the Issuer and demanded by the Holders in accordance with this provision on subordination; this includes payments in connection with a repurchase of the Notes by the Issuer.

Subject to compliance with this subordinated ranking provision, the Issuer may satisfy its obligations under the Notes also from its other distributable assets (*sonstiges freies Vermögen*).

No Holder may set off its claims arising under the Notes against any claims of the Issuer.

No security or guarantee of whatever kind is, or will at any time be, provided by the Issuer or any other person to secure claims of the Holders under the Notes. Any security or guarantee already provided or granted in the future (as the case may be) in connection with other liabilities of the Issuer may not be used for claims under the Notes.

If the Notes in their entirety no longer qualify as AT 1-Instruments or other own funds instruments within the meaning of Article 4(1) no. 119 CRR, the obligations under the Notes will, pursuant to § 46f(7a) KWG, rank in priority to all obligations under any own funds instruments of the Issuer.

(3) Any payments that contravene the prohibitions in § 2(2) and § 2(4) shall not have a discharging effect. No subsequent agreement may limit the subordination pursuant to § 2(1) and § 2 (2) or shorten the term of the Notes or any applicable notice period.

If the Notes are redeemed or repurchased in accordance with § 10(2) by the Issuer otherwise than in the circumstances described in § 2(2) or as a result of a notice of redemption in

oder von der Emittentin nach Maßgabe von § 10(2) zurückerworben, so ist der zurückgezahlte oder gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurück zu gewähren, sofern nicht die Zuständige Aufsichtsbehörde der Rückzahlung oder dem Rückkauf vorher zugestimmt hat. Eine Kündigung oder Rückzahlung der Schuldverschreibungen gemäß § 5(2) oder § 5(3) oder ein Rückkauf der Schuldverschreibungen ist in jedem Fall nur mit vorheriger Zustimmung der Zuständigen Aufsichtsbehörde zulässig.

accordance with § 5(2) to § 5(6), then the amounts redeemed or paid must be returned to the Issuer irrespective of any agreement to the contrary unless the Competent Supervisory Authority has given its prior consent to such redemption or repurchase. Any (notice of) redemption of the Notes pursuant to § 5(2) oder § 5(3) or any repurchase of the Notes requires in any event the prior consent of the Competent Supervisory Authority.

In diesen Emissionsbedingungen:

In these Terms and Conditions:

bezeichnet "**Zuständige Aufsichtsbehörde**" die zuständige Behörde im Sinne von Artikel 4 Absatz 1 Nr. 40 CRR und/oder Artikel 9 Absatz 1 SSM-VO (jeweils wie in § 3(9) definiert), die im betreffenden Zeitpunkt zur Beaufsichtigung der Emittentin auf Einzelinstitutsbasis und/oder des zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichteten Unternehmens auf (teil-)konsolidierter Basis befugt ist; und

"**Competent Supervisory Authority**" means the competent authority within the meaning of Article 4(1) no. 40 CRR and/or Article 9(1) SSM Regulation (each as defined in § 3(9)), which is empowered to supervise the Issuer on an individual basis and/or the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis on a (sub-)consolidated basis, at the relevant time; and

bezieht sich jeder Verweis auf das "**zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen**" auf (x) die Emittentin als das gemäß der Anwendbaren Aufsichtsrechtlichen Vorschriften zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen, oder (y) wenn die Emittentin diese Verpflichtung nicht oder nicht mehr trifft, auf ein anderes zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtetes, mit der Emittentin verbundenes Unternehmen, das die Schuldverschreibungen im betreffenden Zeitpunkt als Eigenmittel auf (teil-)konsolidierter Basis anrechnet. Am Tag der Begebung der Schuldverschreibungen ist die Emittentin zur Einhaltung der Aufsichtsanforderungen auf jeder der folgenden Ebenen verpflichtet: konsolidierte Lage der Atlantic Lux HoldCo S.à.r.l., konsolidierte Lage der Atlantic BidCo GmbH und teilkonsolidierte Lage der Aareal Bank AG.

any reference to "**the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis**" shall be a reference to (x) the Issuer as the undertaking that, in accordance with the Applicable Supervisory Regulations, is required to comply with the prudential requirements on a (sub-)consolidated basis, or (y) if the Issuer is not or is longer subject to such requirement, any other affiliate of the Issuer that is required to comply with the prudential requirements on a (sub-)consolidated basis and that on a (sub-)consolidated basis counts the Notes towards its own funds, at the relevant time. At the issue date of the Notes, the Issuer is required to comply with the prudential requirements on each of the following levels: consolidated situation of Atlantic Lux HoldCo S.à r.l., consolidated situation of Atlantic BidCo GmbH and sub-consolidated situation of Aareal Bank AG.

(4) *Hinweis auf vorinsolvenzliches Zahlungsverbot*. Bereits vor einer Auflösung, Liquidation oder Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin steht jede Zahlung von Zinsen auf die Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Bedingungen gemäß § 3(8) und jede Rückzahlung der Schuldverschreibungen nach Maßgabe von § 5(2) bis (5) und jeder Rückkauf der Schuldverschreibungen nach Maßgabe von § 10(2) unter dem Vorbehalt der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6).

(4) *Note on prohibitions on payments applicable prior to an insolvency*. Even prior to the dissolution, liquidation, insolvency, or composition of the Issuer, or the opening of other proceedings for the avoidance of insolvency of, or against, the Issuer, payment of interest on the Notes will be subject to the conditions set forth in § 3(8) being fulfilled, and any redemption of the Notes pursuant to § 5(2) to (5) and any repurchase of the Notes pursuant to § 10(2) will be subject to the conditions to redemption and repurchase set forth in § 5(6) being fulfilled.

Zu den Anforderungen gemäß § 3(8) und § 5(6) gehören die Bedingungen, dass an dem Tag der betreffenden Zahlung von Kapital oder Zinsen

The requirements set forth in § 3(8) and in § 5(6) include the conditions that on the date of the relevant payment of principal or interest (i) the

(i) die Emittentin weder überschuldet im Sinne von § 19 InsO noch zahlungsunfähig im Sinne von § 17 InsO ist noch eine Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO droht, und (ii) die Zahlung des betreffenden Betrages weder zu einer Überschuldung der Emittentin im Sinne von § 19 InsO noch zu einer Zahlungsunfähigkeit der Emittentin im Sinne von § 17 InsO noch zu einer drohenden Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO führt. Das bedeutet, dass die Emittentin unabhängig von und bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin weder eine vorgesehene Zahlung von Zinsen noch eine Rückzahlung von Kapital vornehmen darf, wenn (i) die Emittentin am Tag der relevanten Zahlung überschuldet im Sinne von § 19 InsO oder zahlungsunfähig im Sinne von § 17 InsO ist oder eine Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO droht (unabhängig davon, ob die Eröffnung des Insolvenzverfahrens beantragt wurde), oder (ii) die Zahlung des betreffenden Betrages zu einer Überschuldung im Sinne von § 19 InsO der Emittentin, einer Zahlungsunfähigkeit der Emittentin im Sinne von § 17 InsO oder einer drohenden Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO (unabhängig davon, ob die Eröffnung des Insolvenzverfahrens beantragt wurde) führen oder ein solches Ereignis beschleunigen würde. Ein solches Zahlungsverbot kann für unbestimmte Zeit und sogar dauerhaft gelten.

Issuer is neither over-indebted (*überschuldet*) within the meaning of § 19 InsO nor illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO nor there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO, and (ii) the payment of the relevant amount would neither result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO nor an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO nor an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO. This means that irrespective of, and even prior to, the commencement of any insolvency or liquidation proceedings over the assets of the Issuer, the Issuer shall not make a scheduled payment of interest or a repayment of principal if (i) on the date of the relevant payment, the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO or illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO (regardless of whether the commencement of insolvency proceedings has been applied for), or (ii) the payment of the relevant amount would result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO, an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or an imminent illiquidity (drohende *Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO (regardless of whether the commencement of insolvency proceedings has been applied for) or would accelerate the occurrence of such an event. Such a prohibition on payments may be in effect for an indefinite period of time and even permanently.

(5) Die Gläubiger werden ausdrücklich auf § 5(10) (*Hinweis auf die Möglichkeit von gesetzlichen Abwicklungsmaßnahmen*) hingewiesen.

(5) Holders are specifically referred to § 5(10) (*Note on the Possibility of Statutory Resolution Measures*).

§ 3
Zinsen

(1) *Verzinsung, Zinszahlungstage*.

(a) Vorbehaltlich eines Ausschlusses der Zinszahlung nach § 3(8) und vorbehaltlich des dritten Absatzes diese § 3(1)(a) wird jede Schuldverschreibung bezogen auf ihren Aktuellen Nennbetrag ab dem 22. Januar 2025 (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) (jede solche Periode eine "**Zinsperiode**") verzinst.

"**Aktueller Nennbetrag**" bezeichnet in Bezug auf eine Schuldverschreibung: (i) am Begebungstag den Ursprünglichen Nennbetrag und (ii) anschließend ihren ggf.

§ 3
Interest

(1) *Interest, Interest Payment Dates*.

(a) Subject to any cancellation of interest payments pursuant to § 3(8) and subject to the third paragraph of this § 3(1)(a), each Note shall bear interest on its Current Nominal Amount from and including 22 January 2025 (the "**Interest Commencement Date**") to but excluding the first Interest Payment Date, and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date (each such period, an "**Interest Period**").

"**Current Nominal Amount**" means, with respect to any Note: (i) at the issue date, the Original Nominal Amount of such Note and (ii) thereafter, the then outstanding nominal

um durch Herabschreibungen nach § 5(8)(b) verminderten (soweit nicht durch Hochschreibungen nach § 5(9) kompensierten) ausstehenden Nennbetrag.

Im Falle einer Herabschreibung nach § 5(8)(b) werden die Schuldverschreibungen für die gesamte betreffende Zinsperiode, in welcher diese Herabschreibung erfolgt, nur wie folgt verzinst:

(i) Aufgelaufene aber nicht gezahlte Zinsen auf die Schuldverschreibungen bis zum Herabschreibungs-Stichtag (wie in § 5(8)(e) definiert) (einschließlich) entfallen gemäß § 3(8)(e) automatisch; und

(ii) vorbehaltlich eines Ausschlusses der Zinszahlung gemäß § 3(8), werden die Schuldverschreibungen ab dem Herabschreibungs-Stichtag (ausschließlich) jeweils nur bezogen auf den dann Aktuellen Nennbetrag verzinst, der entsprechend reduziert wurde; sofern an dem unmittelbar auf den Herabschreibungs-Stichtag folgenden Zinszahlungstag eine Hochschreibung gemäß § 5(9) erfolgen sollte, bleibt diese für die Zinsperiode, in die der Herabschreibungs-Stichtag fiel, unberücksichtigt und wirkt sich erst ab der an dem Hochschreibungstag (wie in § 5(9)(d) definiert) (einschließlich) beginnenden Zinsperiode aus.

(b) Zinsen für jede Zinsperiode sind vorbehaltlich des Ausschlusses der Zinszahlung nach § 3(8) und vorbehaltlich § 3(1)(a) nachträglich an jedem Zinszahlungstag zur Zahlung vorgesehen.

"**Zinszahlungstag**" bezeichnet den 31. Juli eines jeden Jahres. Erster Zinszahlungstag ist der 31. Juli 2025 (kurze erste Zinsperiode).

Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, dann haben die Gläubiger keinen Anspruch auf Zahlung der Zinsen vor dem nächsten Geschäftstag und die Gläubiger sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in New York City und das Clearing System Zahlungen in USD abwickeln.

(c) Der zur Zahlung vorgesehene Zinsbetrag je Schuldverschreibung wird gemäß § 3(5)(a) berechnet.

amount of such Note as reduced by any write-downs pursuant to § 5(8)(b) (to the extent not reinstated for by write-ups pursuant to § 5(9)).

In the event of a write-down pursuant to § 5(8)(b), each of the Notes shall for the full respective Interest Period in which such write-down occurs bear interest only as follows:

(i) Any accrued but unpaid interest on the Notes to and including the Write-Down Effective Date (as defined in § 5(8)(e)) will be automatically cancelled pursuant to § 3(8)(e); and

(ii) subject to a cancellation of interest payment pursuant to § 3(8), the Notes will bear interest from but excluding the Write-Down Effective Date on the then Current Nominal Amount which has been reduced accordingly; if a write-up pursuant to § 5(9) were to occur on the Interest Payment Date immediately following the Write-Down Effective Date, such write-up will not be taken into account for the Interest Period during which the Write-Down Effective Date occurred and will only become effective for the Interest Period from and including the Write-Up Date (as defined in § 5(9)(d)).

(b) Subject to a cancellation of interest payments pursuant to § 3(8) and subject to § 3(1)(a), interest for each Interest Period shall be scheduled to be paid in arrear on each Interest Payment Date.

"**Interest Payment Date**" means 31 July in each year. The first Interest Payment Date is 31 July 2025 (short first interest period).

If any Interest Payment Date is not a Business Day, then the Holders shall not be entitled to payment of interest until the next Business Day and shall not be entitled to further interest or other payment in respect of such delay.

"**Business Day**" means any day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets in New York City and the Clearing System settle payments in USD.

(c) The amount of interest per Note scheduled to be paid will be determined in accordance with § 3(5)(a).

(2) *Zinssatz*. Der Zinssatz (der "**Zinssatz**")

(a) für jede Zinsperiode (wie in § 3(1)(a) definiert), die in den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum 31. Juli 2030 (der "**Erste Zinsanpassungstag**") (ausschließlich) fällt, entspricht einem festen Zinssatz in Höhe von 9,875 % *per annum*; und

(b) für jede Zinsperiode, die in den Zeitraum ab dem Ersten Zinsanpassungstag (einschließlich) bis zum nächsten Zinsanpassungstag (ausschließlich) und danach in den Zeitraum ab jedem Zinsanpassungstag (einschließlich) bis zum nächsten Zinsanpassungstag (ausschließlich) (jeweils ein "**Zinsanpassungszeitraum**") fällt, entspricht der Summe des betreffenden Referenzsatzes (wie nachstehend in § 3(3) definiert) für den betreffenden Zinsanpassungszeitraum und der ursprünglichen Kreditmarge in Höhe von 5,068 % *per annum*, wobei diese Summe gemäß Marktkonvention von einer halbjährlichen Basis in eine jährliche Basis umgerechnet wird.

"**Zinsanpassungstag**" bezeichnet den Ersten Zinsanpassungstag und jeden fünften Jahrestag des jeweils unmittelbar vorhergehenden Zinsanpassungstages.

(c) *Zur Klarstellung*: Die Höhe der Zinszahlung wird nicht aufgrund der Bonität der Emittentin oder eines mit ihr verbundenen Unternehmens angepasst.

(3) *Referenzsatz.* Die Berechnungsstelle (wie in § 6(1) definiert) bestimmt für jeden Zinsanpassungstag an dem betreffenden Zinsfestlegungstag den jeweiligen Referenzsatz nach Maßgabe dieses § 3(3).

Der "**Referenzsatz**" für einen Zinsanpassungszeitraum bezeichnet den CMT-Satz wie von der Berechnungsstelle an dem betreffenden Zinsfestlegungstag (wie nachstehend definiert) vor dem Zinsanpassungstag, an dem der betreffende Zinsanpassungszeitraum beginnt, festgelegt.

Dabei gilt Folgendes:

"**CMT-Satz**" bezeichnet:

(a) den (in Prozent *per annum* ausgedrückten) Satz, der der halbjährlichen Rendite für US-Staatsanleihen mit "konstanter Laufzeit (*constant maturity*)" für eine Laufzeit von fünf Jahren, die in der H.15 unter der Überschrift "*U.S. government securities-Treasury constant maturities-Nominal*" veröffentlicht wird, entspricht, so wie diese Rendite an dem relevanten Zinsfestlegungstag beim Dienst der Bloomberg L.P. (oder einem

(2) *Rate of Interest*. The rate of interest (the "**Rate of Interest**")

(a) for each Interest Period (as defined in § 3(1)(a)) falling in the period from and including the Interest Commencement Date to but excluding the 31 July 2030 (the "**First Reset Date**") will be equal to a fixed rate of 9.875 per cent. *per annum*; and

(b) for each Interest Period falling in the period from and including the First Reset Date to but excluding the next Reset Date and thereafter in the period from and including each Reset Date to but excluding the next Reset Date (each a "**Reset Period**") will be equal to the sum of the applicable Reference Rate (as defined in § 3(3) below) for the relevant Reset Period and the initial credit spread of 5.068 per cent. *per annum*, such sum converted from a semi-annual basis to an annual basis in accordance with market convention.

"**Reset Date**" means the First Reset Date and each fifth anniversary of the immediately preceding Reset Date.

(c) *For the avoidance of doubt*: The amount of the interest payment is not adjusted on the basis of the creditworthiness of the Issuer or any of its affiliates.

(3) *Reference Rate*. The Calculation Agent (as defined in § 6(1)) will determine the relevant Reference Rate in accordance with this § 3(3) for each Reset Date on the relevant Interest Determination Date.

The "**Reference Rate**" for a Reset Period means the CMT Rate as determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences.

Where:

"**CMT Rate**" means:

(a) the rate (expressed in per cent. *per annum*) equal to the semi-annual yield for U.S. Treasury Securities at "constant maturity" for a period to maturity of five years, as published in the H.15 under the caption "U.S. government securities-Treasury constant maturities-Nominal", as such yield is displayed on the relevant Interest Determination Date on the Bloomberg L.P. service, or any successor service, on page "NDX" (under caption "H15T5Y"), or any

Nachfolgedienst) auf der Seite "NDX" (unter der Überschrift "H15T5Y") oder einer anderen Seite, die diese Seite bei diesem Dienst zum Zweck der Darstellung von "*U.S. government securities-Treasury constant maturities-Nominal*", wie in der H.15 veröffentlicht, ersetzt (der "**Bloomberg-Bildschirm**"), angezeigt wird;

other page as may replace that page on that service for the purpose of displaying "U.S. government securities-Treasury constant maturities-Nominal" as reported in the H.15 (the "**Bloomberg Screen**");

(b) falls die in Absatz (a) in Bezug genommene Rendite an dem relevanten Zinsfestlegungstag nicht auf dem Bloomberg-Bildschirm veröffentlicht wird, den (in Prozent *per annum* ausgedrückten) Satz, der der halbjährlichen Rendite für US-Staatsanleihen mit "konstanter Laufzeit (*constant maturity*)" für eine Laufzeit von fünf Jahren, die in der H.15 unter der Überschrift "U.S. government securities-Treasury constant maturities-Nominal" an diesem Zinsfestlegungstag veröffentlicht wird, entspricht, oder

(b) if the yield referred to in clause (a) is not published on the Bloomberg Screen on the relevant Interest Determination Date, the rate (expressed in per cent. *per annum*) equal to the semi-annual yield for U.S. Treasury Securities at "constant maturity" having a period to maturity of five years as published on such Interest Determination Date in the H.15 under the caption "U.S. government securities-Treasury constant maturities-Nominal"; or

(c) falls weder die in Buchstabe (a) noch die in vorstehender Buchstabe (b) in Bezug genommene Rendite an dem relevanten Zinsfestlegungstag veröffentlicht wird, ist der CMT-Satz der Satz (ausgedrückt in Prozent *per annum* und erforderlichenfalls gerundet auf die nächsten 0,001 % (wobei 0,0005 % aufgerundet werden)), der von der Berechnungsstelle als halbjährliche Rendite bis zur Endfälligkeit für eine 5-Jahres-Benchmark-US-Staatsanleihe auf der Grundlage des arithmetischen Mittels (gerundet wie vorstehend beschrieben) aus einer Auswahl von drei aus fünf Angebotsrenditen im Sekundärmarkt um ca. 11:00 Uhr (Ortszeit New York City) an dem auf den relevanten Zinsfestlegungstag folgenden Geschäftstag für US-Staatsanleihen, die der Berechnungsstelle von fünf von der Emittentin ausgewählten und zur Mitteilung von Angebotsrenditen aufgeforderten führenden Primärhändlern (primary dealers) von US-Staatsanleihen in New York (jeweils ein "**Referenz-Händler**") zur Verfügung gestellt werden, wobei der höchste (bzw. bei mehreren gleich hohen Angebotsrenditen einer dieser höchsten Sätze) und der niedrigste (bzw. bei mehreren gleich niedrigen Angebotsrenditen einer dieser niedrigsten Renditen) der fünf eingeholten Angebotsrenditen unberücksichtigt bleiben.

(c) if neither the yield referred to in clause (a) nor the yield referred to in clause (b) above are published on the relevant Interest Determination Date, then the CMT Rate will be the rate (expressed in per cent. *per annum* and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) calculated by the Calculation Agent as a semi-annual yield to maturity for a 5-year Benchmark U.S. Treasury Security based on the arithmetic mean (as rounded as aforesaid) of a selection of three out of five bid yields on the secondary market at approximately 11:00 a.m. (New York City time) on the U.S. Treasury Securities Business Day following the relevant Interest Determination Date provided to the Calculation Agent by five leading primary dealers of U.S. Treasury Securities in New York (each a "**Reference Dealer**") selected and requested to provide bid yields by the Issuer, disregarding the highest (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) of the five obtained bid yields.

