



**BREMER LANDESBANK KREDITANSTALT OLDENBURG – GIROZENTRALE –
Bremen, Federal Republic of Germany**

EUR 50,200,000 Perpetual Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes of 2015

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – ("**Bremer LB**" or the "**Issuer**") will issue on 29 June 2015 (the "**Issue Date**") Perpetual Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes (the "**Notes**") in an aggregate nominal amount of EUR 50,200,000 (the "**Aggregate Nominal Amount**") at an issue price of 100.00 per cent. of their Aggregate Nominal Amount. The Notes will be issued in bearer form in denominations of EUR 100,000.

The Notes will bear interest on their Aggregate Nominal Amount from and including the Interest Commencement Date to but excluding 29 June 2020 at a fixed rate of 8.50 per cent. *per annum*. Thereafter, and unless previously redeemed, the applicable Rate of Interest (as defined in the terms and conditions of the Notes (the "**Terms and Conditions of the Notes**")) will be the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for a period of twelve months which is displayed on the Screen Page as of 11.00 a.m. (Brussels time) on the Interest Determination Date plus the Margin (all as defined in the Terms and Conditions of the Notes). Interest shall be payable annually in arrears on 29 June each year (each an "**Interest Payment Date**"), commencing on 29 June 2016.

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 maturity date. The Notes are redeemable by the Issuer at its discretion for the first time on 29 June 2020 and on any Interest Payment Date thereafter or in other limited circumstances before and after 29 June 2020 and, in each case, subject to limitations and conditions as described in the Terms and Condition of the Notes. The Redemption Amount and the nominal amount of the Notes may be reduced upon the occurrence of a Trigger Event (as defined and further described in § 5(8) of the Terms and Conditions of the Notes).

This Prospectus constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**") and the Luxembourg law relating to prospectuses for securities of 10 July 2005 (*Loi relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Prospectus Law**"), which implements the Prospectus Directive in the Grand Duchy of Luxembourg. Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of the Luxembourg Prospectus Law for its approval of the Prospectus. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the issuer.

Application has been made 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 "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange, which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, as amended (the "**Regulated Market**").

The Notes have been assigned the following securities codes: ISIN DE000BRL00A4, WKN BRL 00A.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may be offered and sold only outside the United States of America to non U.S. Persons (as such term is defined in Regulation S) in Offshore Transactions in reliance on Regulation S under the Securities Act.

This Prospectus and any documents incorporated by reference herein or therein will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.bremerlandesbank.de).

Investing in the Notes involves certain risks. For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Structuring Advisor and Lead Manager
Bankhaus Lampe KG

The date of this Prospectus is 24 June 2015.

RESPONSIBILITY STATEMENT

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – with its registered office in Bremen is solely responsible for the information given in this Prospectus.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

This Prospectus should be read and understood in conjunction with any other documents incorporated herein by reference.

The Issuer has confirmed to the lead manager set forth on the cover page (the "**Manager**" or the "**Lead Manager**") that this Prospectus contains all information with respect to the Issuer and the Notes which is material in the context of the issue and offering of the Notes, the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and not misleading, the opinions and intentions expressed therein with respect to the Issuer and the Notes are honestly held, there are no other facts with respect to the Issuer or the Notes the omission of which would make the Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Manager. The Manager has not independently verified the Prospectus and does not assume any responsibility for the accuracy of the information and statements contained in this Prospectus and no representations expressed or implied are made by the Manager or its affiliates as to the accuracy and completeness of the information and statements herein. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial situation of the Issuer since the date of this Prospectus, or that the information herein is correct at any time since the date of this Prospectus.

Neither the Manager 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 makes any representation or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. The Manager has not independently verified any such information and accepts 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. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Manager to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Manager to a recipient hereof and thereof that such recipient should purchase any Notes.

The language of the Prospectus is English, except for the Terms and Conditions of the Notes which are shown in the Prospectus for additional information also in the German version as the German text of the Terms and Conditions of the Notes shall be controlling and legally binding.

This Prospectus reflects the status as of its date of issue. Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained in such documents is accurate and complete subsequent to its respective date of issue or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the issue of the Notes is accurate 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 distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are

required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the United States of America and its territories and the United Kingdom of Great Britain and Northern Ireland see "*Selling Restrictions*" on pages 82 to 83 of this Prospectus. In particular, the Notes have not been and will not be registered under the United States Notes Act of 1933, as amended, and are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to United States persons.

This Prospectus may only be used for the purpose for which it has been published. It does not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Bremer LB's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Bremer LB's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Bremer LB's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*" and "*Description of the Issuer*". These sections include more detailed descriptions of factors that might have an impact on Bremer LB's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Manager assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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OVERVIEW OF THE NOTES

The following overview should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Prospectus. For a more detailed description of the Notes, please refer to the section "Terms and Conditions of the Notes" of this Prospectus. For more information on the Issuer, its business and its financial conditions, please refer to the section "Description of the Issuer". In the event of any inconsistency between this overview of the Notes and the information provided elsewhere in this Prospectus, the latter shall prevail. Terms used in this overview and not otherwise defined shall have the meaning given to them in the Terms and Conditions of the Notes.

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| Issuer | Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen. |
| Notes | EUR 50,200,000 Perpetual Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes of 2015. |
| Risk Factors | There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the risks associated with an investment in the Notes. These risks are set out under the section "Risk Factors" of this Prospectus. |
| Lead Manager | Bankhaus Lampe KG, Bielefeld. |
| Paying Agent | Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen. |
| Aggregate Nominal Amount of the Notes | EUR 50,200,000 |
| Issue Price | 100.00 per cent. |
| Issue Date of the Notes | 29 June 2015 |
| First Redemption Date | 29 June 2020 |
| Maturity | The Notes have no scheduled maturity date and only provide for termination rights of the Issuer (see " <i>Termination Rights of the Issuer</i> " below) but not for termination rights of the Holders. |
| Specified Denomination | EUR 100,000. |
| Use of Proceeds | The net proceeds from the issue of the Notes will be used to strengthen the Issuer's regulatory capital base by providing Additional Tier 1 capital for the Issuer and for general corporate purposes. |
| Status of the Notes | The Notes constitute unsecured and subordinated obligations of the Issuer, ranking pari passu among themselves and (subject to the subordination provision in sentence 2) pari passu with all other subordinated obligations of the Issuer. In the event of the dissolution, liquidation, insolvency of the Issuer or composition, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, (each of these proceedings hereinafter referred to as " Insolvency/Liquidation Proceedings ") the obligations under the Notes shall be fully subordinated to (i) the claims of other unsubordinated creditors of the Issuer, (ii) the claims under Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 of the German Insolvency Code (<i>Insolvenzordnung</i> – " InsO ") so that in any such event no amounts shall be payable in respect of the Notes until (i) the claims of such other unsubordinated creditors of the Issuer, (ii) the claims under such Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 InsO have been satisfied in full. Even prior to the opening of Insolvency/Liquidation Proceedings, |

Holders may only request satisfaction from the Notes if and to the extent the Issuer is able to make such payments from available assets. Holders may not request payment if the Issuer is over-indebted within the meaning of § 19 InsO or illiquid within the meaning of § 17 InsO or if the payment resulted in over-indebtedness or illiquidity.

No set-off, no security

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 shall at any time be, provided by the Issuer or any other person securing rights of the Holders under the Notes.

Interest Payments

Pursuant to the Terms and Conditions of the Notes, the Notes shall bear interest (subject to the provisions set out below, see "*Discretionary Cancellation of Interest*" and "*Compulsory Cancellation of Interest*") from (and including) the Interest Commencement Date at the applicable Rate of Interest, calculated annually on the basis of the Aggregate Nominal Amount of the Notes from time to time (which may be lower than the aggregate initial nominal amount of the Notes (see "*Write-down of the Redemption Amount and the nominal amount of the Notes*" below)) and payable annually in arrears on 29 June of each year, commencing on 29 June 2016, subject to having accrued and being payable under the Terms and Conditions of the Notes.