Wenn bis 23:59 Uhr (Ortszeit New York City) an dem auf den relevanten Zinsfestlegungstag folgenden Geschäftstag für US-Staatsanleihen weniger als fünf, aber mehr als zwei solcher Angebotsrenditen bereitgestellt werden, ist der CMT-Satz der Satz (ausgedrückt als Prozentsatz *per annum* und gerundet auf die nächsten 0,001 % (wobei 0,0005 % aufgerundet werden)), der von der Berechnungsstelle als halbjährliche Rendite bis zur Endfälligkeit für eine

If by 11:59 p.m. (New York City time) on the U.S. Treasury Securities Business Day following the relevant Interest Determination Date fewer than five but more than two of such bid yields are provided, then the CMT Rate will be the rate (expressed as a percentage rate *per annum* and rounded to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) calculated by the Calculation Agent as the semi-annual yield to maturity for a 5-year Benchmark U.S. Treasury

5-Jahres-Benchmark-US-Staatsanleihe basierend auf dem arithmetischen Mittel (gerundet wie vorstehend beschrieben) aller wie vorstehend beschrieben im Sekundärmarkt eingeholten Angebotsrenditen berechnet wird.

Security based on the arithmetic mean (rounded as aforesaid) of all of the bid yields obtained on the secondary market as set forth above.

Stellen bis 23:59 Uhr (Ortszeit New York City) an dem auf den relevanten Zinsfestlegungstag folgenden Geschäftstag für US-Staatsanleihen weniger als drei der von der Emittentin ausgewählten und zur Mitteilung von Angebotsrenditen aufgeforderten Referenz-Händler Angebotsrenditen bereit oder besteht keine 5-Jahres-Benchmark-US-Staatsanleihe, so (x) entspricht für jeden Zinsanpassungszeitraum außer dem ersten Zinsanpassungszeitraum der CMT-Satz für den relevanten Zinsfestlegungstag dem CMT-Satz am unmittelbar vorangegangenen Zinsfestlegungstag oder (y) entspricht der Referenzsatz für den ersten Zinsanpassungszeitraum 4,834 % *per annum*.

If by 11:59 p.m. (New York City time) on the U.S. Treasury Securities Business Day following the relevant Interest Determination Date fewer than three Reference Dealers selected and requested to provide bid yields by the Issuer provide bid yields, or there is no outstanding 5-year Benchmark U.S. Treasury Security, then (x) for each Reset Period except the first Reset Period, the CMT Rate for the relevant Interest Determination Date shall be the CMT Rate on the last preceding Interest Determination Date or (y) for the first Reset Period, the Reference Rate shall be 4.834 per cent. *per annum*.

In den vorstehenden Absätzen (a) bis (c) ist der relevante Satz jeweils der von der Berechnungsstelle festgestellte Satz.

In each of clauses (a) to (c) above, the relevant rate shall be as determined by the Calculation Agent.

"**5-Jahres-Benchmark-US-Staatsanleihe**" bezeichnet an dem relevanten Zinsfestlegungstag die US-Staatsanleihe mit der längsten Restlaufzeit, deren ursprüngliche Laufzeit bei ihrer Begebung circa fünf Jahre betrug und die eine Restlaufzeit von nicht weniger als vier Jahren und einen Nennwert von mindestens USD 1.000.000.000 aufweist.

"**5-year Benchmark U.S. Treasury Security**" means, on the relevant Interest Determination Date, the U.S. Treasury Security with the longest remaining term to maturity, an original term to maturity upon issue of approximately five years, a remaining term to maturity of not less than four years and a nominal amount of at least USD 1,000,000,000.

"**H.15**" bezeichnet die als H.15 bezeichnete tägliche statistische Veröffentlichung des *Board of Governors des Federal Reserve System* bzw. jede Nachfolgeveröffentlichung, die unter http://www.federalreserve.gov/releases/H15 oder auf einer Nachfolgeseite oder in einer Nachfolgeveröffentlichung veröffentlicht wird.

"**H.15**" means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at http://www.federalreserve.gov/releases/H15 or any successor site or publication.

"**Geschäftstag für US-Staatsanleihen**" bezeichnet jeden Tag außer einem Samstag, Sonntag oder einem Tag, an dem auf Empfehlung der Securities Industry and Financial Markets Association (oder einer Nachfolgerin) die Abteilungen für festverzinsliche Wertpapiere ihrer Mitglieder für den Handel mit US-Staatsanleihen ganztägig geschlossen sind.

"**U.S. Treasury Securities Business Day**" means any day except for a Saturday, Sunday or a day on which, due to a recommendation of the Securities Industry and Financial Markets Association (or its successor), the fixed income departments of its members are closed for the entire day for purposes of trading in U.S. Treasury Securities.

"**US-Staatsanleihen**" bezeichnet Wertpapiere, die direkte Verpflichtungen des Finanzministeriums (Treasury) der Vereinigten Staaten begründen und ohne Diskontierung ausgegeben werden.

"**U.S. Treasury Securities**" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

"**Zinsfestlegungstag**" bezeichnet in Bezug auf den Referenzsatz, der für einen Zinsanpassungszeitraum festzustellen ist, den zweiten Geschäftstag für US-Staatsanleihen vor dem Zinsanpassungstag, an dem dieser Zeitraum beginnt.

"**Interest Determination Date**" means, in respect of the Reference Rate to be determined in relation to a Reset Period, the second U.S. Treasury Securities Business Day preceding the Reset Date on which such period commences.

(5) *Zinsbetrag; Mitteilung von Zinssatz und Zinsbetrag; Verbindlichkeit von Festsetzungen.*

(a) Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zinsfestsetzungstag den Zinssatz bestimmen und den je Schuldverschreibung zur Zahlung vorgesehenen Zinsbetrag (der "**Zinsbetrag**") für die entsprechenden Zinsperioden bis zum nächsten Zinsanpassungstag berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie in § 3(7) definiert) auf den dann Aktuellen Nennbetrag angewendet werden, wobei der resultierende Betrag auf die kleinste Unter-Einheit der Festgelegten Währung auf- oder abgerundet wird und 0,5 solcher Unter-Einheiten aufgerundet werden.

(b) *Mitteilung von Zinssatz und Zinsbetrag*. Die Berechnungsstelle wird veranlassen, dass der Zinssatz und der Zinsbetrag für die Zinsperioden bis zum nächsten Zinsanpassungstag der (i) Emittentin, der Zahlstelle und den Gläubigern gemäß § 11 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden Geschäftstag und (ii) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der Zinsperiode, für die der betreffende Zinssatz und der betreffende Zinsbetrag gelten, mitgeteilt werden.

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

(6) *Auflaufende Zinsen*. Der Zinslauf der Schuldverschreibungen endet am Ende des Tages, der dem Tag unmittelbar vorausgeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, ist der Aktuelle Nennbetrag jeder Schuldverschreibung vom Tag der Fälligkeit an (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich

(5) *Interest Amount; Notification of Rate of Interest and Interest Amount; Determinations Binding*.

(a) The Calculation Agent will, on or as soon as practicable after each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") scheduled to be paid on each Note for the relevant Interest Periods until the next Reset Date. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined in § 3(7)) to the then Current Nominal Amount and rounding the resultant figure to the nearest sub-unit of the Specified Currency, with 0.5 of such sub-units being rounded upwards.

(b) *Notification of the Rate of Interest and the Interest Amount*. The Calculation Agent will cause the Rate of Interest and the Interest Amount for the Interest Periods up to the next Reset Date to be notified (i) to the Issuer, to the Paying Agent and to the Holders in accordance with § 11 as soon as possible after their determination, but in no event later than the fourth Business Day thereafter and (ii), if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the Interest Period in relation to which the relevant Rate of Interest and the relevant Interest Amount apply.

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

(6) *Accrual of interest*. The Notes shall cease to bear interest from the end of the day immediately preceding the day on which they become due for redemption. If the Issuer fails to make the relevant redemption payment under the Notes when due, each of the Notes will bear interest on its Current Nominal Amount from and including the due date to but excluding the day of actual redemption of the Notes at the statutory default rate of interest.[2]

[2] 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, §§ 288(1), 247 German Civil Code (*Bürgerliches Gesetzbuch* (BGB)).

festgelegten Zinssatzes für Verzugszinsen zu verzinsen.[1]

(7) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die Anzahl der Tage in dem Zinsberechnungszeitraum geteilt durch 360, berechnet gemäß der folgenden Formel:

$$ZTQ = \frac{[360 \times (J_2 - J_1)] + [30 \times (M_2 - M_1)] + (T_2 - T_1)}{360}$$

Dabei gilt Folgendes:

"**ZTQ**" ist der Zinstagequotient;

"**J_1**" ist das Jahr, ausgedrückt als Zahl, in das der erste Tag des Zinsberechnungszeitraums fällt;

"**J_2**" ist das Jahr, ausgedrückt als Zahl, in das der Tag fällt, der auf den letzten Tag des Zinsberechnungszeitraums unmittelbar folgt;

"**M_1**" ist der Kalendermonat, ausgedrückt als Zahl, in den der erste Tag des Zinsberechnungszeitraums fällt;

"**M_2**" ist der Kalendermonat, ausgedrückt als Zahl, in den der Tag fällt, der auf den letzten Tag des Zinsberechnungszeitraums unmittelbar folgt;

"**T_1**" ist der erste Tag des Zinsberechnungszeitraums, ausgedrückt als Zahl, es sei denn, diese Zahl wäre 31, in welchem Fall T_1 gleich 30 ist; und

"**T_2**" ist der Tag, ausgedrückt als Zahl, der auf den letzten Tag des Zinsberechnungszeitraums unmittelbar folgt, es sei denn, diese Zahl wäre 31 und T_1 ist größer als 29, in welchem Fall T_2 gleich 30 ist.

(8) *Ausschluss der Zinszahlung.*

(a) *Ausschluss der Zinszahlung im Ermessen der Emittentin*. Die Emittentin hat das Recht, jederzeit eine vorgesehene Zinszahlung auf die Schuldverschreibungen nach freiem Ermessen ganz oder teilweise entfallen zu lassen. Wenn die Emittentin von diesem Recht Gebrauch macht, teilt sie dies den Gläubigern mit, und beziffert den Betrag, in Höhe dessen sie von diesem Recht Gebrauch macht sowie die gegebenenfalls verbleibende Zinszahlung. Die Emittentin wird sich bemühen, die Mitteilung gemäß § 11 spätestens an dem betreffenden Zinszahlungstag zu veröffentlichen. Eine bis zum betreffenden Zinszahlungstag nicht erfolgte Mitteilung ist unverzüglich nachzuholen. Ein Unterlassen oder eine Verzögerung der Mitteilung an die

(7) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an Interest Amount on the Bonds for any period of time (the "**Interest Calculation Period**"), the number of days in the Interest Calculation Period divided by 360, calculated in accordance with the following formula:

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

Where:

"**DCF**" means Day Count Fraction;

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Calculation Period falls;

"**D_1**" is the first day, expressed as a number, of the Interest Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the day, expressed as a number, immediately following the last day of the Interest Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

(8) *Cancellation of interest payment.*

(a) *Cancellation of Interest Payment at Issuer's discretion*. The Issuer has the right, in its sole discretion and at any time, to cancel all or part of any scheduled payment of interest on the Notes. If the Issuer exercises such right, it shall give notice to the Holders, specifying the amount for which it makes use of such right and the remaining amount of interest to be paid (if any). The Issuer shall endeavour to publish the notice in accordance with § 11 no later than on the relevant Interest Payment Date. A notice which has not been given until the relevant Interest Payment Date shall be given without undue delay thereafter. Any failure or delay to give such notice shall not affect the validity of the decision on the cancellation, shall in no event result in an

[1] Der gesetzliche Zinssatz für Verzugszinsen liegt fünf Prozentpunkte über dem von der Deutschen Bundesbank jeweils veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Bürgerliches Gesetzbuch (BGB).

Gläubiger berührt nicht die Wirksamkeit der Entscheidung über das Entfallen der Zinszahlungen, führt in keinem Fall zu einer Pflicht der Emittentin, eine entfallene Zinszahlung zu einem späteren Zeitpunkt nachzuholen, und stellt in keinem Fall eine Pflichtverletzung der Emittentin dar.

(b) *Zwingender Ausschluss der Zinszahlung*. Die Zahlung von Zinsen auf die Schuldverschreibungen ist für die betreffende Zinsperiode ausgeschlossen und entfällt (ohne Einschränkung des freien Ermessens der Emittentin nach § 3(8)(a)),

(i) wenn und soweit die Summe der folgenden Beträge:

(A) der Betrag der betreffenden vorgesehenen Zinszahlung auf die Schuldverschreibungen;

(B) der Betrag einer etwaigen Hochschreibung der Schuldverschreibungen gemäß § 5(9);

(C) der Gesamtbetrag der weiteren Relevanten Ausschüttungen (wie in § 3(9) definiert) der Emittentin auf andere Kernkapitalinstrumente (wie in § 3(9) definiert); und

(D) der Gesamtbetrag etwaiger Hochschreibungen auf andere Herabgeschriebene AT 1-Instrumente (wie in § 5(9)(c)(i) definiert),

die an dem betreffenden Zinszahlungstag zur Zahlung bzw. Durchführung geplant oder vorgesehen sind und die in dem laufenden Geschäftsjahr der Emittentin vor dem betreffenden Zinszahlungstag bereits durchgeführt oder gezahlt worden sind, die Ausschüttungsfähigen Posten (wie in § 3(9) definiert) übersteigen würde, wobei die Ausschüttungsfähigen Posten für diesen Zweck erhöht werden um (x) die Beträge, der bereits als Aufwand für Ausschüttungen in Bezug auf Kernkapitalinstrumente (einschließlich Zinszahlungen auf die Schuldverschreibungen) in die Ermittlung des Ergebnisses, der den Ausschüttungsfähigen Posten zugrunde liegt, eingegangen sind, sowie (y) sämtliche anderen Beträge, die nach den für die Emittentin jeweils geltenden Eigenkapitalvorschriften für die Ermittlung der auf Instrumente des zusätzlichen Kernkapitals ausschüttbaren Beträge berücksichtigt werden können; oder

obligation of the Issuer to make a cancelled interest payment at a later date and shall not constitute a default by the Issuer for any purpose.

(b) *Mandatory cancellation of interest payment*. The payment of interest on the Notes for the relevant Interest Period shall be excluded and cancelled (without prejudice to the exercise of sole discretion of the Issuer pursuant to § 3(8)(a)),

(i) if and to the extent that the sum of the following amounts:

(A) the amount of the relevant scheduled payment of interest on the Notes;

(B) the amount of any write-up of the Notes in accordance with § 5(9);

(C) the total amount of any additional Relevant Distributions (as defined in § 3(9)) by the Issuer on other Tier 1-Instruments (as defined in § 3(9)); and

(D) the total amount of write-ups, if any, on any other Written Down AT 1-Instruments (as defined in § 5(9)(c)(i)),

that are scheduled to be paid or made on the relevant Interest Payment Date or that have been paid or made in the then current financial year of the Issuer prior to the relevant Interest Payment Date, would exceed the Available Distributable Items (as defined in § 3(9)), provided that, for such purpose, the Available Distributable Items shall be increased by (x) the amounts that have been deducted as expenses for distributions in respect of Tier 1-Instruments (including payments of interest on the Notes) in the determination of the profit on which the Available Distributable Items are based, and (y) any other amounts that may be included for the purposes of determining the amounts distributable on AT 1-Instruments under capital regulations applicable to the Issuer from time to time; or

(ii) wenn und soweit die Zuständige Aufsichtsbehörde anordnet, dass diese Zinszahlung insgesamt oder teilweise entfällt; oder

(iii) wenn und soweit ein anderes gesetzliches oder von der Zuständigen Aufsichtsbehörde verhängtes Ausschüttungsverbot oder irgendeine andere Beschränkung von Ausschüttungen gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften besteht; oder

(iv) wenn die Emittentin am betreffenden Zinszahlungstag überschuldet im Sinne von § 19 InsO oder zahlungsunfähig im Sinne von § 17 InsO ist oder eine Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO droht, oder soweit diese Zinszahlung zu einer Überschuldung der Emittentin im Sinne von § 19 InsO oder einer Zahlungsunfähigkeit der Emittentin im Sinne von § 17 InsO oder einer drohenden Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO führen würde.

(c) Zu den gesetzlichen oder von der Zuständigen Aufsichtsbehörde verhängten Ausschüttungsverboten und -beschränkungen gemäß § 3(8)(b)(iii) gehören insbesondere:

(i) etwaige Ausschüttungsbeschränkungen aufgrund der Nichteinhaltung der im betreffenden Zeitpunkt anwendbaren kombinierten Kapitalpufferanforderungen (unabhängig von deren genauen Bezeichnung in den Anwendbaren Aufsichtsrechtlichen Vorschriften);

(ii) etwaige Ausschüttungsverbote im Zusammenhang mit der Berechnung eines etwaigen MDA (wie in § 3(9) definiert);

(iii) etwaige Ausschüttungsbeschränkungen, die sich aus einem etwaigen MDA ergeben; und

(iv) sonstige Ausschüttungsverbote oder -beschränkungen, die als ausschüttungsfähiger Höchstbetrag gemäß den jeweils Anwendbaren Aufsichtsrechtlichen Vorschriften gelten, die erfordern, dass ein ausschüttungsfähiger Höchstbetrag berechnet wird, wenn die Emittentin und/oder das zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete

(ii) if and to the extent that the Competent Supervisory Authority orders that all or part of the relevant payment of interest be cancelled; or

(iii) if and to the extent that any other prohibition of distributions is imposed by law or the Competent Supervisory Authority or any other restriction to make distributions exists under the Applicable Supervisory Regulations; or

(iv) if the Issuer is over-indebted *(überschuldet)* within the meaning of § 19 InsO or illiquid *(zahlungsunfähig)* within the meaning of § 17 InsO or there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO on the relevant Interest Payment Date, or to the extent that the relevant payment of interest would result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO or in an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or in an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO.

(c) Prohibitions and restrictions of distributions imposed by law or the Competent Supervisory Authority pursuant to § 3(8)(b)(iii) may include, but are not limited to:

(i) any restrictions of distributions as a result of non-compliance with the combined buffer requirements (howsoever described in the Applicable Supervisory Regulations) applicable at the time;

(ii) any prohibition of distributions in connection with the calculation of the MDA (as defined in § 3(9)), if any;

(iii) any restrictions of distributions resulting from the MDA, if any; and

(iv) any other prohibition or restriction of distributions operating as maximum distributable amount under the then Applicable Supervisory Regulations requiring a maximum distributable amount to be calculated if the Issuer and/or the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3)) is failing to meet any capital adequacy or buffer

Unternehmen (wie in § 2(3) definiert) geltende Kapitaladäquanz- oder Puffer-Anforderungen nicht erfüllen, die zum betreffenden Zeitpunkt auf die Emittentin und/oder das zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen anwendbar sind, wie z.B. der ausschüttungsfähige Höchstbetrag hinsichtlich der Mindestanforderungen für Eigenmittel und berücksichtigungsfähige Verbindlichkeiten (*M-MDA*) gemäß Artikel 16a Absatz 1 BRRD, soweit in das deutsche Recht umgesetzt, und die Ausschüttungsbeschränkungen im Falle der Nichterfüllung der Anforderung an den Puffer der Verschuldungsquote (*L-MDA*) gemäß Artikel 141b CRD, jeweils falls zum jeweiligen Zeitpunkt anwendbar.

requirement applicable to the Issuer and/or the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis at the relevant point in time, such as the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) pursuant to Article 16a (1) BRRD, as far as transposed into German law, and the leverage ratio related maximum distributable amount (L-MDA) in accordance with Article 141b CRD, in each case if applicable at the relevant point in time.

(d) Die Emittentin teilt den Gläubigern mit, wenn und in welcher Höhe eine Zinszahlung nach § 3(8)(b) oder (e) ausgeschlossen ist und entfällt. Die Emittentin wird sich bemühen, die Mitteilung gemäß § 11 spätestens an dem betreffenden Zinszahlungstag zu veröffentlichen. Eine bis zum betreffenden Zinszahlungstag nicht erfolgte Mitteilung ist unverzüglich nachzuholen. Ein Unterlassen oder eine Verzögerung der Bekanntmachung an die Gläubiger berührt nicht die Wirksamkeit des Entfallens der Zinszahlungen, führt in keinem Fall zu einer Pflicht der Emittentin, eine entfallene Zinszahlung zu einem späteren Zeitpunkt nachzuholen, und stellt in keinem Fall eine Pflichtverletzung der Emittentin dar.

(d) The Issuer shall give notice to the Holders if and to the extent a payment of interest is excluded and cancelled pursuant to § 3(8)(b) or (e). The Issuer shall endeavour to publish the notice in accordance with § 11 no later than on the relevant Interest Payment Date. A notice which has not been given until the relevant Interest Payment Date will be given without undue delay thereafter. Any failure or delay to give such notice shall not affect the validity of the cancellation, shall in no event result in an obligation of the Issuer to make a cancelled interest payment at a later date and shall not constitute a default by the Issuer for any purpose.

(e) *Automatischer Ausschluss der Zinszahlung nach einem Auslöseereignis*. Aufgelaufene, aber nicht gezahlte Zinsen auf die Schuldverschreibungen bis (einschließlich) einem Auslöseereignis (wie in § 5(8)(a) definiert) (unabhängig davon, ob solche Zinsen zur Zahlung vorgesehen sind) entfallen automatisch.

Zur Klarstellung: Aufgelaufene aber nicht gezahlte Zinsen ab dem Tag des Eintritts eines Auslöseereignisses bis zum Herabschreibungs-Stichtag (jeweils einschließlich) entfallen ebenfalls automatisch, selbst wenn keine entsprechende Mitteilung gemacht wurde.

(e) *Automatic cancellation of interest payment upon a Trigger Event*. Any accrued but unpaid interest on the Notes up to and including a Trigger Event (as defined in § 5(8)(a)) (whether or not such interest has become scheduled to be paid) will be automatically cancelled.

For the avoidance of doubt: Any accrued but unpaid interest from and including the date of the occurrence of the Trigger Event to and including the Write-Down Effective Date will also be automatically cancelled even if no notice has been given to that effect.

(f) *Folgen entfallener Zinszahlungen*. Die Emittentin ist berechtigt, die Mittel aus entfallenen Zinszahlungen uneingeschränkt zur Erfüllung ihrer eigenen Verpflichtungen bei deren Fälligkeit zu nutzen. Entfallene Zinszahlungen werden nicht nachgezahlt. Soweit Zinszahlungen entfallen, schließt dies sämtliche gemäß § 7 zahlbaren

(f) *Consequence of cancelled interest payments*. The Issuer is entitled to use the funds from cancelled payments of interest without restrictions for the fulfilment of its own obligations when due. Any payments of interest which have been cancelled will not be made at any later date. To the extent that payments of interest are cancelled, such cancellation includes all Additional Amounts

Zusätzlichen Beträge (wie in § 7(1) definiert) ein.

Das Entfallen einer Zinszahlung berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt in keinem Fall eine Pflichtverletzung der Emittentin dar.

(9) *Bestimmte Definitionen*.

"**Anwendbare Aufsichtsrechtliche Vorschriften**" bezeichnet die in dem betreffenden Zeitpunkt anwendbaren, sich auf die Kapitalanforderungen, auf die Solvabilität, auf andere Aufsichtsanforderungen und/oder auf die Abwicklung der Emittentin und/oder das zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen (wie in § 2(3) definiert) beziehenden Vorschriften des Bankaufsichtsrechts und der darunter fallenden Verordnungen (einschließlich der BRRD (soweit in nationales Recht umgesetzt), der CRD (soweit in nationales Recht umgesetzt), der CRR, der SRM-Verordnung, der SSM-Verordnung sowie der jeweils geltenden Leitlinien und Empfehlungen der Europäischen Bankaufsichtsbehörde (*European Banking Authority*) und/oder der Europäischen Zentralbank, der Zuständigen Aufsichtsbehörde und/oder der Abwicklungsbehörde, der Verwaltungspraxis einer sonstigen zuständigen Behörde, den einschlägigen Entscheidungen der Gerichte und den anwendbaren Übergangsbestimmungen) in ihrer jeweils gültigen Form.

"**Ausschüttungsfähige Posten**" bezeichnet in Bezug auf eine Zinszahlung die ausschüttungsfähigen Posten wie in Artikel 4 Absatz 1 Nr. 128 CRR definiert; zum Zeitpunkt der Begebung der Schuldverschreibungen bezeichnet dieser Begriff den Jahresüberschuss am Ende des dem betreffenden Zinszahlungstag unmittelbar vorhergehenden Geschäftsjahres der Emittentin, für das ein testierter Jahresabschluss vorliegt, zuzüglich vorgetragener Gewinne und für diesen Zweck verfügbarer Rücklagen, vor der Ausschüttung an die Eigner von Eigenmittelinstrumenten, jedoch abzüglich vorgetragener Verluste und gemäß anwendbarer Rechtsvorschriften der Europäischen Union oder Deutschlands oder der Satzung der Emittentin nicht ausschüttungsfähiger Gewinne und in die gemäß anwendbarer Rechtsvorschriften Deutschlands oder der Satzung der Emittentin nicht ausschüttungsfähigen Rücklagen eingestellter Beträge, jeweils in Bezug auf die spezifische Eigenmittelkategorie der Schuldverschreibungen als Instrumente des zusätzlichen Kernkapitals, auf die sich die anwendbaren Rechtsvorschriften der Europäischen Union oder Deutschlands oder die Satzung der Emittentin beziehen, wobei die ausschüttungsfähigen Posten und die betreffenden Gewinne, Verluste und Rücklagen ausgehend von dem handelsrechtlichen Einzelabschluss der Emittentin (und nicht auf der

(as defined in § 7(1)) payable pursuant to § 7.

The cancellation of any interest payment shall not entitle the Holders to terminate the Notes and shall not constitute a default by the Issuer for any purpose.

(9) *Certain definitions*.

"**Applicable Supervisory Regulations**" means the provisions of bank supervisory laws and any regulations and other rules thereunder applicable from time to time (including the BRRD (as implemented into local law), the CRD (as implemented into local law), the CRR, the SRM Regulation, the SSM Regulation and the guidelines and recommendations of the European Banking Authority and/or the European Central Bank, the Competent Supervisory Authority and/or the Resolution Authority, the administrative practice of any other competent authority, any applicable decision of a court and any applicable transitional provisions) relating to capital adequacy, solvency, other prudential requirements and/or resolution and applicable at the relevant time to the Issuer and/or to the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3)).

"**Available Distributable Items**" means, with respect to any payment of interest, the distributable items as defined in Article 4(1) no. 128 CRR; at the time of the issuance of the Notes, such term refers to the amount of the annual profit (*Jahresüberschuss*) at the end of the financial year of the Issuer immediately preceding the relevant Interest Payment Date, for which audited annual financial statements are available, plus any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments, less any losses brought forward and any profits which are non-distributable pursuant to the applicable laws of the European Union or Germany or the articles of association of the Issuer and any sums placed in non-distributable reserves in accordance with the applicable laws of Germany or the articles of association of the Issuer, in each case with respect to the specific category of own funds of the Notes as AT 1-Instruments to which the applicable laws of the European Union or Germany or the articles of associations of the Issuer relate, provided that the distributable items and the relevant profits, losses and reserves shall be determined on the basis of the unconsolidated annual financial statements of the Issuer prepared in accordance with German commercial law (and not on the basis of any

Basis eines etwaigen (Teil-)Konzernabschlusses der Emittentin) festgestellt werden.

Die Ausschüttungsfähigen Posten sind jeweils nach den im betreffenden Zeitpunkt Anwendbaren Aufsichtsrechtlichen Vorschriften zu bestimmen; entsprechend sind nur solche Beträge hinzuzurechnen oder abzuziehen, die nach den Anwendbaren Aufsichtsrechtlichen Vorschriften für diesen Zweck oder für die Ermittlung der auf Instrumente des zusätzlichen Kernkapitals ausschüttbaren Beträge hinzugerechnet werden dürfen bzw. abzuziehen sind.

(sub-)consolidated financial statements of the Issuer, if any).

The determination of the Available Distributable Items shall be based on the Applicable Supervisory Regulations applicable at the relevant time and, accordingly, only those amounts shall be added or deducted that may be added or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1-Instruments under the Applicable Supervisory Regulations.

"**BRRD**" bezeichnet die Richtlinie 2014/59/EU in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der BRRD geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der BRRD in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**BRRD**" means Directive 2014/59/EU, as amended or replaced from time to time; to the extent that any provisions of the BRRD are amended or replaced, the reference to provisions of the BRRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRD**" bezeichnet die Richtlinie 2013/36/EU in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRD geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRD in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRD**" means Directive 2013/36/EU, as amended or replaced from time to time; to the extent that any provisions of the CRD are amended or replaced, the reference to provisions of the CRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" means Regulation (EU) No 575/2013, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**InsO**" bezeichnet die Insolvenzordnung (InsO) in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der InsO geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der InsO in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**InsO**" means the German Insolvency Statute (*InsO*), as amended or replaced from time to time; to the extent that any provisions of the InsO are amended or replaced, the reference to provisions of the InsO as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Instrument des Ergänzungskapitals**" bezeichnet jedes (unmittelbar oder mittelbar begebene) Kapitalinstrument oder nachrangige Darlehensinstrument der Emittentin, das als Ergänzungskapitalinstrument gemäß Artikel 63 CRR qualifiziert (einschließlich eines jeden Kapitalinstruments, nachrangigen Darlehensinstruments oder anderen Instruments, das nach den Übergangsbestimmungen der CRR als ein Posten des Ergänzungskapitals qualifiziert).

"**Tier 2-Instrument**" means any (directly or indirectly issued) capital instrument or subordinated loan instrument of the Issuer that qualifies as a Tier 2-instrument pursuant to Article 63 CRR (including any capital instrument or subordinated loan instrument or other instrument that qualifies as a Tier 2 item pursuant to transitional provisions under the CRR).

"**Instrument des harten Kernkapitals**" (CET 1-Instrument) bezeichnet jedes Kapitalinstrument der Emittentin, das im Sinne der CRR zu den Instrumenten des harten Kernkapitals gemäß Artikel 26 CRR zählt (einschließlich der Stammaktien und etwaiger anderer Instrumente der Emittentin, die nach ihren Bedingungen oder zwingendem Recht gleichrangig mit den Stammaktien der Emittentin sind).

"**CET 1-Instrument**" means any capital instrument of the Issuer which, according to the CRR, qualifies as a common equity tier 1 instrument pursuant to Article 26 CRR (including the ordinary shares and other instruments (if any) of the Issuer which pursuant to their terms or mandatory provisions of law rank *pari passu* with ordinary shares).

"**Instrument des zusätzlichen Kernkapitals**" (AT 1-Instrument) bezeichnet jedes (unmittelbar oder mittelbar begebene) Kapitalinstrument der Emittentin, das zum jeweiligen Zeitpunkt als Instrument des zusätzlichen Kernkapitals gemäß Artikel 52 CRR qualifiziert (einschließlich eines jeden Kapitalinstruments oder anderen Instruments, das nach den Übergangsbestimmungen der CRR zum jeweiligen Zeitpunkt ganz oder teilweise als Posten des zusätzlichen Kernkapitals qualifiziert).

"**AT 1-Instrument**" means any (directly or indirectly issued) capital instrument of the Issuer that qualifies as an additional tier 1 instrument pursuant to Article 52 CRR at the relevant time (including any capital instrument or other instrument that qualifies in whole or in part as an additional tier 1 item pursuant to the transitional provisions under the CRR at the relevant time).

"**Kernkapitalinstrument**" bezeichnet jedes Kapitalinstrument, das gemäß der CRR als Instrument des harten Kernkapitals oder als Instrument des zusätzlichen Kernkapitals qualifiziert.

"**Tier 1-Instrument**" means any capital instrument which, pursuant to the CRR, qualifies as a CET 1-Instrument or an AT 1-Instrument.

"**KWG**" bezeichnet das Gesetz über das Kreditwesen (Kreditwesengesetz – KWG) in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des KWG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des KWG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**KWG**" means the German Banking Act (*Kreditwesengesetz – KWG*), as amended or replaced from time to time; to the extent that any provisions of the KWG are amended or replaced, the reference to provisions of the KWG as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**MDA**" (*maximal ausschüttungsfähiger Betrag*) bezeichnet den (in gegenwärtiger Umsetzung von Artikel 141 Absatz 2 CRD in deutsches Recht) nach § 10 Absatz 1 Satz 1 Nr. 5 Buchstabe (e) KWG i.V.m. § 37 SolvV ermittelten ausschüttungsfähigen Höchstbetrag für die kombinierte Kapitalpufferanforderung nach § 10i KWG.

"**MDA**" (*maximum distributable amount*) means the maximum distributable amount determined in accordance with § 10(1) sentence 1 no. 5(e) KWG in connection with § 37 SolvV for the combined capital buffer requirement in accordance with § 10i KWG (currently transposing Article 141(2) CRD into German law).

"**SolvV**" bezeichnet die Verordnung zur angemessenen Eigenmittelausstattung von Instituten, Institutsgruppen, Finanzholding-Gruppen und gemischten Finanzholding-Gruppen (Solvabilitätsverordnung – SolvV), in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SolvV geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SolvV in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**SolvV**" means the regulation on the capital adequacy of institutions, groups of institutions, financial holding groups and mixed financial holding groups (*Solvabilitätsverordnung – SolvV*), as amended or replaced from time to time; to the extent that any provisions of the SolvV are amended or replaced, the reference to provisions of the SolvV as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Relevant Ausschüttung**" bezeichnet jede Art der Auszahlung von Dividenden oder Zinsen, einschließlich jeder Zahlung oder Ausschüttung, die im Rahmen von Ausschüttungsbeschränkungen, die als ausschüttungsfähiger Höchstbetrag gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften gelten, zu berücksichtigen sind.

"**Relevant Distribution**" means any kind of payment of dividends or interest, including any payment or distribution as may be relevant under any restriction operating as a maximum distributable amount in accordance with the Applicable Supervisory Regulations.

"**SRM-Verordnung**" bezeichnet Verordnung (EU) Nr. 806/2014 in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SRM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SRM-Verordnung in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**SRM Regulation**" means the Regulation (EU) No 806/2014, as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**SSM-VO**" bezeichnet die Verordnung (EU) Nr. 1024/2013 (einschließlich jeder jeweils anwendbaren aufsichtsrechtlichen Regelung, die

"**SSM Regulation**" means Regulation (EU) No 1024/2013 (including any applicable regulatory instrument supplementing that Regulation), as

diese Verordnung ergänzt) in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SSM-VO geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SSM-VO in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

amended or replaced from time to time; to the extent that any provisions of the SSM Regulation are amended or replaced, the reference to provisions of the SSM Regulation as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

§ 4
Zahlungen

(1) *Allgemeines*.

(a) *Zahlungen auf Kapital*. Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von § 4(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

(b) *Zahlungen von Zinsen*. Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von § 4(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

(2) *Zahlungsweise*. Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.

(3) *Erfüllung*. Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Geschäftstagekonvention*. Fällt der Fälligkeitstag für eine Zahlung von Kapital oder Zinsen in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann haben die Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag und sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verschiebung zu verlangen.

(5) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Aktuellen Nennbetrag, den Rückzahlungsbetrag (wie in § 5(5)(b) definiert) sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge (mit Ausnahme von Zinsen). Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge (wie in § 7(1) definiert) ein.

§ 4
Payments

(1) *General*.

(a) *Payment of Principal*. Payment of principal in respect of the Notes shall be made in accordance with § 4(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Payment of Interest*. Payment of interest on Notes shall be made in accordance with § 4(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day Convention*. If the date for payment of any principal or interest in respect of any Note is not a Business Day then the Holders shall not be entitled to payment until the next Business Day and shall not be entitled to further interest or other payment in respect of such delay.

(5) *References to Principal and Interest*. References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable, the following amounts: the Current Nominal Amount, the Redemption Amount (as defined in § 5(5)(b)) and any other amounts (other than interest) which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7 (as defined in § 7(1)).

§ 5
Rückzahlung; Herabschreibungen; Hochschreibungen

(1) *Keine Endfälligkeit*. Die Schuldverschreibungen haben keinen Endfälligkeitstag. Die Schuldverschreibungen werden (außer im Falle einer Rückzahlung gemäß § 5(2) bis (4)) nur im Fall der Auflösung, der Insolvenz oder der Liquidation der Emittentin vorbehaltlich § 2 zur sofortigen Rückzahlung fällig. § 41 InsO bleibt unberührt.

(2) *Rückzahlung nach Wahl der Emittentin*. Die Emittentin ist vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) und der Voraussetzungen des § 5(4)(b) und des § 5(5)(a) berechtigt, die Schuldverschreibungen insgesamt, jedoch nicht teilweise, mit einer Frist von nicht weniger als 15 und nicht mehr als 60 Tagen zu jedem Optionalen Rückzahlungstag (wie nachstehend definiert) zu kündigen und die Schuldverschreibungen an dem in der Kündigungserklärung angegebenen Optionalen Rückzahlungstag zu ihrem Rückzahlungsbetrag (wie in § 5(5)(b) definiert) zuzüglich bis zu diesem Optionalen Rückzahlungstag (ausschließlich) (vorbehaltlich eines Ausschlusses der Zinszahlung nach § 3(8)) aufgelaufener Zinsen zurückzuzahlen.

Zur Klarstellung: Die Nichterteilung der Zustimmung durch die Zuständige Aufsichtsbehörde zu einer Rückzahlung nach § 5(2) berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keine Pflichtverletzung der Emittentin dar.

"**Optionaler Rückzahlungstag**" bezeichnet:

(i) den Ersten Zinsanpassungstag; und

(ii) jeden auf den Ersten Zinsanpassungstag folgenden Zinszahlungstag.

(3) *Rückzahlung nach Eintritt eines Aufsichtsrechtlichen Ereignisses oder eines Steuerereignisses oder wegen geringen ausstehenden Nennbetrags.*

(a) Wenn ein Aufsichtsrechtliches Ereignis oder ein Steuerereignis eintritt, oder wenn die Anzahl der ausstehenden Schuldverschreibungen (berechnet durch Division des aktuellen Gesamtnennbetrags der ausstehenden Schuldverschreibungen, die von anderen Personen als der Emittentin oder ihren Tochtergesellschaften gehalten werden, durch den Aktuellen Nennbetrag) auf 25 % oder weniger der Anzahl der ursprünglich begebenen Schuldverschreibungen (berechnet durch Division des Gesamtnennbetrags der ursprünglich begebenen Schuldverschreibungen (einschließlich zusätzlich gemäß § 10(1) ausgegebener Schuldverschreibungen), durch den Ursprünglichen Nennbetrag) gefallen ist, ist

§ 5
Redemption; Write-Downs; Write-Ups

(1) *No Scheduled Maturity*. The Notes have no scheduled maturity date. The Notes will (except in case of a redemption pursuant to § 5(2) to (4) and subject to § 2) only be due for immediate redemption in the event of the dissolution, insolvency or liquidation of the Issuer. § 41 InsO remains unaffected.

(2) *Redemption at the Option of the Issuer*. The Issuer may, subject to the conditions to redemption and repurchase pursuant to § 5(6) and the conditions set out in § 5(4)(b) and § 5(5)(a) being met, redeem the Notes, in whole but not in part, upon not less than 15 and not more than 60 days' prior notice, with effect as of any Optional Redemption Date (as defined below) at their Redemption Amount (as defined in § 5(5)(b)) together with interest (if any) accrued (subject to a cancellation of interest payment pursuant to § 3(8)) to, but excluding the Optional Redemption Date on the Optional Redemption Date specified in the redemption notice.

For the avoidance of doubt: Any refusal of the Competent Supervisory Authority to grant permission to a redemption in accordance with § 5(2) shall not entitle the Holders to call the Notes for redemption and shall not constitute a default by the Issuer.

"**Optional Redemption Date**" means:

(i) the First Reset Date; and

(ii) each Interest Payment Date following the First Reset Date.

(3) *Redemption after the occurrence of a Regulatory Event or a Tax Event or for Minimal Outstanding Principal Amount.*

(a) If a Regulatory Event or a Tax Event occurs, or if the number of Notes outstanding (calculated by dividing the aggregate Current Nominal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Nominal Amount) has fallen to 25 per cent. or less of the number of Notes originally issued (calculated by dividing the aggregate principal amount of Notes (including any Notes additionally issued in accordance with § 10(1)) originally issued by the Original Nominal Amount), the Issuer may, subject to the conditions to redemption and repurchase pursuant to § 5(6) and the conditions set out in § 5(4)(b) being met, redeem the Notes, in whole but not in part, upon not less than 15 and not more than 60

die Emittentin, vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) und der Voraussetzungen des § 5(4)(b), jederzeit berechtigt, die Schuldverschreibungen insgesamt, jedoch nicht teilweise, mit einer Frist von nicht weniger als 15 und nicht mehr als 60 Tagen zu kündigen und an dem für die Rückzahlung festgesetzten Tag zu ihrem Rückzahlungsbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) (vorbehaltlich eines Ausschlusses der Zinszahlung nach § 3(8)) aufgelaufener Zinsen zurückzuzahlen.

days' prior notice, at any time at their Redemption Amount together with interest (if any) accrued (subject to a cancellation of interest payment pursuant to § 3(8)) to, but excluding the date fixed for redemption on the date fixed for redemption.

Zur Klarstellung: Die Nichterteilung der Zustimmung durch die Zuständige Aufsichtsbehörde zu einer Rückzahlung nach § 5(3) berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keine Pflichtverletzung der Emittentin dar.

For the avoidance of doubt: Any refusal of the Competent Supervisory Authority to grant permission to a redemption in accordance with § 5(3) shall not entitle the Holders to call the Notes for redemption and shall not constitute a default by the Issuer.

(b) Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, falls sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen ändert, was wahrscheinlich zu (i) ihrem Ausschluss von den Eigenmitteln der Emittentin im Sinne der CRR oder (ii) ihrer Neueinstufung als Eigenmittel geringerer Qualität führen würde, vorausgesetzt, dass bei einer Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der letzten Tranche dieser Emission von Schuldverschreibungen die Bedingungen in Artikel 78 Absatz 4 Buchstabe (a) CRR erfüllt sind, nach denen die Zuständige Aufsichtsbehörde eine solche Rückzahlung nur gestatten kann, wenn (i) die Zuständige Aufsichtsbehörde es für ausreichend sicher hält, dass eine solche Änderung stattfindet und (ii) die Emittentin der Zuständigen Aufsichtsbehörde hinreichend nachweist, dass zum Zeitpunkt der Begebung der Schuldverschreibungen die aufsichtsrechtliche Neueinstufung nicht vernünftigerweise vorherzusehen war.

(b) A "**Regulatory Event**" occurs if there is a change in the regulatory classification of the Notes that would be likely to result in (i) their exclusion from the Issuer's own funds under the CRR or (ii) a reclassification as own funds of lower quality, provided that in respect of a redemption prior to the fifth anniversary of the issue date of the last tranche of this series of Notes the conditions in Article 78(4)(a) CRR are met, pursuant to which the Competent Supervisory Authority may approve such redemption only if (i) the Competent Supervisory Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance.

Zur Klarstellung: Der vollständige oder teilweise Ausschluss von den Eigenmitteln infolge einer Herabschreibung nach § 5(8)(b) begründet kein Kündigungsrecht der Emittentin nach diesem § 5(3), sofern nicht gleichzeitig ein anderer Grund für den vollständigen oder teilweisen Ausschluss von den Eigenmitteln vorliegt.