The applicable Rate of Interest for the period from (and including) the Issue Date to (but excluding) 29 June 2020 will be a fixed rate of 8.50 per cent. *per annum*; thereafter, the applicable Rate of Interest will be the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for a period of twelve months which is displayed on the Screen Page as of 11.00 a.m. (Brussels time) on the Interest Determination Date plus the Margin (all as defined in the Terms and Conditions of the Notes).

**Discretionary
Cancellation of Interest**

The Notes will not bear interest or will bear a reduced amount of interest, as applicable, on an Interest Payment Date, if the Issuer has elected, at its sole discretion, to cancel all or part of any payment of interest (non-cumulative – as set out below, see "*Interest Payments are non-cumulative*") on any Interest Payment Date.

For more details, see § 3 (8) of the Terms and Conditions of the Notes.

**Compulsory
Cancellation of Interest**

In addition, the Notes will not bear interest or will bear a reduced amount of interest, as applicable, on an Interest Payment Date:

- (i) to the extent that such payment of interest together with any additional Distributions (as defined in § 3 (9) of the Terms and Conditions of the Notes) that are simultaneously planned or made or that have been made by the Issuer on the other Tier 1 Instruments (as defined in § 3 (9) of the Terms and Conditions of the Notes) in the then current financial year of the Issuer would exceed the Distributable Items (as defined in § 3 (9) of the Terms and Conditions of the Notes), provided that, for such purpose, the Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for Distributions in respect of Tier 1 Instruments (as defined in § 3 (9) of the Terms and Conditions of the Notes) (including payments of interest on the Notes) in the determination of the profit on which the Distributable Items are based; or
- (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 another prohibition of Distributions is imposed by law or an authority.

For more details, see § 3 (8) of the Terms and Conditions of the Notes.

Interest Payments are non-cumulative

Interest Payments are non-cumulative. Consequently, Interest Payments in following years will not be increased to compensate for any shortfall in Interest Payments during a previous year and such shortfall shall not constitute an event of default under the Terms and Conditions of the Notes.

Termination Rights of the Issuer

The Notes may be redeemed at the option of the Issuer in whole but not in part, subject to prior consent of the competent supervisory authority together with interest (if any) accrued to (but excluding) the date fixed for redemption:

- (i) at any time for regulatory reasons, if, on the basis of the classification under banking regulatory law, the Issuer (i) may not treat the Notes in their full Aggregate Nominal Amount as Additional Tier 1 capital for the purposes of its own funds or (ii) is subject to any other form of a less advantageous regulatory own funds treatment with respect to the Notes than on the Interest Commencement Date;
- (ii) at any time for tax reasons, if the tax treatment of the Notes changes (including but not limited to the tax deductibility of interest payable on the Notes) and the Issuer determines, in its own discretion, that such change is materially disadvantageous to the Issuer;
- (iii) for the first time on 29 June 2020 and on any Interest Payment Date thereafter, however, subject to any previous write-down having been fully written-up.

If the Issuer elects, in its sole discretion and subject to prior consent by the competent supervisory authority, to redeem the Notes, the Notes will be repaid as a consequence thereof. In such case, the Redemption Amount per Note may be less than its initial nominal amount due to a previous write-down which has not been fully written-up (see "*Write-down of the Redemption Amount and the nominal amount of the Notes*").

Write-down of the Redemption Amount and the nominal amount of the Notes

Upon the occurrence of a Trigger Event, the Redemption Amount and the nominal amount of the Notes shall be reduced by the amount of the relevant write-down. If and as long as the nominal amount of the Notes is below their initial nominal amount, any repayment upon redemption of the Notes for regulatory reasons or for tax reasons will be at the reduced nominal amount of the Notes and, with effect from the occurrence of such write-down, any Interest Payment will be calculated on the basis of the reduced nominal amount of the Notes.

A Trigger Event occurs if the Issuer's Common Equity Tier 1 Capital Ratio falls below the Minimum CET1 Ratio of 5.125 per cent.