For the avoidance of doubt: The exclusion in full or in part from the own funds due to a write-down pursuant to § 5(8)(b) does not constitute a right of the Issuer to redeem under this § 5(3), unless, at the same time, another reason exists for the exclusion in full or in part from the own funds.

(c) Ein "**Steuerereignis**" tritt ein, falls sich die geltende steuerliche Behandlung der Schuldverschreibungen in Folge einer nach dem Verzinsungsbeginn eingetretenen Rechts- oder Rechtsprechungsänderung, einschließlich einer Änderung von steuerrechtlichen Gesetzen, Regelungen oder Verfahrensweisen, ändert (insbesondere, jedoch nicht ausschließlich,

(c) A "**Tax Event**" occurs if the applicable tax treatment of the Notes, due to a change in applicable legislation or relevant jurisprudence, including any change in any fiscal legislation, rules or practices, which takes effect after the Interest Commencement Date, changes (including but not limited to the tax deductibility of interest payable on the Notes or the

im Hinblick auf die steuerliche Abzugsfähigkeit der unter den Schuldverschreibungen zu zahlenden Zinsen oder die Verpflichtung zur Zahlung von zusätzlichen Beträgen (wie in § 7 definiert)) und, bei einer Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der letzten Tranche dieser Emission von Schuldverschreibungen, die Bedingungen in Artikel 78 Absatz 4 Buchstabe (b) CRR erfüllt sind, nach denen die Zuständige Aufsichtsbehörde eine solche Rückzahlung nur gestatten kann, wenn sich die geltende steuerliche Behandlung der Schuldverschreibungen ändert und die Emittentin weist der Zuständigen Aufsichtsbehörde hinreichend nach, dass diese wesentlich ist und zum Zeitpunkt der Begebung der letzten Tranche dieser Emission von Schuldverschreibungen nicht vernünftigerweise vorherzusehen war.

obligation to pay Additional Amounts (as defined in § 7)) and, in respect of a redemption prior to the fifth anniversary of the issue date of the last tranche of this series of Notes, the conditions in Article 78(4)(b) CRR are met, pursuant to which the Competent Supervisory Authority may approve such redemption only if there is a change in the applicable tax treatment of the Notes which the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority is material and was not reasonably foreseeable at the issue date of the last tranche of this series of Notes.

Eine Änderung der steuerlichen Behandlung der Schuldverschreibungen, die zu einem Einbehalt oder Abzug von Steuern auf die auf die Schuldverschreibungen zu zahlenden Beträge führt, die jedoch zu keiner Verpflichtung der Emittentin zur Zahlung von Zusätzlichen Beträgen (wie in § 7(1) definiert) führt, begründet kein Kündigungsrecht gemäß diesem § 5(3).

Any change in the tax treatment of the Notes resulting in a withholding or deduction of taxes on amounts payable in respect of the Notes which, however, do not create an obligation of the Issuer to pay Additional Amounts (as defined in § 7(1)), will not constitute a right to redeem the Notes pursuant to this § 5(3).

(4) *Kündigungserklärung; keine Kündigung oder Rückzahlung im Falle eines Auslöseereignisses*.

(a) Eine Kündigung gemäß § 5(2) oder § 5(3) hat durch Mitteilung gemäß § 11 zu erfolgen. Sie muss den für die Rückzahlung festgelegten Tag und im Falle einer Rückzahlung nach § 5(3) den Grund für die Kündigung nennen.

(b) Wenn ein Auslöseereignis (wie in § 5(8)(a) definiert) eintritt, kann die Emittentin ihre Kündigungsrechte nach § 5(2) oder § 5(3) nicht ausüben, solange dieses Auslöseereignis fortdauert und die betreffende Herabschreibung noch nicht erfolgt ist. Wenn ein Auslöseereignis nach der Erklärung einer Kündigung, jedoch vor dem betreffenden Rückzahlungstag eintritt, wird die Kündigungserklärung automatisch als zurückgenommen sowie nichtig behandelt und die betreffende Rückzahlung darf nicht erfolgen; in einem solchen Fall gelten die Rechte und Pflichten aus den Schuldverschreibungen unverändert fort.

(4) *Redemption notice; no redemption or repayment in case of a Trigger Event*.

(a) Any notice of redemption pursuant to § 5(2) or § 5(3) shall be given by way of a notice in accordance with § 11. Such notice shall state the date fixed for redemption and, in the case of a notice pursuant to § 5(3), the reason for the redemption.

(b) If a Trigger Event (as defined in § 5(8)(a)) has occurred, the Issuer may not exercise its redemption rights in accordance with § 5(2) or § 5(3) if and so long as this Trigger Event is continuing and the relevant write-down has not yet occurred. If a Trigger Event occurs after a notice of redemption was given but prior to the relevant date of redemption, the relevant notice of redemption shall automatically be deemed revoked and null and void, the corresponding redemption shall not be made, and the rights and obligations in respect of the Notes shall remain unchanged.

(5) *Kündigung nach Wahl der Emittentin nur nach erfolgter Hochschreibung*; *Rückzahlungsbetrag.*

(a) Die Emittentin kann ihr Recht zur Kündigung nach § 5(2) nur ausüben, wenn etwaige Herabschreibungen nach § 5(8)(b) wieder gemäß § 5(9) vollständig auf den

(5) *Redemption at the option of the Issuer only after successful write-up; Redemption Amount*.

(a) The Issuer may exercise its redemption right pursuant to § 5(2) only if any write-downs pursuant to § 5(8)(b) have been fully written up to the Original Nominal Amount in accordance with § 5(9).

Ursprünglichen Nennbetrag hochgeschrieben worden sind.

Im Übrigen steht die Ausübung der Kündigungsrechte nach § 5(2) und § 5(3) im alleinigen Ermessen der Emittentin.

(b) Im Fall einer Rückzahlung nach § 5(2) entspricht der "**Rückzahlungsbetrag**" einer Schuldverschreibung ihrem Ursprünglichen Nennbetrag, soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet.

Im Fall einer Rückzahlung nach § 5(3) entspricht der "**Rückzahlungsbetrag**" einer Schuldverschreibung ihrem dann Aktuellen Nennbetrag, soweit nicht zuvor bereits zurückgezahlt oder angekauft und entwertet.

(6) *Rückzahlungs- und Rückkaufbedingungen*.

(a) Im Falle einer Rückzahlung gemäß § 5(2) oder § 5(3) oder eines Rückkaufs nach § 10(2) ist die Emittentin verpflichtet, die vorherige Zustimmung der Zuständigen Aufsichtsbehörde gemäß Artikel 77, 78 CRR einzuholen.

Zum Zeitpunkt der Begebung der Schuldverschreibungen setzt eine Zustimmung gemäß Artikel 77, 78 CRR Folgendes voraus:

(i) eine der folgenden Bedingungen muss erfüllt sein:

(A) die Emittentin ersetzt die Schuldverschreibungen vor oder gleichzeitig mit der Rückzahlung oder dem Rückkauf durch Eigenmittelinstrumente zumindest gleicher Qualität zu Bedingungen, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind;

oder

(B) die Emittentin hat der Zuständigen Aufsichtsbehörde hinreichend nachgewiesen, dass ihre Eigenmittel und berücksichtigungsfähigen Verbindlichkeiten nach der Rückzahlung oder dem Rückkauf die Anforderungen nach den Anwendbaren Aufsichtsrechtlichen Vorschriften um eine Spanne übersteigen, die die Zuständige Aufsichtsbehörde für erforderlich hält,

wobei die Zuständige Aufsichtsbehörde der Emittentin für eine Rückzahlung oder einen Rückkauf

Notwithstanding the above, the exercise of the redemption rights pursuant to § 5(2) and § 5(3) shall be at the sole discretion of the Issuer.

(b) In the event of redemption in accordance with § 5(2), the "**Redemption Amount**" of each Note, unless previously redeemed in whole or in part or repurchased and cancelled, shall be the Original Nominal Amount of such Notes.

In the event of redemption in accordance with § 5(3), the "**Redemption Amount**" of each Note, unless previously redeemed or repurchased and cancelled, shall be the then Current Nominal Amount of such Note.

(6) *Conditions to redemption and repurchase*.

(a) In the event of a redemption of the Notes pursuant to § 5(2) or § 5(3) or any repurchase pursuant to § 10(2), the Issuer is required to obtain the prior permission of the Competent Supervisory Authority in accordance with Articles 77, 78 CRR.

At the time of the issuance of the Notes, permission pursuant to Articles 77, 78 CRR requires the following:

(i) either of the following conditions must be met:

(A) before or at the same time as the redemption or the repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer;

or

(B) the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed the requirements laid down in the Applicable Supervisory Regulations by a margin that the Competent Supervisory Authority considers necessary,

provided that the Competent Supervisory Authority may grant the Issuer a general prior permission to

eine allgemeine vorherige Zustimmung für einen bestimmten Zeitraum, der auf ein Jahr begrenzt ist und danach verlängert werden kann, und einen vorab von der Zuständigen Aufsichtsbehörde festgelegten Betrag erteilen kann, die Kriterien unterliegt, die sicherstellen, dass jede derartige Rückzahlung bzw. jeder derartige Rückkauf im Einklang mit den oben unter Buchstaben (A) und (B) festgelegten Bedingungen vonstattengeht, wenn die Emittentin ausreichende Vorkehrungen hinsichtlich ihrer Fähigkeit trifft, mit Eigenmitteln, welche die in den Anwendbaren Aufsichtsrechtlichen Vorschriften vorgeschriebenen Beträge übersteigen, tätig zu sein.

make a redemption or a repurchase for a specified period, which shall not exceed one year, after which it may be renewed, and for a certain predetermined amount as set by the Competent Supervisory Authority, subject to criteria that ensure that any such redemption or repurchase will be in accordance with the conditions set out in clause (A) and (B) above, if the Issuer provides sufficient safeguards as to its capacity to operate with own funds above the amounts required in the Applicable Supervisory Regulations.

(ii) Zusätzlich gilt bei einer Rückzahlung bzw. einem Rückkauf vor dem fünften Jahrestag des Tags der Begebung der Schuldverschreibungen Folgendes:

(ii) In addition, in the event of a redemption or, as the case may be, a repurchase prior to the fifth anniversary of the issue date of the Notes the following applies:

(A) Wenn die Emittentin, die Schuldverschreibungen aus regulatorischen oder steuerlichen Gründen kündigt, müssen die in § 5(3)(b) bzw. (c) für die Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der Schuldverschreibungen genannten Bedingungen erfüllt sein.

(A) If the Issuer redeems the Notes for regulatory reasons or reasons of taxation, the conditions in § 5(3)(b) or (c), as applicable, in respect of a redemption prior to the fifth anniversary of the issue date of the Notes must be met.

(B) Eine Rückzahlung, welche die unter Buchstabe (A) beschriebenen Vorgaben nicht erfüllt, oder ein Rückkauf von Schuldverschreibungen ist nur zulässig, wenn die Emittentin die Schuldverschreibungen vor oder gleichzeitig mit der Rückzahlung oder dem Rückkauf durch Eigenmittelinstrumente zumindest gleicher Qualität zu Bedingungen, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind, ersetzt, und die Zuständige Aufsichtsbehörde die Rückzahlung bzw. den Rückkauf auf der Grundlage der Feststellung erlaubt hat, dass sie aus aufsichtlicher Sicht vorteilhaft und durch außergewöhnliche Umstände gerechtfertigt ist.

(B) A redemption that does not meet the conditions set forth under clause (A) or a repurchase of Notes requires that before or at the same time as the redemption or repurchase the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Supervisory Authority has permitted the redemption or the repurchase on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

(iii) Die Emittentin darf die Schuldverschreibungen nur zurückzahlen, wenn (A) sie am Rückzahlungstag weder überschuldet im Sinne von § 19 InsO noch zahlungsunfähig im

(iii) The Issuer may only redeem the Notes if (A) it is neither over-indebted (*überschuldet*) within the meaning of § 19 InsO nor illiquid (*zahlungsunfähig*) within the meaning

Sinne von § 17 InsO ist noch eine Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO droht und (B) die Zahlung des Rückzahlungsbetrages nicht zu einer Überschuldung der Emittentin im Sinne von § 19 InsO, einer Zahlungsunfähigkeit der Emittentin im Sinne von § 17 InsO oder einer drohenden Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO führen wird.

of § 17 InsO nor there is an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO on the date of redemption and (B) the payment of the Redemption Amount will not result in an over-indebtedness (*Überschuldung*) of the Issuer within the meaning of § 19 InsO, in an illiquidity (*Zahlungsunfähigkeit*) of the Issuer within the meaning of § 17 InsO or in an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO.

(iv) Ungeachtet der in Ziffern (i) bis (iii) genannten Bedingungen, falls die zum Zeitpunkt der Rückzahlung oder des Rückkaufs Anwendbaren Aufsichtsrechtlichen Vorschriften eine Rückzahlung oder einen Rückkauf nur zulassen, wenn eine solche Rückzahlung oder ein solcher Rückkauf im Einklang mit zumindest einer der oben genannten alternativen oder weiteren Voraussetzung steht, dann muss die Emittentin jeder dieser etwaigen anderen und/oder zusätzlichen Voraussetzungen (wie jeweils anwendbar) entsprechen.

(iv) Notwithstanding the conditions referred to in clauses (i) to (iii), if, at the time of any redemption or repurchase, the Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as applicable, additional pre-conditions, if any.

(v) *Zur Klarstellung*: Die Nichterteilung der Zustimmung gemäß Artikel 77, 78 CRR durch die Zuständige Aufsichtsbehörde stellt in keinem Fall eine Pflichtverletzung der Emittentin dar.

(v) *For the avoidance of doubt*: Any refusal of the Competent Supervisory Authority to grant permission in accordance with Articles 77, 78 CRR shall not constitute a default by the Issuer for any purpose.

(7) *Kein Recht der Gläubiger zur Kündigung oder zur Fälligstellung*. Die Gläubiger haben kein Recht zur Kündigung oder anderweitigen Fälligstellung der Schuldverschreibungen.

(7) *No right of termination or acceleration by the Holders.* The Holders shall have no right to terminate or otherwise accelerate the redemption of the Notes.

(8) *Herabschreibung*.

(a) Bei Eintritt eines Auslöseereignisses ist der Aktuelle Nennbetrag jeder Schuldverschreibung um den Betrag der betreffenden Herabschreibung gemäß § 5(8)(b)-(e) zu reduzieren.

Ein "**Auslöseereignis**" tritt ein, wenn zu irgendeinem Zeitpunkt die in Artikel 92 Absatz 1 Buchstabe (a) CRR genannte harte Kernkapitalquote (i) der Emittentin auf Einzelinstitutsbasis (wenn und solange die Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet ist, die Aufsichtsanforderungen auf Einzelinstitutsbasis Basis einzuhalten und die Harte Kernkapitalquote auf Einzelinstitutsbasis zu bestimmen); und/oder (ii) auf (teil-)konsolidierter Basis des zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichteten Unternehmens (wie in § 2(3)

(8) *Write-down*.

(a) Upon the occurrence of a Trigger Event, the Current Nominal Amount of each Note shall be reduced by the amount of the relevant write-down in accordance with § 5(8)(b)-(e).

A "**Trigger Event**" occurs if, at any time, the common equity tier 1 capital ratio pursuant to Article 92(1)(a) CRR determined (i) on an individual basis of the Issuer (if and as long as the Issuer, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on an individual basis); and/or (ii) on a (sub-)consolidated basis of the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3)) (if and as long such undertaking, in accordance with the Applicable Supervisory

definiert) (wenn und solange dieses Unternehmen gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet ist, die Aufsichtsanforderungen auf (teil-)konsolidierter Basis einzuhalten und die Harte Kernkapitalquote auf (teil-)konsolidierter Basis zu bestimmen), (die "**Harte Kernkapitalquote**") unter 5,125 % (die "**Mindest-CET 1-Quote**") fällt, wobei (x) ein Auslöseereignis wegen Unterschreitens der Mindest-CET 1-Quote auf Einzelinstitutsbasis jedoch nur eintreten kann, falls die Emittentin künftig gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet sein sollte, die Aufsichtsanforderungen auch auf Einzelinstitutsbasis einzuhalten und zu diesem Zweck die Harte Kernkapitalquote auf Einzelinstitutsbasis zu ermitteln, und (y) ein Auslöseereignis wegen Unterschreitens der Mindest-CET 1-Quote auf (teil-)konsolidierter Basis jederzeit eintreten kann, solange dieses Unternehmen gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet ist, die Aufsichtsanforderungen auch auf (teil-)konsolidierter Basis einzuhalten und zu diesem Zweck die Harte Kernkapitalquote auf (teil-)konsolidierter Basis zu ermitteln.

Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on a (sub-)consolidated basis), (the "**Common Equity Tier 1 Capital Ratio**") falls below 5.125 per cent. (the "**Minimum CET 1 Ratio**"), provided that (x) a Trigger Event in respect of the Minimum CET 1 Ratio determined on an individual basis of the Issuer shall only occur should the Issuer, in the future, in accordance with the Applicable Supervisory Regulations or by an administrative order, be required to comply with the prudential requirements on an individual basis and, for this purpose, to determine the Common Equity Tier 1 Capital Ratio on an individual basis, (y) a Trigger Event in respect of the Minimum CET 1 Ratio determined on a (sub-)consolidated basis may occur at any time as long as, in accordance with the Applicable Supervisory Regulations or by an administrative order, such undertaking is required to comply with the prudential requirements on a (sub-)consolidated basis and, for this purpose, to determine the Common Equity Tier 1 Capital Ratio on a (sub-)consolidated basis.

Zur Klarstellung: Ein Auslöseereignis kann zu jeder Zeit festgestellt werden und mehrfach eintreten und die hierfür relevante Harte Kernkapitalquote wird nicht nur in Bezug auf bestimmte Stichtage ermittelt.

For the avoidance of doubt: A Trigger Event may be determined at any time and may occur on more than one occasion and the relevant Common Equity Tier 1 Capital Ratio is not only determined in relation to certain reporting dates.

Die Feststellung, ob ein Auslöseereignis eingetreten ist, wird von der Emittentin, der Zuständigen Aufsichtsbehörde oder einer anderen von der Zuständigen Aufsichtsbehörde für diesen Zweck ernannten Stelle getroffen, und diese Feststellung ist für die Gläubiger bindend.

The determination as to whether a Trigger Event has occurred will be made by the Issuer, the Competent Supervisory Authority or any agent appointed for such purpose by the Competent Supervisory Authority, and any such determination will be binding on the Holders.

Zur Klarstellung: Der Eintritt eines Auslöseereignisses berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keine Pflichtverletzung der Emittentin dar.

For the avoidance of doubt: The occurrence of a Trigger Event shall not entitle the Holders to call the Notes for redemption and shall not constitute a default by the Issuer.

(b) Im Falle des Eintritts eines Auslöseereignisses ist eine Herabschreibung *pro rata* mit sämtlichen anderen Instrumenten des zusätzlichen Kernkapitals, deren Bedingungen eine Herabschreibung (gleich ob permanent oder temporär) oder eine Umwandlung in Instrumente des harten Kernkapitals bei Eintritt dieses Auslöseereignisses vorsehen, vorzunehmen.

(b) Upon the occurrence of a Trigger Event, a write-down shall be effected *pro rata* with all of the Issuer's other AT 1-Instruments the terms of which provide for a write-down (whether permanent or temporary) or a conversion into CET 1-Instruments upon the occurrence of such Trigger Event.

Diese *pro rata*-Herabschreibung gilt auch dann, wenn im Falle eines Auslöseereignisses auch andere Instrumente des zusätzlichen Kernkapitals herabzuschreiben oder in Instrumente des harten Kernkapitals umzuwandeln sind, die nach ihren jeweiligen Bedingungen als Auslöseereignis das Unterschreiten einer harten Kernkapitalquote vorsehen, die von der Mindest-CET 1-Quote abweicht (zusammen mit den Schuldverschreibungen die "**Relevanten AT 1-Instrumente**"), richtet sich das Verhältnis bzw. die Reihenfolge, in welcher eine solche Herabschreibung oder Umwandlung vorzunehmen ist, nach den Anwendbaren Aufsichtsrechtlichen Vorschriften. Wird dieses Verhältnis bzw. diese Reihenfolge nicht durch die Anwendbaren Aufsichtsrechtlichen Vorschriften vorgegeben, so gilt Folgendes:

The *pro rata* write-down also applies if upon the occurrence of a Trigger Event other AT 1-Instruments are also subject to a write-down or are subject to conversion into CET 1-Instruments, where the respective conditions provide for a trigger event at a common equity tier 1 capital ratio level that deviates from the Minimum CET 1 Ratio (together with the Notes the "**Relevant AT 1-Instruments**"), any such write-down or conversion will occur in such order of application or ratio as required in accordance with the Applicable Supervisory Regulations. If no such order or ratio is required by the Applicable Supervisory Regulations, the following applies:

(i) Vorbehaltlich der Regelung des nachstehenden Satzes werden die Schuldverschreibungen gemäß diesem § 5(8)(b) *pro rata* mit sämtlichen anderen Relevanten AT 1-Instrumenten herabgeschrieben.

(i) Subject to the provision set out in the following sentence, the Notes will be written-down pursuant to this § 5(8)(b) *pro rata* with all other Relevant AT 1-Instruments.

Dabei werden die Schuldverschreibungen und sämtliche anderen Relevanten AT 1-Instrumente jeweils nur insoweit an einer Herabschreibung bzw. einer Umwandlung in Instrumente des harten Kernkapitals beteiligt, wie dies insgesamt erforderlich ist, damit die Harte Kernkapitalquote

The Notes and all other Relevant AT 1-Instruments will in the aggregate only be written-down or (as the case may be) converted into CET 1-Instruments to the extent required to restore the Common Equity Tier 1 Capital Ratio as determined

(A) auf Einzelinstitutsbasis (wenn und solange die Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet ist, die Harte Kernkapitalquote auf Einzelinstitutsbasis zu bestimmen); und

(A) on an individual basis (if and as long as the Issuer, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to determine the Common Equity Tier 1 Capital Ratio on an individual basis); and

(B) auf (teil-)konsolidierter Basis (wenn und solange das zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen (wie in § 2(3) definiert) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder aufgrund behördlicher Anordnung verpflichtet ist, die Harte Kernkapitalquote auf (teil-)konsolidierter Basis zu bestimmen),

(B) on a (sub-)consolidated basis of the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3)) (if and as long as such undertaking, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to determine the Common Equity Tier 1 Capital Ratio on a (sub-)consolidated basis),

diejenige Quote wieder erreicht, die in deren jeweiligen Bedingungen als Quote für das die Herabschreibung

to the ratio provided for in their respective terms as the ratio triggering the event resulting in such write-down

und/oder die Umwandlung in Instrumente des harten Kernkapitals auslösende Ereignis festgelegt ist; dabei ist die Summe der Herabschreibungen und Umwandlungen in Instrumente des harten Kernkapitals insgesamt auf den gesamten, im Zeitpunkt des Eintritts des Auslöseereignisses ausstehenden aktuellen Nennbetrag der Relevanten AT 1-Instrumente beschränkt.

and/or conversion into CET 1-Instruments; provided that the total amount of the write-downs and conversions into CET 1-Instruments shall not exceed the sum of the outstanding current nominal amounts of the Relevant AT 1-Instruments at the time of occurrence of the Trigger Event.

(ii) Jedes andere Relevante AT 1-Instrument, das insgesamt, jedoch nicht teilweise, herabgeschrieben oder in Instrumente des harten Kernkapitals umgewandelt werden kann, wird für den Zweck der Bestimmung der relevanten *pro rata*-Beträge für eine Herabschreibung und die Berechnung des Betrags der Herabschreibung so behandelt, als ob seine Bedingungen eine teilweise Herabschreibung oder Umwandlung vorsehen würden.

(ii) Any other Relevant AT 1-Instrument that may be written down or converted into CET 1-Instruments in full but not in part will, for the purposes of determining the relevant *pro rata* amounts for a write-down and calculation of the written-down amount, be treated as if its terms permit a partial write-down or conversion.

(c) Die Vornahme von Herabschreibungen in Bezug auf die Schuldverschreibungen hängt nicht von der Wirksamkeit oder Durchführung einer Herabschreibung oder Umwandlung anderer Instrumente ab und ist unabhängig davon gemäß § 5(8)(b) vorzunehmen.

(c) Effecting a write-down in respect of the Notes shall not be dependent on the effectiveness or implementation of a write-down or conversion of other instruments and any such non-effectiveness or non-implementation shall not prejudice the effecting of a write-down pursuant to § 5(8)(b).

Zur Klarstellung: Soweit die Herabschreibung oder die Umwandlung in Instrumente des harten Kernkapitals unter einem oder mehreren der anderen Relevanten AT 1-Instrumente der Emittentin aus irgendeinem Grund nicht wirksam ist oder nicht durchgeführt wird, wird diese unwirksame oder nicht durchgeführte Herabschreibung oder Umwandlung in Instrumente des harten Kernkapitals bei der Bestimmung des Betrags der Herabschreibung der Schuldverschreibungen nach § 5(8)(b) nicht berücksichtigt.

For the avoidance of doubt: To the extent that the write-down or the conversion into CET 1-Instruments of one or more of the other Relevant AT 1-Instruments of the Issuer is not effective or is not implemented for any reason, such non-effective or non-implemented write-down or conversion into CET 1-Instruments will not be taken into account when determining the write-down amount in respect of the Notes under § 5(8)(b).

Die Summe der in Bezug auf die Schuldverschreibungen vorzunehmenden Herabschreibungen ist auf die Summe der Aktuellen Nennbeträge aller zum Zeitpunkt des Eintritts des jeweiligen Auslöseereignisses ausstehenden Schuldverschreibungen beschränkt.

The sum of the write-downs to be effected with respect to the Notes shall be limited to the aggregate Current Nominal Amount of all Notes outstanding at the time of occurrence of the relevant Trigger Event.

(d) Im Falle des Eintritts eines Auslöseereignisses wird die Emittentin:

(d) Upon the occurrence of a Trigger Event, the Issuer shall:

(i) unverzüglich die Zuständige Aufsichtsbehörde sowie gemäß § 11 die Gläubiger von dem Eintritt dieses Auslöseereignisses sowie des Umstandes, dass eine Herabschreibung vorzunehmen ist, unterrichten, und

(i) inform the Competent Supervisory Authority and, in accordance with § 11, the Holders without undue delay about the occurrence of such Trigger Event and the fact that a write-down will have to be effected, and

(ii) unverzüglich, spätestens jedoch innerhalb eines Monats (soweit die Zuständige Aufsichtsbehörde diese Frist nicht verkürzt) die bezogen auf die jeweilige Schuldverschreibung vorzunehmende Herabschreibung und den daraus resultierenden neuen Aktuellen Nennbetrag feststellen und (A) der Zuständigen Aufsichtsbehörde, (B) den Gläubigern gemäß § 11, (C) der Berechnungsstelle und der Zahlstelle sowie (D) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, mitteilen.

(e) Die Herabschreibung wird automatisch und unwiderruflich vorgenommen (ohne dass es einer Zustimmung der Gläubiger bedarf), und der Aktuelle Nennbetrag jeder ausstehenden Schuldverschreibung wird um den von der Emittentin festgestellten Betrag herabgesetzt, und zwar mit Wirkung ab dem Herabschreibungs-Stichtag.

"**Herabschreibungs-Stichtag**" bezeichnet den Tag, an dem die Herabschreibung wirksam wird, wobei dieser Tag spätestens einen Monat (oder gegebenenfalls nach einem von der Zuständigen Aufsichtsbehörde verlangten kürzeren Zeitraum) nach Eintritt des betreffenden Auslöseereignisses liegt.

Ein Unterlassen oder eine Verzögerung der Mitteilungen nach § 5(8)(d)(i) und/oder (ii) berührt nicht die Wirksamkeit einer Herabschreibung und diese gilt mit Wirkung ab dem Herabschreibungs-Stichtag in der Höhe des von der Emittentin festgestellten Betrags als vorgenommen. Eine nicht erfolgte Mitteilung ist unverzüglich nachzuholen.

Zur Klarstellung: Eine solche Herabschreibung stellt keine Pflichtverletzung der Emittentin gemäß diesen Anleihebedingungen dar.

(9) *Hochschreibung*.

(a) Nach der Vornahme einer Herabschreibung können der Aktuelle Nennbetrag (und damit der Rückzahlungsbetrag) jeder Schuldverschreibung in jedem dem Herabschreibungs-Stichtag nachfolgenden Geschäftsjahr der Emittentin bis zur vollständigen Höhe des Ursprünglichen Nennbetrags (soweit nicht zuvor zurückgezahlt oder angekauft und entwertet) nach Maßgabe der folgenden Regelungen dieses § 5(9) wieder hochgeschrieben werden, soweit eine Hochschreibung aus dem im Rahmen einer *pro forma*-Rechnung (ggf. auf Grundlage des aufgestellten Jahresabschlusses) zu

(ii) determine the write-down to be effected without undue delay, but not later than within one month (unless the Competent Supervisory Authority shortens such period), and notify such write-down in relation to each Note together with the resultant new Current Nominal Amount (A) to the Competent Supervisory Authority, (B) to the Holders in accordance with § 11, (C) to the Calculation Agent and the Paying Agent and (D), if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, to such stock exchange.

(e) With effect as from the Write-Down Effective Date, the write-down will be effected automatically and irrevocably (without the need for the consent of Holders) and the Current Nominal Amount of each outstanding Note will be reduced by the amount determined by the Issuer.

"**Write-Down Effective Date**" means the date on which the write-down will take effect, being no later than one month (or such shorter period as the Competent Supervisory Authority may require) following the occurrence of the relevant Trigger Event.

Any failure or delay to give notices pursuant to § 5(8)(d)(i) and/or (ii) will not affect the effectiveness of any write-down and such write-down shall be deemed effected, on the basis of the amount determined by the Issuer, with effect as from the Write-Down Effective Date. A notice which has not been given shall be given without undue delay.

For the avoidance of doubt: Any such write-down will not constitute a default by the Issuer under these Terms and Conditions.

(9) *Write-up*.

(a) After a write-down has been effected, the Current Nominal Amount (and consequently the Redemption Amount) of each Note, unless previously redeemed or repurchased and cancelled, may be written up in accordance with the following provisions of this § 5(9) in each of the financial years of the Issuer subsequent to the Write-Down Effective Date until the full Original Nominal Amount has been reinstated, to the extent that a write-up would be possible from the annual profit (*Jahresüberschuss*) of the issuer of the prior financial year to be determined on the basis of a *pro forma* calculation (or, as the case may be, on the

ermittelnden Jahresüberschusses der Emittentin des letzten abgeschlossenen Geschäftsjahres möglich wäre. Eine etwaige Hochschreibung erfolgt mit Wirkung ab dem Zinszahlungstag (einschließlich), der unmittelbar auf das Geschäftsjahr der Emittentin folgt, für das der zuvor genannte Jahresüberschuss ermittelt wurde.

basis of the prepared annual financial statements). The write-up, if any, will occur with effect from and including the Interest Payment Date immediately following the financial year of the Issuer for which the above-mentioned annual profit (*Jahresüberschuss*) was determined.

(b) Die Hochschreibung erfolgt gleichrangig mit der Hochschreibung anderer Herabgeschriebener AT1-Instrumente.

(b) The write-up shall be effected *pari passu* with write-ups of other Written Down AT 1-Instruments.

(c) Die Vornahme einer Hochschreibung steht vorbehaltlich der in den nachfolgenden Ziffern (i) bis (v) geregelten Vorgaben im freien Ermessen der Emittentin. Insbesondere kann die Emittentin auch dann ganz oder teilweise von einer Hochschreibung absehen, selbst wenn ein entsprechender Jahresüberschuss zur Verfügung steht und die in den nachfolgenden Ziffern (i) bis (v) geregelten Vorgaben erfüllt sind.

(c) Subject to the conditions set out in clauses (i) to (v) below, it shall be at the sole discretion of the Issuer whether to effect a write-up. In particular, the Issuer may effect a write-up only in part or effect no write-up at all even if a corresponding annual profit (*Jahresüberschuss*) is recorded and the conditions set out in clauses (i) to (v) below are fulfilled.

(i) Soweit der festgestellte bzw. festzustellende Jahresüberschuss für die Hochschreibung der Schuldverschreibungen und die Hochschreibung anderer, mit einem vergleichbaren Auslöseereignis (ggf. mit einer abweichenden harten Kernkapitalquote als Auslöser) ausgestatteter herabgeschriebener Instrumente des zusätzlichen Kernkapitals (einschließlich der Schuldverschreibungen, die "**Herabgeschriebenen AT 1-Instrumente**") zu verwenden ist und nach Maßgabe von (ii) und (iii) zur Verfügung steht, erfolgt die Hochschreibung *pro rata* nach Maßgabe der ursprünglichen Nennbeträge der Herabgeschriebenen AT 1-Instrumente.

(i) To the extent that the annual profit (*Jahresüberschuss*) determined or to be determined is to be used for a write-up of the Notes and a write-up of any other written-down AT 1-Instruments, the terms of which provide for a similar Trigger Event (also if such terms provide for a different common equity tier 1 capital ratio as trigger) (together with the Notes, the "**Written Down AT 1-Instruments**"), and is available in accordance with (ii) and (iii) below, such write-up shall be effected *pro rata* in proportion to the original nominal amounts of the Written Down AT 1-Instruments.

(ii) Der Höchstbetrag, der insgesamt für die Hochschreibung der Schuldverschreibungen und anderer, Herabgeschriebener AT 1-Instrumente sowie die Zahlung von Zinsen und anderen Ausschüttungen auf Herabgeschriebene AT 1-Instrumente verwendet werden kann, errechnet sich nach den jeweils anwendbaren technischen Regulierungsstandards und den im Übrigen im Zeitpunkt der Berechnung des Höchstbetrags für Hochschreibungen Anwendbaren Aufsichtsrechtlichen Vorschriften. Zum Zeitpunkt der Begebung der Schuldverschreibungen gilt für die Berechnung folgende Formel:

(ii) The maximum total amount that may be used for a write-up of the Notes and of other Written Down AT 1-Instruments and for the payment of interest and other distributions on Written Down AT 1-Instruments shall be calculated in accordance with the regulatory technical standards applicable from time to time and the other Applicable Supervisory Regulations applicable at the time of the calculation of the maximum total amount for write-ups. At the time of the issuance of the Notes, the calculation is based on the following formula:

$$H = \frac{J \times S}{T1}$$

$$H = \frac{J \times S}{T1}$$

"**H**" bezeichnet den für die Hochschreibung der Herabgeschriebenen AT 1-Instrumente und Ausschüttungen auf Herabgeschriebene AT 1-Instrumente zur Verfügung stehenden Höchstbetrag;

"**H**" means the maximum amount available for the write-up of the Written Down AT 1-Instruments and distributions on Written Down AT 1-Instruments;

"**J**" bezeichnet den festgestellten bzw. festzustellenden Jahresüberschuss des vorangegangenen Geschäftsjahres aus dem handelsrechtlichen Einzelabschluss der Emittentin;

"**J**" means the annual profit (*Jahresüberschuss*) determined or to be determined for the previous financial year on the basis of the unconsolidated annual financial statements of the Issuer prepared in accordance with German commercial law;

"**S**" bezeichnet die Summe der ursprünglichen Nennbeträge der Herabgeschriebenen AT 1-Instrumente (d.h. vor Vornahme von Herabschreibungen infolge eines Auslöseereignisses oder eines vergleichbaren Ereignisses);

"**S**" means the sum of the original nominal amounts of the Written Down AT 1-Instruments (i.e. before write-downs due to a Trigger Event or a similar event have been effected);

"**T1**" bezeichnet den Betrag des Kernkapitals der Emittentin unmittelbar vor Vornahme der Hochschreibung.

"**T1**" means the amount of the tier 1 capital of the Issuer immediately before the write-up is effected.

Der Höchstbetrag "**H**" ist von der Emittentin nach den technischen Regulierungsstandards und den im Übrigen im Zeitpunkt der Bestimmung anwendbaren Anforderungen zu bestimmen und der so bestimmte Betrag der Hochschreibung zugrunde zu legen, ohne dass es einer Änderung dieser Ziffer (ii) bedürfte.

The maximum amount "**H**" shall be determined by the Issuer in accordance with the regulatory technical standards and the other requirements applicable at the time of determination, and the write-up shall be based on the amount so determined without requiring any amendment to this clause (ii).

(iii) Insgesamt darf die Summe der Beträge der Hochschreibungen auf Herabgeschriebene AT 1-Instrumente zusammen mit etwaigen Dividenden und anderen Ausschüttungen in Bezug auf Aktien und andere Instrumente des harten Kernkapitals der Emittentin (einschließlich auch der Zinszahlungen und anderen Ausschüttungen auf Herabgeschriebene AT 1-Instrumente) in Bezug auf das betreffende Geschäftsjahr den MDA oder einen anderen maximal ausschüttungsfähigen Betrag, wie in § 3(8)(c) beschrieben und gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften vorgeschrieben, nicht überschreiten.

(iii) In total, the sum of the amounts of the write-ups of Written Down AT 1-Instruments together with the amounts of any dividend payments and other distributions on shares and other CET 1-Instruments of the Issuer (including the payment of interest and other distributions on Written Down AT 1-Instruments) for the relevant financial year must not exceed the MDA and any other maximum distributable amount as described in § 3(8)(c) and applicable in accordance with the Applicable Supervisory Regulations.

(iv) Hochschreibungen der Schuldverschreibungen gehen Dividenden und anderen Ausschüttungen in Bezug auf Aktien und andere Instrumente des harten Kernkapitals der Emittentin nicht vor, d.h. diese können auch dann vorgenommen werden, solange

(iv) Write-ups of the Notes do not have priority over dividend payments and other distributions on shares and other CET 1-Instruments of the Issuer, i.e. such payments and

keine vollständige Hochschreibung erfolgt ist.

(v) Zum Zeitpunkt einer Hochschreibung darf kein Auslöseereignis fortbestehen. Eine Hochschreibung ist zudem ausgeschlossen, soweit diese zu dem Eintritt eines Auslöse-ereignisses führen würde.

(d) Wenn sich die Emittentin für die Vornahme einer Hochschreibung nach den Bestimmungen dieses § 5(9) entscheidet, wird sie unverzüglich gemäß § 11 die Gläubiger, die Berechnungsstelle, die Zahlstelle(n) sowie jede Börse, an der die Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, von der Vornahme der Hochschreibung unterrichten und den Hochschreibungsbetrag als Prozentsatz des Ursprünglichen Nennbetrags der Schuldverschreibungen, den neuen Aktuellen Nennbetrag und den Zinszahlungstag, an dem die Hochschreibung bewirkt werden soll (der "**Hochschreibungstag**"), benennen. Die Hochschreibung gilt als vorgenommen, wenn die Abgabe der Mitteilung an die Gläubiger gemäß § 11 erfolgt ist und der Aktuelle Nennbetrag jeder Schuldverschreibung wird mit Wirkung zum Hochschreibungstags wie in der Mitteilung angegeben erhöht.

(10) *Hinweis auf die Möglichkeit von gesetzlichen Abwicklungsmaßnahmen.* Die Abwicklungsbehörde kann nach den für die Emittentin geltenden Abwicklungsvorschriften Verbindlichkeiten der Emittentin aus den Schuldverschreibungen vor einer Insolvenz oder Liquidation der Emittentin herabschreiben (bis einschließlich auf null), in Aktien oder andere Eigentumstitel der Emittentin umwandeln oder sonstige Abwicklungsmaßnahmen treffen, einschließlich einer Übertragung der Verbindlichkeiten auf einen anderen Rechtsträger, einer Änderung der Anleihebedingungen oder einer Löschung der Schuldverschreibungen.

Die Ausübung der Befugnis zur Herabschreibung oder Umwandlung oder das Treffen einer Abwicklungsmaßnahme, welche die Schuldverschreibungen betreffen, sind für die Gläubiger verbindlich. Aufgrund der Ausübung der Befugnis zur Herabschreibung oder Umwandlung oder des Treffens einer Abwicklungsmaßnahme bestehen keine Ansprüche oder anderen Rechte der Gläubiger gegen die Emittentin. Insbesondere stellt die Ausübung der Befugnis zur Herabschreibung oder Umwandlung oder das Treffen einer Abwicklungsmaßnahme keine Pflichtverletzung der Emittentin dar.

distributions are permitted even if no full write-up has been effected.

(v) At the time of a write-up, there must not exist any Trigger Event that is continuing. A write-up is also excluded if such write-up would give rise to the occurrence of a Trigger Event.

(d) If the Issuer elects to effect a write-up in accordance with the provisions of this § 5(9), it shall give notice, without undue delay, to the Holders in accordance with § 11, to the Calculation Agent, to the Paying Agent(s) and, if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, to such stock exchange, of the write-up specifying the amount of the write-up as a percentage of the Original Nominal Amount of the Notes, the new Current Nominal Amount and the Interest Payment Date on which the write-up will become effective (the "**Write-Up Date**"). The write-up shall be deemed to be effected at the time when the notice to the Holders is given in accordance with § 11 and the Current Nominal Amount of each Note shall be increased in the amount as specified in the notice with effect as of the Write-Up Date.

(10) *Note on the Possibility of Statutory Resolution Measures.* Prior to any insolvency or liquidation of the Issuer, under bank resolution laws applicable to the Issuer from time to time, the Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer or apply any other resolution measure, including any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

The Holders shall be bound by the exercise of the power to write down or convert or the taking of any resolution action in respect of the Notes. No Holder shall have any claim or other right against the Issuer arising out of any exercise of the power to write down or convert or the taking of any resolution action. In particular, the exercise of any exercise of the power to write down or convert or the taking of any resolution action shall not constitute a default by the Issuer.

Dieser § 5(10) regelt ungeachtet anderslautender Vereinbarungen die hier beschriebenen Inhalte abschließend. Mit dem Erwerb der Schuldverschreibungen akzeptiert jeder Gläubiger die in diesem § 5(10) beschriebenen Bedingungen.

"**Abwicklungsbehörde**" bezeichnet die Abwicklungsbehörde gemäß Artikel 4 Absatz 1 Nr. 130 CRR bzw. Artikel 7 Absatz 1 SRM-Verordnung, die für die Sanierung oder Abwicklung der Emittentin auf Einzelinstitutsbasis und/oder auf (teil-)konsolidierter Basis, zuständig ist.

This § 5(10) is exhaustive on the matters described herein. Through purchase of the Notes, each Holder acknowledges and accepts the conditions described in this § 5(10).

"**Resolution Authority**" means the resolution authority pursuant to Article 4(1)(130) CRR or Article 7(1) SRM Regulation, as applicable, which is responsible for recovery or resolution of the Issuer on an individual and/or (sub-)consolidated basis.

§ 6
Die Zahlstelle und die Berechnungsstelle

(1) *Bestellung*; *bezeichnete Geschäftsstelle*. Die anfänglich bestellte Zahlstelle, die anfänglich bestellte Berechnungsstelle und deren jeweilige anfänglich bezeichnete Geschäftsstelle lauten wie folgt:

Zahlstelle:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

Berechnungsstelle:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

Die Zahlstelle und die Berechnungsstelle behalten sich jeweils das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in demselben Land zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung*. Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Berechnungsstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Berechnungsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle und eine Berechnungsstelle 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 § 11 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Berechnungen der Berechnungsstelle*. Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein

§ 6
Paying Agent and Calculation Agent

(1) *Appointment*; *Specified Office*. The initial Paying Agent and the initial Calculation Agent and their respective initial specified offices are:

Paying Agent:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Germany

Calculation Agent:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Germany

Each of the Paying Agent and the Calculation Agent reserves the right at any time to change their respective specified office to some other specified offices in the same jurisdiction.

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent or the Paying Agent and to appoint another Calculation Agent or additional or other Paying Agents. The Issuer shall at all times maintain a Paying Agent and a Calculation Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 11.

(3) *Calculations Made by the Calculation Agent.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Calculation Agent shall (in the absence of wilful misconduct or manifest error) be

offensichtlicher Irrtum vorliegt) für die Emittentin, die Gläubiger und die Zahlstelle(n) bindend.

(4) *Beauftragte der Emittentin*. Die Zahlstelle(n) und die Berechnungsstelle handeln jeweils ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(5) *Anwendbarkeit auf Unabhängigen Berater*. Wenn die Emittentin gemäß diesen Anleihebedingungen einen Unabhängigen Berater bestellt, dann sind § 6(3) und (4) entsprechend auf den Unabhängigen Berater anzuwenden.

(6) *Einführung von Beschränkungen*. Falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in USD widerrechtlich oder tatsächlich ausgeschlossen werden, die Emittentin zum Zeitpunkt der Bestellung der Zahlstelle aber davon ausgehen durfte, dass die Zahlstelle Zahlungen in USD machen kann, wird die Emittentin eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten.

binding upon the Issuer, the Holders and the Paying Agent(s).

(4) *Agents of the Issuer*. Each of the Paying Agent(s) and the Calculation Agent acts solely as agent of the Issuer and do not have any obligations towards, or relationship of agency or trust to, any of the Holders.

(5) *Application to the Independent Adviser*. If the Issuer appoints an Independent Adviser in accordance with these Terms and Conditions, § 6(3) and (4) shall apply *mutatis mutandis* to the Independent Adviser.

(6) *Imposition of Restrictions*. If payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in USD but the Issuer had a reasonable expectation that such Paying Agents would be able to make payment in USD when they were appointed, the Issuer shall appoint a Paying Agent with a specified office in New York City.

§ 7
Steuern

(1) *Quellensteuern und Zusätzliche Beträge*. Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Falls die Emittentin gesetzlich zu einem solchen Abzug oder Einbehalt in Bezug auf Zinszahlungen (nicht jedoch Zahlungen auf Kapital in Bezug auf Schuldverschreibungen) verpflichtet ist, wird die Emittentin (vorbehaltlich § 3(8)) diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben:

(a) die wegen einer Verbindung des betreffenden Gläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, die nicht nur aus der bloßen Inhaberschaft

§ 7
Taxation

(1) *Withholding Taxes and Additional Amounts*. All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or in or for the account of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If the Issuer is required by law to make such withholding or deduction on payments of interest (but not in respect of the payment of any principal in respect of the Notes), the Issuer shall (subject to § 3(8)) pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts which would otherwise have been receivable by the Holders in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties:

(a) which are to be withheld or deducted by reason of the relevant Holder having some connection with the Issuer's country of

der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder

(b) deren Einbehalt oder Abzug ein Gläubiger durch Vorlage eines Formulars oder einer Bescheinigung und/oder durch Abgabe einer Nichtansässigkeitserklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können, aber nicht vermieden hat; oder

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Verständigung oder dieses Abkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

(d) im Falle einer Kombination der vorgenannten Varianten.

(2) *FATCA*. Die Verpflichtung der Emittentin zur Zahlung von Zusätzlichen Beträgen findet keine Anwendung auf Steuern oder Abgaben, die nur zu zahlen sind auf Grund einer Nichteinhaltung von Anforderungen durch den Gläubiger oder den wirtschaftlichen Eigentümer (oder ein Finanzinstitut, durch das der Gläubiger oder der wirtschaftliche Eigentümer die Schuldverschreibungen hält oder durch die eine Zahlung auf die Schuldverschreibungen zu leisten ist) in Bezug auf eine Zertifizierung, Information, Identifikation, Dokumentation oder andere Mitteilungen (einschließlich dem Abschluss und der Einhaltung von Vereinbarungen mit dem U.S. Internal Revenue Service) gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der am Tag der Ausgabe der Schuldverschreibungen geltenden Fassung oder gemäß geänderter oder nachfolgender Bestimmungen, soweit diese geänderten oder nachfolgenden Bestimmungen nicht wesentlich beschwerlicher sind als die Bestimmungen der am Tag der Ausgabe geltenden Fassung) oder gemäß zwischenstaatlicher Abkommen zwischen den Vereinigten Staaten und einem anderen Staat zur Umsetzung der Anforderungen aus diesen Normen.

§ 8
Vorlegungsfrist

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

domicile for tax purposes other than the mere holding of that Note; or

(b) the withholding or deduction of which a Holder would be able to avoid by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or

(c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, such Directive, Regulation, treaty, agreement or understanding; or

(d) in case of a combination of the aforementioned variations.

(2) *FATCA*. The obligation of the Issuer to pay Additional Amounts shall not apply to any taxes or duties that would not have been imposed but for a failure by the Holder or beneficial owner (or any financial institution through which the Holder or beneficial owner holds any Note or through which payment on the Note is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the U.S. Internal Revenue Service) imposed pursuant to, or under an intergovernmental agreement entered into between the United States and the government of another country in order to implement the requirements of, Sections 1471 through 1474 of the U.S. Internal Revenue Code as in effect on the issue date of the Notes or any successor or amended version of these provisions, to the extent such successor or amended version is not materially more onerous than these provisions as enacted on such date.

§ 8
Presentation Period

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

§ 9
Änderung der Anleihebedingungen, Gemeinsamer Vertreter

(1) *Änderung der Anleihebedingungen*. Die Gläubiger können vorbehaltlich der Einhaltung der aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Instrumente des zusätzlichen Kernkapitals und der Zustimmung der Zuständigen Aufsichtsbehörde entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz* – "**SchVG**") durch einen Beschluss mit der in § 9(2) bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand eine Änderung der Anleihebedingungen mit der Emittentin vereinbaren. Die Emittentin wird die Zuständige Aufsichtsbehörde vor Durchführung der Abstimmung von den zur Abstimmung vorzulegenden Änderungen der Anleihebedingungen unterrichten. *Zur Klarstellung*: Die Anleihebedingungen können nicht ohne Zustimmung der Emittentin geändert werden.

Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse*. Die Gläubiger entscheiden mit einer Mehrheit von 75 % der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand des § 5 Absatz 3, Nr. 1 bis 9 SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Beschlussfassung*. Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.

(4) *Gläubigerversammlung*. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank (wie in § 13(3) definiert) gemäß § 13(3)(a)(i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich)

§ 9
Amendments to the Terms and Conditions, Holders' Representative

(1) *Amendment to the Terms and Conditions*. In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"), the Holders may, subject to compliance with the requirements of regulatory law for the recognition of the Notes as AT 1-Instruments and the permission of the Competent Supervisory Authority, agree with the Issuer on amendments to the Terms and Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in § 9(2). The Issuer will notify the Competent Supervisory Authority of changes to the Terms and Conditions to be submitted for voting prior to the voting. *For the avoidance of doubt*: The Terms and Conditions may not be amended without the consent of the Issuer.

Majority resolutions shall be binding on all Holders. A majority resolution which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority*. Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments to the Terms and Conditions which are not material and which do not relate to the matters listed in § 5(3) nos. 1 to 9 SchVG require a simple majority of the votes cast.

(3) *Passing of Resolutions*. The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 *et seqq.* of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 *et seqq.* of the SchVG.

(4) *Meeting*. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian (as defined in § 13(3)) in accordance with § 13(3)(a)(i) and (ii) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) *Abstimmung ohne Versammlung*. Zusammen mit der Stimmabgabe müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 13(3)(a)(i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

(6) *Zweite Versammlung*. Wird für die Gläubigerversammlung gemäß § 9(4) oder die Abstimmung ohne Versammlung gemäß § 9(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Für die Anmeldung der Gläubiger zu einer zweiten Versammlung gilt § 9(4) Satz 3 entsprechend.

(7) *Stimmrecht*. An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil. Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmen gehalten werden.

(8) *Gemeinsamer Vertreter*. Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen (der "**gemeinsame Vertreter**"). Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn, der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

(5) *Vote Without a Meeting*. Together with casting their votes, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 13(3)(a)(i) and (ii) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.

(6) *Second Meeting*. If it is ascertained that no quorum exists for the meeting pursuant to § 9(4) or the vote without a meeting pursuant to § 9(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15(3) sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in § 9(4) sentence 3 shall apply *mutatis mutandis* to the Holders' registration for a second meeting.

(7) *Voting Rights*. Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. The voting right is suspended as long as the Notes of the Issuer or an affiliate (within the meaning of § 271(2) German Commercial Code (*HGB*)) or are held for the account of the Issuer or an affiliate.

(8) *Holders' Representative*. The Holders may by majority resolution appoint a common representative to exercise the Holders' rights on behalf of each Holder ("**Holders' Representative**"). The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.

§ 10
Begebung weiterer Schuldverschreibungen, Rückkauf und Entwertung

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

(2) *Rückkauf*. Nur wenn die Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) erfüllt sind, ist die Emittentin berechtigt, Schuldverschreibungen (vorbehaltlich der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde) zurückzukaufen.

Wenn ein Auslöseereignis eingetreten ist, darf die Emittentin keine Schuldverschreibungen nach diesem § 10(2) zurückkaufen, solange die hieraus folgende Herabschreibung noch nicht erfolgt ist.

Zur Klarstellung: Die Nichterteilung der Zustimmung durch die Zuständige Aufsichtsbehörde zu einem Rückkauf nach § 10(2) berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keine Pflichtverletzung der Emittentin dar.

Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

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

§ 10
Further Issues, Repurchases and Cancellation

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

(2) *Repurchases*. Only if the conditions to redemption and repurchase pursuant to § 5(6) are met, the Issuer may (with prior permission of the Competent Supervisory Authority) repurchase Notes.

If a Trigger Event has occurred, the Issuer may not repurchase any Notes pursuant to this § 10(2) if and so long as the write-down resulting thereof has not been effected.

For the avoidance of doubt: Any refusal of the Competent Supervisory Authority to grant permission for a repurchase pursuant to § 10(2) shall not entitle the Holders to call the Notes for redemption and shall not constitute a default by the Issuer.

Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 11
Mitteilungen

(1) *Veröffentlichungen auf der Internet-Seite der Luxemburger Wertpapierbörse*.

(a) Alle Mitteilungen, die die Schuldverschreibungen betreffen, außer den in § 9 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, werden vorbehaltlich des nachstehenden § 11(1)(b) auf der Internetseite der Luxemburger Wertpapierbörse (derzeit www.luxse.com) veröffentlicht, solange die Schuldverschreibungen zum Handel an der Luxemburger Wertpapierbörse zugelassen sind und die Regeln der Luxemburger Wertpapierbörse dies vorsehen. Jede solche Mitteilung gilt am Tag ihrer Veröffentlichung (oder falls sie mehr als einmal veröffentlicht

§ 11
Notices

(1) *Publications on the Website of the Luxembourg Stock Exchange*.

(a) Subject to § 11(1)(b) below, for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, all notices concerning the Notes, other than any notices stipulated in § 9 which shall be made exclusively pursuant to the provisions of the SchVG, shall be published on the website of the Luxembourg Stock Exchange (currently www.luxse.com). Any such notice so given will be deemed to have been validly given on the day of its publication (or, if published more than once, on the day of the first such publication).

wird, am Tag der ersten Veröffentlichung) als wirksam erfolgt.

(b) Soweit die Regeln der Luxemburger Wertpapierbörse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 11(1)(a) durch eine Mitteilung nach § 11(2) ersetzen.

(2) *Mitteilungen an das Clearing System*. Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung seitens des Clearing Systems an die Gläubiger übermitteln.

(3) *Bekanntmachungen im Bundesanzeiger*. Wenn eine die Schuldverschreibungen betreffende Mitteilung nach anwendbarem Recht im Bundesanzeiger bekanntzumachen ist, erfolgt zusätzlich die Veröffentlichung der betreffenden Mitteilung durch die Emittentin im Bundesanzeiger. Die Veröffentlichung einer solchen Mitteilung im Bundesanzeiger berührt nicht die Wirksamkeit einer Mitteilung gemäß § 11(1) und (2).

(b) To the extent the rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice in accordance with § 11(2) instead of publication pursuant § 11(1)(a).

(2) *Notification to Clearing System*. The Issuer will deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders.

(3) *Notices in the German Federal Gazette (Bundesanzeiger)*. If the publication of any notice concerning the Notes is required to be made by applicable law in the German Federal Gazette (*Bundesanzeiger*), the relevant notice shall also be published by the Issuer in the German Federal Gazette (*Bundesanzeiger*). The publication of any such notice in the German Federal Gazette (*Bundesanzeiger*) shall be without prejudice to the efficacy of any notice made in accordance with § 11(1) and (2).

§ 12
Zusätzliches Kernkapital

Zweck der Begebung der Schuldverschreibungen ist die Aufnahme von bankaufsichtsrechtlichen Eigenmitteln in Form von zusätzlichem Kernkapital für die Emittentin auf Einzelinstitutsbasis und für das zur Einhaltung der Aufsichtsanforderungen auf (teil-)konsolidierter Basis verpflichtete Unternehmen (wie in § 2(3) definiert) auf (teil-)konsolidierter Basis; das zusätzliche Kernkapital wird auf unbestimmte Zeit überlassen.

§ 12
Additional Tier 1 Capital

The purpose of the issuance of the Notes is to raise bank regulatory own funds in the form of additional tier 1 capital for the Issuer on an individual basis and for the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (as defined in § 2(3)) on a (sub-)consolidated basis; such additional tier 1 capital is provided for an indefinite period of time.

§ 13
Anwendbares Recht und Gerichtsstand

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

(2) *Gerichtsstand*. Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG, ist das Landgericht Frankfurt am Main, Bundesrepublik Deutschland, nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**").

(3) *Gerichtliche Geltendmachung*. Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (a) indem er eine Bescheinigung der Depotbank (wie nachfolgend definiert) beibringt, bei der er für die

§ 13
Applicable Law and Place of Jurisdiction

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

(2) *Place of Jurisdiction*. Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the regional court (*Landgericht*) Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

(3) *Enforcement*. Any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (a) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (i) stating the full name and address of the Holder, (ii) specifying the

Schuldverschreibungen ein Wertpapierdepot unterhält, welche (i) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (ii) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (iii) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter Ziffern (i) und (ii) bezeichneten Informationen enthält; und (b) indem er eine Kopie der Globalurkunde vorlegt, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der Globalurkunde in einem solchen Verfahren erforderlich wäre.

aggregate nominal amount of Notes credited to such securities account on the date of such statement and (iii) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to clauses (i) and (ii) and (b) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note.

"**Depotbank**" bezeichnet jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land der Rechtsstreitigkeit prozessual zulässig ist.

"**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect or enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

§ 14
Sprache

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

§ 14
Language

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is non-binding.

INFORMATION ON AAREAL BANK AS ISSUER

Statutory Auditors

The consolidated financial statements of Aareal Bank AG as at and for the fiscal year ended 31 December 2022 and as at and for the fiscal year ended 31 December 2023 have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, THE SQUAIRE / Am Flughafen, 60549 Frankfurt am Main, Germany ("**KPMG**").

KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Federal Republic of Germany.

Information about Aareal Bank AG

General Information

The legal name of the Issuer is Aareal Bank AG.

The Issuer is registered with the German Commercial Register (*Handelsregister*) of the district court (*Amtsgericht*) in Wiesbaden under HRB 13184.

The Legal Entity Identifier of the Issuer is EZKODONU5TYHW4PP1R34.

The address of the registered office is as follows:

Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden
Germany

The Issuer is a stock corporation governed by German law. It is incorporated for an unlimited period of time.

According to Section 2 (1) of its Articles of Association, the object of Aareal Bank is to conduct, *inter alia*, banking business (with the exception of investment fund business), render financial and other services and to promote international business relationships. Furthermore, Aareal Bank is allowed to issue mortgage Pfandbriefe (*Hypothekenpfandbriefe*) in accordance with § 1(1) sentence 2 no. 1 of the German Pfandbrief Act as amended from time to time (*Pfandbriefgesetz*, "**PfandBG**") and or public sector Pfandbriefe (*Öffentliche Pfandbriefe*) in accordance with § 1(1) sentence 2 no. 2 of the PfandBG. Aareal Bank may pursue its object either through its own operations or by participating in other companies. It may perform all measures and activities which relate to the object of the undertaking or which are appropriate to further such object. Aareal Bank may provide services of any kind, may set up domestic and foreign branches, and may establish, purchase all of or acquire an interest in other undertakings, in particular those, whose objects of business cover all or part of the aforementioned business fields. Aareal Bank may change the structure of undertakings in which it has an interest, may combine such undertakings under common management or limit its activities administering such undertakings and may dispose of its interests in such undertakings. It may transfer all or part of its operations to enterprises in which it has a participatory interest.

Aareal Bank is, like other German banks, subject to the KWG announced on 9 September 1998 (as amended from time to time).

The fiscal year of Aareal Bank is the calendar year.

History and Development of Aareal Bank AG

Aareal Bank's predecessor was established by notarial deed on 20 July 1923 as "Deutsche Wohnstätten Bank Aktiengesellschaft" and entered in the commercial register at the District Court of Berlin-Charlottenburg under number HRB 3975 on 20 October 1923. In 1926, the Issuer was renamed into "Deutsche Bau- und Bodenbank AG".

In 1979, Deutsche Pfandbriefanstalt (its predecessor Preußische Landespfandbriefanstalt having been one of the funding shareholders of Deutsche Wohnstätten Bank Aktiengesellschaft) acquired a majority interest in Deutsche Bau- und Bodenbank AG. At the end of 1989/beginning of 1990, "Deutsche Pfandbriefanstalt" was transformed into a joint stock corporation under German law (*Aktiengesellschaft*), and its name was changed to "Deutsche Pfandbrief- und Hypothekenbank AG".

In 1998/1999, Deutsche Pfandbrief- and Hypothekenbank AG changed its name once again to "DePfa Deutsche Pfandbriefbank AG". As part of the Group restructuring at that time, the entire operational property activities were transferred to Deutsche Bau- and Bodenbank AG which later became "DePfa Bank AG" (and today, "Aareal Bank AG"). The activities in property and public sector financing were expanded steadily, and increasingly grew into independent business units within the DePfa Group.

At the Extraordinary Shareholders' Meeting in October 2001, DePfa Deutsche Pfandbriefbank AG shareholders voted, by a majority of 99.95 per cent. of the issued share capital represented at the meeting, in favour of the proposed split of the DePfa Group into two independently listed banks, which would specialise in public sector finance and property activities, respectively.

Since 22 January 2002, Aareal Bank AG operates under the commercial name "Aareal Bank".

Since 3 March 2006, Aareal Bank holds a licence to issue Pfandbriefe.

Business Overview

Principal Activities

Aareal Bank, headquartered in Wiesbaden, Germany, is the parent company of the Group. Aareal Bank Group's strategy focuses on sustainable business success.

The strategic business segments of Aareal Bank Group are organised in two business segments: Structured Property Financing and Banking & Digital Solutions. In the Structured Property Financing segment, Aareal Bank Group facilitates property investments for its domestic and international clients. In its Banking & Digital Solutions segment, the Aareal Bank Group offers services for clients in the housing and commercial property industries as well as for the energy and waste disposal markets.

Structured Property Financing

In the Structured Property Financing segment, Aareal Bank Group supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments, and Aareal Bank Group's clients include institutional investors, private equity firms, family offices, financial institutions, private individuals, listed property companies, pension funds and sector-specific investors.

Combined teams comprising market and sector experts at offices on three continents (Europe, North America and the Asia/Pacific) and specialists in the hotel, logistics and shopping centre sectors. By combining local market expertise with sector-specific know-how from the Aareal Bank Group's head office, Aareal Bank Group is able to offer financing concepts that meet the special requirements of its domestic and international clients, as well as conclude structured portfolio and cross-border financings.

In addition to the sector specialists in Wiesbaden, Aareal Bank Group's network continues to comprise branch offices in Paris, Rome, London, Stockholm and Warsaw. Aareal Bank also has a branch office in Dublin, where it exclusively conducts Treasury business and holds securities. Aareal Bank Group's activities on the North American market are carried out through the subsidiary Aareal Capital Corporation, operating from New York City. The Singapore subsidiary Aareal Bank Asia Limited conducts the sales activities in the Asia/Pacific region.

Banking & Digital Solutions

In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner, combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Aareal Bank Group also offers comprehensive solutions for tenancy bond management, cross-sectoral management as well as for the optimisation of payment processes and subsequent processing procedures.

First Financial Software GmbH as a "joint venture" of Aareal Bank AG and Aareon AG bundles special competencies in the area of payment software solutions for the property industry and related industries, in particular by providing the BK01 software for the automated settlement of mass payments in the German property industry. The procedure is integrated in licenced enterprise resource planning (ERP) systems. In conjunction with payment transactions processed via Aareal Bank's account systems (BK@1), deposits are generated that contribute significantly to Aareal Bank Group's funding base. In addition, the Banking & Digital Solutions segment comprises the subsidiaries collect.AI and plusForta.

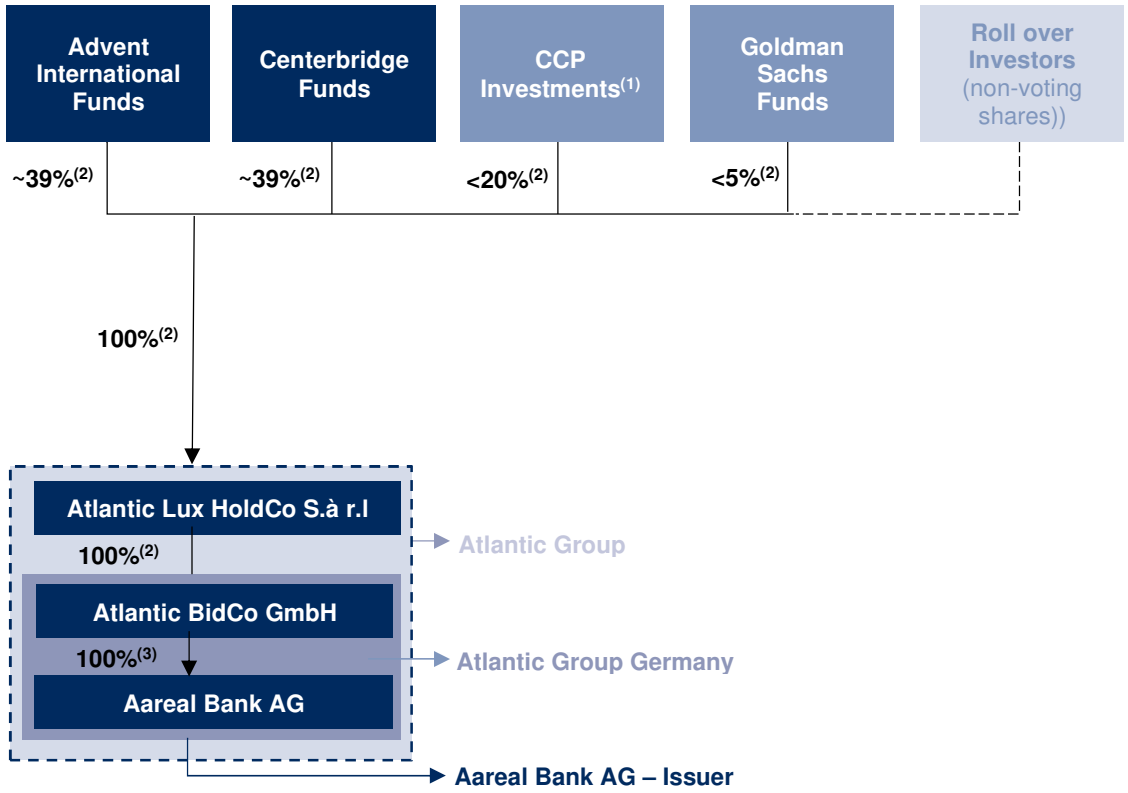
Principal Markets

Aareal Bank has an active presence in Europe, North America and Asia/Pacific, providing property financing solutions on three continents.

Systematic regional diversification is a key factor for a well-balanced international portfolio. In this context, sector-specific criteria are just as relevant as the economic and business environment.

Organisational Structure

Aareal Bank is part of the Atlantic Group, consisting of Atlantic BidCo GmbH ("**Atlantic BidCo**"), which holds all shares in Aareal Bank, Atlantic Lux HoldCo S.à.r.l., which holds all shares in Atlantic BidCo GmbH and Aareal Bank's relevant subsidiaries (the "**Atlantic Group**"). Atlantic Group is a financial holding group pursuant to § 10a(2) of the German Banking Act (*Kreditwesengesetz*). The operative business conducted by Aareal Bank comprises the following two business segments Structured Property Financing and Banking & Digital Solutions.



(1) CPP Investment Board Europe S.à r.l, a wholly owned subdiary of Canada Pension Plan Investment Board
(2) Voting rights Indirect holding of participation in Atlantic Lux HoldCo S.à r.l
(3) Please refer to https://www.aareal-bank.com/en/about-us/corporate-governance/share-voting-rights-disclosures for more information

In addition to its operative business, Aareal Bank is designated as superordinated undertaking of Atlantic Group and therefore is responsible for the management of the business of Atlantic Group at group level and for ensuring that Atlantic Group complies with applicable prudential requirements on a consolidated basis. This includes, but is not limited to, risk management, financial controlling, reporting and tax accounting, treasury, compliance and corporate communications.

Atlantic BidCo Takeover Offer

Atlantic BidCo, a company indirectly held by funds controlled, managed or advised by Advent International Corporation, Centerbridge Partners as well as CPP Investment Board Europe S.à.r.l., a wholly-owned subsidiary of Canada Pension Plan Investment Board and other minority shareholders, has, as a result of the completion of a voluntary public takeover offer become the sole shareholder in Aareal Bank.

Subsequently to the completion of a public delisting tender offer ended in November 2023, Atlantic BidCo has submitted a demand, pursuant to § 327a(1) of the German Stock Corporation Act (*Aktiengesetz*), that the general meeting adopts a resolution to transfer all shares held by the remaining minority shareholders to Atlantic BidCo against payment of an appropriate cash compensation (squeeze-out under German Stock Corporation Act). On 3 May 2024, the general meeting of Aareal Bank adopted a resolution pursuant to the transfer of shares held by minority shareholders of Aareal Bank to Atlantic BidCo against payment of an appropriate cash compensation pursuant to §§ 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*). The resolution was entered in the German commercial register (*Handelsregister*) on 25 October 2024 and thus took legal effect as of the same day.

The cooperation between Aareal Bank Group and Atlantic BidCo is based on an investment agreement concluded in 2022. According to the agreement, Atlantic BidCo commits to supporting Aareal Bank's strategic ambitions to strengthen its position as a leading international provider of property financings, as well as of software, digital solutions and payments services.

Administrative, Management and Supervisory Bodies

Overview

The Issuer's governing bodies are the management board (*Vorstand*) ("**Management Board**") and the supervisory board (*Aufsichtsrat*) ("**Supervisory Board**"). The powers vested in these bodies are governed by the German Stock Corporation Act (*AktG*), the German Banking Act (*Kreditwesengesetz*), the articles of association (*Satzung*) ("**Articles of Association**"), and the respective by-laws (*Geschäftsordnungen*) of the Management Board and of the Supervisory Board.

The members of the Management and Supervisory Boards can be reached at Aareal Bank's business address. The business address of Aareal Bank is as follows:

Aareal Bank AG
Paulinenstrasse 15
65189 Wiesbaden
Germany

Management Board

The Supervisory Board determines the number of members of the Management Board, which must comprise at least two members in accordance with the Articles of Association. It may designate one member as the chairman or speaker of the Management Board. Substitute Management Board members may be appointed.

Management Board members are appointed by the Supervisory Board for a maximum term of five years. Reappointments are permissible for an additional term up to five years.

In accordance with the Articles of Association, Aareal Bank is represented by two members of the Management Board acting jointly or by one Management Board member acting jointly with a commercial attorney in fact (*Prokurist*).

The Management Board currently comprises the following members:

Name:	**Significant Principal Activities outside Aareal Bank AG:**
Dr. Christian Ricken, Chairman of the Management Board	
Vereinigung Baden-Württembergische Wertpapierbörse e.V.	Chairman of the Executive Committee
EUWAX AG	Chairman of the Supervisory Board
Andrew (Andy) Halford, Member of the Management Board	
Government Investments UK	Non-executive director
Nina Babic, Member of the Management Board	
Aareal Capital Corporation	Member of the Board of Directors
HypZert GmbH	Deputy Chairwoman of the Supervisory Board
Christof Winkelmann, Member of the Management Board	
Aareal Bank Asia Limited	Director of the Board of Directors
Aareal Capital Corporation	Chairman of the Board of Directors

Supervisory Board

The Supervisory Board of the Issuer comprises 12 members. According to a co-determination agreement concluded between the Issuer and a special negotiation body elected by its employees according to the Act on employee co-determination at cross-border mergers in the EU *(Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung*), eight members are elected by the shareholders and four members are elected by the employees.

Members of the Supervisory Board are appointed for a term of office not exceeding the period until the end of the next General Shareholders' Meeting that resolves on the formal approval of their actions for the fourth fiscal year following the commencement of their term of office. The financial year in which the term of office begins is not included.

The members of the Supervisory Board are currently as follows:

Name:	**Significant Principal Activities outside Aareal Bank AG:**
Jean Pierre Mustier, Chairman of the Supervisory Board	
Former Chief Executive Officer, UniCredit S.p.A.	
Atos SE	Member of the Board of Directors (*Conseil d'administration*)
Atos SE	Chief Executive Officer
Banking Circle Group	Member of the Advisory Board
Revaia SAS	Member of the Supervisory Board
Unigestion Holding SA	Member of the Board of Directors
Barbara Antonia Knoflach, Deputy Chairwoman of the Supervisory Board	
Former Global Head, BNP Paribas Real Estate Investment Management (REIM) and Deputy CEO, BNP Paribas Real Estate S.A.	
Landmarken AG	Member of the Supervisory Board
Swiss Prime Site AG	Member of the Board of Directors (*Verwaltungsrat*)
CTP N.V.	Chairwoman of the Board of Directors
Lendlease Corporation Limited	Member of the Board of Directors
Hans-Hermann Lotter, Deputy Chairman of the Supervisory Board	
Self-employed consultant for private equity investments, mergers, takeovers and restructuring as well as Managing Director of Atlantic BidCo GmbH	
Hermes Germany GmbH	Member of the Supervisory Board
TK Elevator GmbH (subsidiary of Vertical Topco S.à r.l.)	Chairman of the Supervisory Board
Vertical Topco S.à r.l.	Member of the Board of Directors (*Verwaltungsrat*)
Klaus Novatius(*), Deputy Chairman of the Supervisory Board	
Aareal Bank AG	
No significant principal activities outside Aareal Bank	
Nicole Schäfer(*)	
Aareal Bank AG	
No significant principal activities outside Aareal Bank	

Name:	Significant Principal Activities outside Aareal Bank AG:
Henning Giesecke	
Former Chief Risk Officer, UniCredit S.p.A. and UniCredit Bank AG	
Erste Abwicklungsanstalt AöR	Member of the Board of Directors (*Verwaltungsrat*)
Airbus Bank GmbH	Member of the Supervisory Board
Denis Hall	
Former Chief Risk Officer, Global Consumer Banking, GE Capital EMEA	
Auxmoney Europe Holding Ltd.	Member of the Board of Directors
Moneta Money Bank A.S.	Member of the Supervisory Board
Skipton Building Society	Member of the Board of Directors
Petra Heinemann-Specht(*)	
Aareal Bank AG	
No significant principal activities outside Aareal Bank	
Markus Zywitza(*)	
Aareal Bank AG	
No significant principal activities outside Aareal Bank	
Marika Lulay	
Former Chief Executive Officer and Executive Director, GFT Technologies SE	
EnBW AG	Member of the Supervisory Board
Frankfurter Allgemeine Zeitung GmbH	Member of the Supervisory Board
Maximilian Rinke	
Senior Managing Director, Centerbridge Partners Europe LLP	
Auxmoney Europe Holding Ltd.	Member of the Board of Directors
José Sevilla Álvarez	
Former Chief Executive Officer, Bankia S.A.	
Unicaja Banco S.A.	Chairman of the Board of Directors

(*) Elected by the employees of Aareal Bank.

Conflicts of Interest

Mr Lotter, Mr Rinke and Ms Lulay are subject to a conflict of interest within the meaning of recommendation E.1 of the German Corporate Governance Code: Mr Lotter is a Managing Director of Atlantic BidCo GmbH, which holds all shares of Aareal Bank upon closing of the squeeze-out resolved by Annual General Meeting on 3 May 2024 and Mr Rinke is a Senior Managing Director of Centerbridge Partners Europe LLP, which has a direct interest in Atlantic Lux HoldCo S.à r.l. and an indirect interest in Atlantic BidCo GmbH. With regard to Ms Lulay, Chief Executive Officer of GFT Technologies SE, there exists a business relationship between Aareal Bank and GFT Technologies SE. Ms Knoflach and Mr Giesecke are only subject to a potential conflict of interest. In the event of a resolution in Aareal Bank's Supervisory Board that concerns an actual conflict of interest, the Supervisory Board members in question

will abstain from the discussion the matter and passing a resolution. The Issuer is not aware of any other actual or potential conflicts of interest between any duties of the Management and Supervisory Board members to the Issuer and their private interests and or other duties as at the date of this Prospectus.

Supervisory Authorities

As of 4 November 2014, the European Central Bank ("**ECB**") has become the Issuer's competent supervisory authority in relation to the tasks referred to in Article 4 para. 1 of 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. Such tasks comprise, inter alia, supervision of compliance with applicable rules for own funds requirements, large exposure limits, liquidity, leverage, robust governance arrangements, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment as well as the responsibility to grant approvals in relation to acquisitions, asset sales, transformation of companies and related matters. Further, from 4 November 2014 the ECB has become responsible for conducting the stress tests of the Issuer. BaFin only remains responsible for the supervision in relation to topics not explicitly conferred to ECB, e.g. supervision on issues related to the German Pfandbrief Act.

In addition, the ECB requires certain credit institutions, including the Issuer, to hold minimum reserves on accounts maintained with their respective National Central Banks, which, in the case of Aareal Bank, are held by the Deutsche Bundesbank. These minimum reserves must equal a certain percentage of the credit institutions' liabilities resulting from certain deposits, plus the issuance of bonds.

Share Capital

Aareal Bank's current share capital amounts to Euro 179,571,663 – divided into 59,857,221 no-par value registered shares (*auf den Namen lautende Stückaktien*). Each share carries one vote. There are no pre-emptive rights or constraints with respect to dividend payouts.

Sole Shareholder

Atlantic BidCo owns 100.00 per cent. of the share capital and the voting rights of Aareal Bank. To the Issuer's knowledge, Atlantic BidCo is indirectly held by funds controlled, managed or advised by Advent International Corporation (approximately 39 per cent. voting), Centerbridge Partners (approximately 39 per cent. voting) as well as CPP Investment Board Europe S.à.r.l., a wholly-owned subsidiary of Canada Pension Plan Investment Board (less than 20 per cent. voting) and other minority shareholders.

Financial Information concerning Aareal Bank Group's Assets and Liabilities, Financial Liabilities, Financial Position and Profits and Losses

The required financial information of Aareal Bank Group is incorporated by reference into this Prospectus as set out under "*INCORPORATION BY REFERENCE*" below:

- The unaudited consolidated interim financial information as at and for the nine months ended 30 September 2024 of Aareal Bank were prepared in accordance with the International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union ("**EU**"), whereby such unaudited consolidated financial information does not qualify as an interim report in terms of IAS 34 (International Accounting Standards).
- The consolidated financial statements of Aareal Bank AG as at and for the fiscal year ended 31 December 2022 and as at and for the fiscal year ended 31 December 2023 were prepared in accordance with IFRS as adopted by the EU.
- The unconsolidated financial statements of Aareal Bank AG as at and for the fiscal year ended 31 December 2023 were prepared in accordance with the applicable provisions of German commercial law.

The date of the latest published audited financial information for Aareal Bank Group and Aareal Bank AG is 31 December 2023.

Description of the expected financing of the Issuer's activities

Aareal Bank is an active issuer of Pfandbriefe, which account for a major share of its long-term funding. To cater to a broad investor base, Aareal Bank uses a wide range of other refinancing tools, including senior preferred and senior non-preferred bonds, as well as promissory notes and registered bonds. Depending on market conditions, Aareal Bank places large-sized public issues or private placements. In the Banking & Digital Solutions segment Aareal Bank also generates deposits from the housing industry. In addition, Aareal Bank raises deposits from retail clients via the Raisin platform. Both types of deposit business represent a strategically important additional source of funding. Furthermore, Aareal Bank generates funding via institutional money market investor deposits and its European Commercial Paper Programme.

Trend Information

There has been no material adverse change in the prospects of Aareal Bank AG since 31 December 2023, the date of its last published audited financial statements, noting that significant uncertainties with respect to geopolitics and risks relating to monetary policy tightening exist as described in "*Risks specific for Structured Property Financing, including risks relating to geopolitics and to monetary policy tightening*".

There has been no significant change in the financial position or financial performance of Aareal Bank Group since 30 September 2024, noting that significant uncertainties with respect to geopolitics and risks relating to monetary policy tightening exist as described in "*Risks specific for Structured Property Financing, including risks relating to geopolitics and to monetary policy tightening*".

Rating of the Issuer

The following credit ratings have been assigned by rating agencies to Aareal Bank[3]:

Ratings by Fitch

Fitch Ratings Ireland Limited ("**Fitch**")[4] has assigned a Long-Term Issuer Default Rating ("**IDR**") of BBB and a Short-Term Issuer Default Rating (IDR) of F2 to Aareal Bank.

The stable rating outlook on the IDR reflects Fitch's expectation that Aareal Bank's pre-impairment operating profit will continue to provide a sufficient buffer for higher loan impairment charges in the coming quarters, which should allow Aareal Bank to generate adequate operating profitability. It also incorporates Fitch's view that Aareal Bank's funding and liquidity, which benefits from a stable deposit base and Aareal Bank's established role as a Pfandbrief issuer, remains sound.

Fitch's Long-Term Issuer Default Ratings (IDR) rating scale ranges from "AAA" (highest credit quality, lowest expectation of default risk) over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "RD" to category "D" (default, indicate an issuer that in Fitch's opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business). A plus ("+") or minus ("–") sign may be appended to a rating to denote the relative status within major rating categories. Such suffixes are not added to the "AAA" category or to categories below the "CCC" category. "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

Fitch short-term IDR rating scales ranges from F1 (highest short-term credit quality, indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature) over categories "F2" (good short-term credit quality; good intrinsic capacity for timely payment of financial commitments), "F3", "B", "C" to category "D" (default, indicates a broad-based default event for an entity, or the default of a short-term obligation).

Ratings by Moody's

Moody's Deutschland GmbH ("**Moody's**")[5] has assigned a Long-term Issuer Rating of Baa1 and a Short-term Issuer Rating of P-2 to Aareal Bank.

The negative outlook on the issuer rating reflects Moody's expectation that the weak economic environment for commercial real estate exposures will likely require Aareal Bank to take additional provisions, that will continue to drag on its profitability.

Moody's Global Long-Term Rating Scale ranges from "Aaa" (judged to be of the highest quality, subject to the lowest level of credit risk) over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C" (obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest). Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk.

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[3] A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The European Securities and Markets Authority publishes on its website (https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

[4] Fitch is established in the European Union and is registered under the CRA Regulation.

[5] Moody's is established in the European Union and is registered under CRA Regulation.

Moody's Global Short-Term Rating Scale ranges from P-1 (issuer with a superior ability to repay short-term debt obligations) over categories "P-2", "P-3" to "NP" (issuers rated "Not Prime" do not fall within any of the Prime rating categories P-1 to P-3). An issuer rated "P-2" has a strong ability to repay short-term debt obligations.

Legal and arbitration proceedings

Due to the nature of its business Aareal Bank is involved in a number of legal proceedings in different jurisdictions. There are not nor have there been any governmental, legal or arbitration proceedings, involving Aareal Bank or any of its subsidiaries (and, so far as Aareal Bank is aware, no such proceedings are pending or threatened) which may have or have had during the twelve months prior to the date of this Prospectus a significant effect on the financial position or profitability of Aareal Bank or its subsidiaries taken as a whole.

Material Contracts

In December 2023, Aareal Bank sold a 74.9 per cent. stake in First Financial Software GmbH to Aareon. The partnership aims to create further growth potential, ensure long-term cooperation between all three organisations at the common interface of providing expertise to the housing industry, and supplement Aareal Bank's deposit-taking business. In that context, the three parties entered into a shareholders' agreement.

On 24 June 2024, Aareal Bank announced that it has, by way of a sale and purchase agreement, sold its majority shareholding in Aareon AG to Arnhem BidCo GmbH (a bidding vehicle indirectly owned by TPG Capital, CDPQ and Advent). The financial terms of the sale are based on an enterprise value for Aareon AG of approximately € 3.9 billion, valuing Aareal Bank's equity stake in Aareon AG at approximately € 2.1 billion. The closing of the afore-mentioned transaction took place on 1 October 2024. No decision has been taken in relation to the distribution of the capital gain realised by Aareal Bank in connection with the afore-mentioned transaction.

Except for the contracts mentioned in this section, neither Aareal Bank nor any of its consolidated subsidiaries have entered into, in the last two years, any contracts outside the ordinary course of business that have had or may reasonably be expected to have a material effect on their business.

Selected Financial Information

The following table presents a summary of selected financial information of the Issuer for the nine months periods ended 30 September 2024 and 30 September 2023, respectively:

Profit & Loss (in € mn[(1)])	**30 September 2024**	**30 September 2023**
	(unaudited)	
Net interest income (NII)	792	734
Net commission income (NCI)	-1	30
Administrative expenses	253	248
Others	11	20
Loss allowance (LLP) incl. FVPL	288	316
Operating profit from continuing operations	**261**	**220**
Income taxes	76	66
Consolidated net income from continuing operations	**185**	**154**
Net income from discontinued operations	**-161**	**-50**
Consolidated net income	24	104
Net income attributable to ordinary shareholders of Aareal Bank AG	**37**	**96**

(1) Except not stated expressively otherwise.

Capital Ratios and Capital Buffers

The following table presents the respective capital ratios applicable to Aareal Bank (on a sub-consolidated level as well as on the level of the consolidated situation of Atlantic BidCo GmbH and Atlantic Lux HoldCo S.à r.l, respectively):

As at 30 September 2024 (unaudited)			
Capital ratios (in percentage points)	**Aareal Bank AG (sub-consolidated)[1][2]**	**Aareal Bank AG (consolidated situation of Atlantic BidCo GmbH)**	**Aareal Bank AG (consolidated situation of Atlantic Lux HoldCo S.à r.l)**
Total Capital (TC)-ratio	25.9	22.7	22.8[3]
Tier 2-ratio	4.5	4.1	4.1
Tier 1 (T1)-ratio	21.4	18.6[3]	18.6
Additional Tier1 (AT1)-ratio	2.1	1.9	1.9
Common Equity Tier 1 (CET1)-ratio	19.3	16.6	16.7
Common Equity Tier 1 (CET1)-ratio (fully phased)	*15.2*	-	-

(1) Aareal Bank AG (sub-consolidated): Basel IV (phase in).
(2) (Pro-forma) Capital ratios Aareal Bank AG sub-consolidated based on continuing operations according to International Financial Reporting Standard 5 (IFRS 5), main differences to capital ratios for Atlantic Lux HoldCo S.à r.l and Atlantic BidCo GmbH result from considering squeeze-out effect and 9M/2024 interim results as well as from not considering effects from Aareon AG sale.
(3) Discrepancy due to rounding effects.

The following table presents the respective capital buffers applicable to Aareal Bank (on a sub-consolidated level as well as on the level of the consolidated situation of Atlantic BidCo GmbH and Atlantic Lux HoldCo S.à r.l, respectively):

As at 30 September 2024 (unaudited)			
Capital Buffer (in percentage points)	**Aareal Bank AG (sub-consolidated)[1]**	**Aareal Bank AG (consolidated situation of Atlantic BidCo GmbH)**	**Aareal Bank AG (consolidated situation of Atlantic Lux HoldCo S.à r.l)**
CET 1 Capital Buffer to Maximum Distributable Items (MDA)[1]	9.9	7.2[3]	7.2[3]
CET 1 Capital Buffer to Trigger[2]	14.2	11.5[3]	11.5[3]

(1) Minimum Requirements CET1 in each case: 9.4%.
(2) Minimum Requirements CET1 in each case: 5.125%.
(3) Discrepancy due to rounding effects.

AVAILABLE DISTRIBUTABLE ITEMS; CERTAIN REGULATORY RESTRICTIONS ON INTEREST PAYMENTS; AND COMMON EQUITY TIER 1 CAPITAL RATIO

Available Distributable Items of the Issuer

Pursuant to the Terms and Conditions, Interest Payments in respect of the Notes are entirely discretionary (i.e. interest will not accrue if the Issuer has elected, at its sole discretion, to cancel payments of interest (non-cumulative), in whole or in part, on any Interest Payment Date) and subject to the fulfilment of certain conditions.

In particular, the Notes will not bear interest, in whole or in part, on any Interest Payment Date, if and to the extent that, the competent authority orders that all or part of the relevant payment of interest be cancelled or another prohibition of Distribution is imposed by law or by authority.

Further, pursuant to § 3(8)(b)(i) of the Terms and Conditions, the payment of interest on the Notes for the relevant Interest Period shall be excluded and cancelled (without prejudice to the exercise of sole discretion of the Issuer), if and to the extent that the sum of the following amounts:

(i) the amount of the relevant scheduled payment of interest on the Notes;

(ii) the amount of any write-up of the Notes;

(iii) the total amount of any additional Relevant Distributions by the Issuer on other Tier 1-Instruments; and

(iv) the total amount of write-ups, if any, on any other Written Down AT 1-Instruments,

that are scheduled to be paid or made on the relevant Interest Payment Date and that have been paid or made in the then current financial year of the Issuer prior to the relevant Interest Payment Date, would exceed the Available Distributable Items, provided that, for such purpose, the Available Distributable Items shall be increased by (x) the amounts that have been deducted as expenses for distributions in respect of Tier 1-Instruments (including payments of interest on the Notes) in the determination of the profit on which the Available Distributable Items are based, and (y) any other amounts that may be included for the purposes of determining the amounts distributable on AT 1-Instruments under capital regulations applicable to the Issuer from time to time.

In order to determine whether the Issuer will be permitted, pursuant to the preceding sentence, to make an Interest Payment on the Notes on any Interest Payment Date, the Issuer will first determine the Available Distributable Items in accordance with the Terms and Conditions by:

- determining the net profit/loss (*Jahresüberschuss/Jahresfehlbetrag*) as of the end of the financial year of the Issuer immediately preceding the relevant Interest Payment Date on the basis of the unconsolidated financial statements of the Issuer prepared in accordance with German commercial law for the financial year of the Issuer immediately preceding the relevant Interest Payment Date;
- adding, as applicable, any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments on the basis of the unconsolidated financial statements of the Issuer prepared in accordance with German commercial law for the financial year of the Issuer immediately preceding the relevant Interest Payment Date;
- subtracting, as applicable, any losses brought forward and any profits which are non-distributable pursuant to the applicable laws of the European Union or Germany, or the Articles of Association of the Issuer and any sums placed in non-distributable reserves in accordance with the applicable laws of Germany or the Articles of Association of the Issuer;

in each case with respect to the specific category of own funds of the Notes as AT 1-Instruments to which the applicable laws of the European Union or Germany or the Articles of Associations of the Issuer relate and as determined on the basis of the unconsolidated financial statements of the Issuer prepared in accordance with German commercial law for the financial year of the Issuer immediately preceding the relevant Interest Payment Date.

The Issuer will then increase such amount by the aggregate amount of interest already accounted for as expenses in respect of Tier 1-Instruments in the unconsolidated financial statements of the Issuer for the financial year of the Issuer immediately preceding the relevant Interest Payment Date.

In addition, the determination of the Available Distributable Items (substantially the 'distributable items' as defined in Article 4(1) no. 128 CRR from time to time) shall be based on the Applicable Supervisory Regulations at the time of the determination and, accordingly, only those amounts shall be added or deducted that may be added or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1-Instruments under the Applicable Supervisory Regulations.

After determining the Available Distributable Items, the Issuer will then count against such sum every Distribution on other Tier 1-Instruments that have already been made by the Issuer in the then-current financial year. From the remaining amount the Issuer would be permitted to make an Interest Payment on the Notes, to the extent such amount exceeds distributions on other Tier 1-Instruments that are scheduled to be made on the same day or that

have been made on the relevant Interest Payment Date and the total amount of write-ups which shall be effected as of the relevant Interest Payment Date or have been effected in the then-current financial year.

The following table sets out Available Distributable Items of the Issuer (in each case as of 31 December of the relevant financial year):

Art. 4(1) no. 128 CRR	**Issuer in accordance with German Commercial Code**	**Year ended 31 December 2023 (in EUR million)**	**Year ended 31 December 2022 (in EUR million)**
(a) distributable items means the amount of the profits at the end of the last financial year	(a) Net income (*Jahresüberschuss*)	391.3	61.1
(b) plus any profits brought forward	(b) Profit carried forward from the previous year (*Gewinnvortrag aus dem Vorjahr*)	61.1	-
(c) and reserves available for that purpose	(c) Retained earnings (*Gewinnrücklagen*)	935.7	935.7
(d) before distributions to holders of own funds instruments	(d) Adjustment of interest expenses	29	21
(e) less any losses brought forward	(e) Losses brought forward (*Verlustvortrag*)	-	-
(f) profits which are non-distributable pursuant to provisions in legislation or the institution's bye-laws	(f) Non-distributable amount blocked under HGB § 268 (8) and § 253 (6)[(2)]	-492.7	-489.3
(g) and sums placed to non-distributable reserves in accordance with national law or the statutes of the institution		-	-
Increase by aggregated amount of interest expenses relating to distributions on Tier 1 Instruments		29[(1,3)]	21[(1)]
	Available Distributable Items[(1)] ≙ Amount referred to in § 3(8)(b)(i) of the Terms and Conditions as being available to cover Interest Payments on the Notes and distributions on other Tier 1-Instruments	924.4	528.5

(1) Unaudited figures for information purposes only.
(2) The Issuer takes the view that these amounts are no longer blocked under CRR II for purposes of the distributable items referring to AT 1 instruments such as the Notes under the revised Article 4(1) no. 128 CRR under the CRR II framework.
(3) Referred to as interest expense on AT 1 instruments in note 37 to the unconsolidated annual financial statements of the Issuer for the financial year ended 31 December 2023.

Certain Regulatory Restrictions on Interest Payments

Without prejudice to a cancellation of Interest Payments due to the exercise of discretion by the Issuer to that effect pursuant to § 3(8)(a) of the Terms and Conditions or insufficient Available Distributable Items pursuant to § 3(8)(b)(i) of the Terms and Conditions, Interest Payments will also be excluded if (and to the extent) the competent authority instructs the Issuer to cancel an Interest Payment or such Interest Payment is prohibited by law or administrative order on any Interest Payment Date (see § 3(8)(b)(ii) to (v) of the Terms and Conditions).

Restrictions on Interest Payments on the Notes may be imposed on the Issuer in particular in case if the Issuer and/or the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis, fails to comply with certain minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and requirements for own funds and eligible liabilities.

As of the date of this Prospectus, the Issuer is a fully owned subsidiary of Atlantic BidCo. Accordingly, the Issuer has to meet the relevant minimum requirements on a consolidated basis at the level of the Atlantic Group. Apart from holding the Issuer's shares via its subsidiary Atlantic BidCo, the Atlantic Group has no other operating business. The Atlantic Group is classified as a significant institution within the scope of the SSM and is therefore subject to direct supervision by the ECB.

The Issuer is relieved from application of regulatory requirements on a standalone basis, applying a waiver under § 2a(1) sentence 1 of the KWG in conjunction with Article 7(1) and (2) of the CRR.

The following tables provides an overview of the regulatory key metrics of Atlantic Group in accordance with Article 44 of the CRR:

	As of 30 September 2024	**Regulatory Requirement[(1)]**	**As of 31 December 2023**	**Regulatory Requirement[(2)]**
Available Own Funds (in EUR million)				
Common Equity Tier 1 (CET 1) capital	2,469		2,578	
Tier 1 (T 1) capital	2,756		2,864	
Own funds	3,363		3,112	
Risk-weighted exposure amounts (in EUR million)				
Risk-weighted exposure amounts (Risk-weighted assets, RWAs)	14,783		13,723	
Capital ratios (as percentage of risk-weighted exposure amounts)				
Common Equity Tier 1 ratio (CET 1 ratio)	16.70%	9.4%	18.78%	9.2%
Tier 1 ratio (T 1 ratio)	18.64%	11.4%	20.87%	11.3%
Total capital ratio (TC ratio)	22.75%	14.2%	22.68%	14.0%

(1) In accordance with the SREP decision dated 10 December 2024.
(2) In accordance with the SREP decision dated 30 November 2023.

Potential investors should note that the presented historical data should not be used as a guide to the future development of the relevant figure.

Common Equity Tier 1 Capital Ratio

Pursuant to the Terms and Conditions, upon the occurrence of a Trigger Event, the Current Nominal Amount of the Notes shall be automatically reduced by the amount of the relevant write-down. If and as long as the Current Nominal Amount of the Notes is below their initial Original Nominal Amount, the Issuer, subject to prior approval by the competent authority, will only be entitled to call the Notes for redemption for regulatory reasons, tax reasons or if the number of Notes outstanding has fallen to 25 per cent. or less of the number of Notes originally issued and

any repayment upon redemption of the Notes will be at the reduced Current Nominal Amount of the Notes and any accrued but unpaid interest on the Notes up to the Write-Down Effective Date will automatically be cancelled and, with effect from the Write-Down Effective Date, Interest Payments, if any, will be calculated on the basis of the reduced Current Nominal Amount of the Notes.

A Trigger Event will have occurred if the Common Equity Tier 1 Capital Ratio, determined (i) on an individual basis of the Issuer (if and as long as the Issuer, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on an individual basis); and/or (ii) on a (sub-)consolidated basis of the undertaking that is required to comply with the prudential requirements on a (sub-)consolidated basis (if and as long such undertaking, in accordance with the Applicable Supervisory Regulations or by an administrative order, is required to comply with the prudential requirements, and to determine the Common Equity Tier 1 Capital Ratio, on a (sub-)consolidated basis) falls below 5.125 per cent.

As of 30 September 2024, the Common Equity Tier 1 Capital Ratio on a consolidated basis of the Atlantic Group amounted to 16.70 per cent. (31 December 2023: 18.78 per cent.).

Potential investors should note that the presented historical data should not be used as a guide to the future development of the relevant ratio.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

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

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

Income Taxation - Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

Taxation if the Notes are held as private assets (Privatvermögen)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

Income

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. If similar Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the sale are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward to subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 19 May 2022, as amended from time to time and in accordance with case law of the German Federal Fiscal Court (*Bundesfinanzhof*), a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, as well as a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall be tax-deductible. Further, where notes are sold at a market price which is lower than the transaction costs, the resulting loss should also be tax-deductible. Similarly, if capital losses arise because no (or only *de minimis*) payments are made to the individual noteholders on the maturity or redemption date of the respective notes, such losses should also be recognised for tax purposes.

German withholding tax (Kapitalertragsteuer)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are kept or administered in a custodial account which the investor maintains with a German branch of a German or non-German credit institution (*Kreditinstitut*), financial services institution (*Finanzdienstleistungsinstitut*) or securities institution (*Wertpapierinstitut*) (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (*i.e.* prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (*e.g.* if the Notes had been transferred from a non-EU custodial account prior to the sale) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30% of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax

purposes, the German Disbursing Agent has to deduct certain negative savings income (*negative Kapitalerträge*) and paid accrued interest (*Stückzinsen*) in the same calendar year as well as certain unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) or if the savings income forms part of income from trade business, self-employment, agriculture and forestry, or letting and leasing. In such cases, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 1,000 (EUR 2,000 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

Tax assessment

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375% - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In the case of jointly assessed spouses or registered life partners the application can only be filed for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 1,000 (EUR 2,000 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

Taxation if the Notes are held as business assets (Betriebsvermögen)

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15% or income tax at a rate of up to 45%, as the case may be, (in each case plus 5.5% solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Solidarity Surcharge

The solidarity surcharge is levied for income tax purposes only if the individual income tax of the relevant taxpayer exceeds a certain threshold. In 2025, the threshold is EUR 19,950 (EUR 39,900 for jointly assessed spouses or registered life partners). Please note that the solidarity surcharge remains in place for purposes of withholding tax on savings income (*Kapitalertragsteuer*), the flat tax regime and corporate income tax irrespective of the relevant income.

Income Taxation – Non-residents

Persons who are not tax resident in Germany are generally not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax (FTT). However, it is unclear if and in what form such tax will be actually introduced.

SUBSCRIPTION AND SALE OF THE NOTES

General

Pursuant to a subscription agreement dated 20 January 2025 (the "**Subscription Agreement**"), BofA Securities Europe SA, Citigroup Global Markets Europe AG, Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE and UBS AG London Branch (the "**Joint Bookrunners**") have agreed with the Issuer, subject to certain closing conditions, to purchase the Notes on the Issue Date at the Issue Price for the aggregate nominal amount of the Notes in order to sell the Notes to investors. In return, the Issuer will pay a combined management and underwriting commission to the Joint Bookrunners. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to the issue of, and payment for, the Notes. Furthermore, the Issuer has undertaken to indemnify the Joint Bookrunners against certain liabilities in connection with the subscription and sale of the Notes.

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

There are no interests of natural and legal persons other than the Issuer's and the Joint Bookrunners' involved in the issue, including conflicting ones that are material to the issue.

No Public Offering of the Notes

No action has been taken or will be taken in any country or jurisdiction by the Issuer or the Joint Bookrunners that would permit a public offering of the Notes, or possession or distribution of offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons who have access to this Prospectus are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country and jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute any offering material, in all cases at their own expense.

Selling Restrictions

General

Each Joint Bookrunner has acknowledged that no action is taken or will be taken by the Issuer in any country or jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any country or jurisdiction where action for that purpose is required.

Each Joint Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each country and jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

European Economic Area

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of article 4 (1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of article 4 (1) of MiFID II.

United States and its Territories

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland

Prohibition of sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of article 2 of the UK Delegated Regulation; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of article 2 (1) of the UK MiFIR.

Other regulatory restrictions in the UK

Each Joint Bookrunner has represented and agreed that:

(i) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

Hong Kong

Each Joint Bookrunner has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (x) to "professional investors" as defined in the SFO and any rules made under the SFO; or (y) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Canada

Each Joint Bookrunner has acknowledged that the Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory thereof. Each Joint Bookrunner has represented and agreed that it has not offered or sold, and that it will not offer or sell, any Notes, directly or indirectly, in Canada, or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof. Each Joint Bookrunner has also agreed not to distribute this Prospectus or any other offering material relating to the Notes, in Canada.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Joint Bookrunner has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-*ter*, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by a resolutions of the Management Board dated 18 December 2024, 13 January 2025, 14 January 2025 and 15 January 2025 and by a resolution of the Supervisory Board dated 30 December 2024.

Clearing and Settlement

Payments and transfers of the Notes will be settled through Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg and Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium.

The Notes are intended upon issue to be deposited with, or on behalf of, Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg and Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium.

The Notes have been assigned securities codes as follows:

ISIN: XS2971584813;

Common Code: 297158481; and

WKN: A289M2.

The Notes are freely transferable in accordance with the rules and regulations of the relevant clearing system.

Notices to Holders

For so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, all notices to the Holders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (*www.luxse.com*).

Yield to First Reset Date

The yield of the Notes to the First Reset Date is 9.902 per cent. *per annum*. Such yield is calculated in accordance with the ICMA (International Capital Market Association) method and based on the issue price of the Notes. The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.

Expenses for admission to trading

The total expenses relating to admission to trading of the Notes are expected to amount to approximately EUR 12,200.

Listing and admission to trading

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market which is a regulated market for the purposes of MiFID II. Listing is expected to occur on 22 January 2025.

Rating

The Notes are expected to be rated BB-[6] by Fitch.

Third-Party Information

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

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[6] An obligation rated "BB-" by Fitch indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. A plus ("+") or minus ("–") sign may be appended to a rating to denote the relative status within major rating categories. Such suffixes are not added to the "AAA" category or to categories below the "CCC" category. The modifier "–" indicates relative differences of probability of default or recovery for issues.

Documents on Display

For so long as any Note is outstanding, copies and, where appropriate, English translations of the following documents may be obtained (and in the case of (ii) can be found on the website of the Luxembourg Stock Exchange at www.luxse.com) free of charge during normal business hours at the specified office of the Issuer, namely:

(i) The constitutional documents of the Issuer;

(ii) A copy of this Prospectus, any supplement thereto, if any, and any document incorporated by reference herein or therein.

INCORPORATION BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF, are incorporated by reference into this Prospectus:

English language translation from the German language unaudited consolidated interim financial information of Aareal Bank AG prepared in accordance with IFRS as at and for the nine months ended 30 September 2024 extracted from the tables of Aareal Bank Group – Interim Report as at 30 September 2024 to which the page numbers refer:

Financial Performance 4-5

Financial Position – Assets 6

Financial Position – Equity and Liabilities 7

Segment Results 8

https://www.aareal-bank.com/fileadmin/downloadlist/DAM_Content/IR/Finanzberichte/2024/20240930_zb_en.pdf

English language translation from the German language audited consolidated financial statements of Aareal Bank AG prepared in accordance with IFRS as of and for the financial year ended 31 December 2023 and Auditor's Report thereon as contained in the Annual Report for the year 2023 to which the page numbers refer:

Statement of Comprehensive Income 71-72

Statement of Financial Position 73

Statement of Changes in Equity 74

Statement of Cash Flows 75

Notes to the Consolidated Financial Statements 76-161

Independent Auditor's Report 163-171

https://www.aareal-bank.com/fileadmin/downloadlist/DAM_Content/IR/Finanzberichte/2023/20231231_gb_en.pdf

English language translation from the German language audited unconsolidated financial statements of Aareal Bank AG prepared in accordance with applicable provisions of German commercial law as of and for the financial year ended 31 December 2023 and Auditor's Report thereon as contained in the Annual Report for the year 2023 to which the page numbers refer:

Income Statement 57

Balance Sheet 58-59

Notes to the Consolidated Financial Statements 60-103

Independent Auditor's Report 104-110

https://www.aareal-bank.com/fileadmin/downloadlist/DAM_Content/IR/Finanzberichte/2023/20231231_gb_ag_en.pdf

English language translation from the German language audited consolidated financial statements of Aareal Bank AG prepared in accordance with IFRS as of and for the financial year ended 31 December 2022 and Auditor's Report thereon as contained in the Annual Report for the year 2022 to which the page numbers refer:

Statement of Comprehensive Income	90-91
Statement of Financial Position	92
Statement of Changes in Equity	93
Statement of Cash Flows	94
Notes to the Consolidated Financial Statements	95-180
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https://www.aareal-bank.com/fileadmin/downloadlist/DAM_Content/IR/Finanzberichte/2022/20221231_gb_en.pdf

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the above cross-reference list is either not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980 (as amended) or covered elsewhere in this Prospectus.

As long as any Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the regulated market of the Luxembourg Stock Exchange and any applicable laws so require the documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.luxse.com) and may be inspected and are available free of charge during normal business hours at the office of the Issuer, Paulinenstrasse 15, 65189 Wiesbaden, Federal Republic of Germany.

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Federal Republic of Germany

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Global Co-ordinator

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