Upon the occurrence of a Trigger Event, a write-down shall be effected pro rata with all other Additional Tier 1 instruments within the meaning of the CRR, the terms of which provide for a write-down (whether permanent or temporary) upon the occurrence of the Trigger Event.

For such purpose, the total amount of the write-downs to be allocated *pro rata* shall be equal to the amount required to restore fully the Common Equity Tier 1 Capital Ratio of the Issuer to the Minimum CET1 Ratio, but shall not exceed the sum of the nominal amounts of the relevant instruments outstanding at the time of the occurrence of the Trigger Event. This write-down on pro rata basis, shall also apply, if upon the occurrence of a Trigger Event other Additional Tier 1 instruments shall be written-down or converted into Common Equity Tier 1 instruments the terms of which provide for a trigger event if the

Common Equity Tier 1 Capital Ratio of the Issuer falls below a ratio which is higher than the Minimum CET1 Ratio.

After a write-down has been effected, the nominal amount and the Redemption Amount of each Note, unless previously redeemed or repurchased and cancelled, may be written up in accordance with § 5 (8)(b) of the Terms and Conditions of the Notes in each of the financial years of the Issuer subsequent to the occurrence of such write-down until the full initial nominal amount has been restored, to the extent that a corresponding annual surplus is recorded and the write-up will not give rise to or increase an annual deficit.

Tax

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 on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

Form of Notes

The Notes are bearer notes (*Inhaberschuldverschreibungen*) represented by one or more Global Notes without coupons or receipts.

Listing and admission to trading

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the regulated market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange.

Governing Law

The Notes are governed by German law.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Notes. See the section "Selling Restrictions" under "Subscription and Sale of the Notes" below.

RISK FACTORS

An investment in the Notes involves risks. The following is designed to show aspects of the Notes and the business of the Issuer of which prospective investors should be aware. Investors should carefully consider the following discussion of the risks and the other information about the Notes contained in this Prospectus before deciding whether an investment in the Notes is suitable. An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to absorb any potential loss stemming therefrom.

Potential investors should read carefully and take into consideration the risk factors described below and other information contained in this Prospectus before making a decision on the acquisition of the Notes from the Issuer. The onset of one or several of these risks, in isolation or in combination with other factors, can seriously affect the business operations of Issuer and have material adverse effects on the net assets, financial standing and profitability of the Issuer or on the price of the Notes. The risks described below are possibly not the only risks to which the Issuer is exposed. Other risks, which are currently not known to the Issuer, are considered unimportant at present, may also affect the business operations of the Issuer and have serious adverse effects on the business activity and the net assets, financial standing and profitability of the Issuer. The selected order is neither a statement of the probability of realization nor the extent of the economic effects or the significance of the risk factors mentioned below.

Risks relating to the Issuer

Bremer LB is exposed to risks arising from the general macro-economic conditions in the financial markets and the global economy which may have a negative impact on its business conditions and opportunities.

Bremer LB is exposed to risks resulting from the general macro-economic conditions in the Eurozone and the state of the global financial markets, both generally and as they specifically affect financial institutions. Since 2007, international capital markets have been affected by ongoing turbulences which were accompanied by high market volatility and reduced liquidity. The disruptions have resulted in a significant reduction of available financing and have led to some financial institutions being subject to financial distress. This has led to recessions in numerous countries in Europe and around the world, weak economic growth and a considerable increase in insolvencies across different business sectors compared to pre-crisis levels. The ensuing sovereign debt crisis had an even greater impact on the banking sector in general and particularly affected banks that were active in public budget financing and public investment financing. The rating downgrades of many European countries, such as Greece, Portugal, Italy, Spain, Ireland and Cyprus, and the United States of America were reflected in higher volatility on the financial markets. Some European countries were and still are only able to obtain funds with the support of international aid programs. The on-going debt crisis of some countries, for instance Greece, could worsen and lead to requests for waivers on debts, cause public debtors to file for insolvency or cause (or motivate) public institutions, which had issued guarantees or similar instruments for certain debt instruments, to withdraw or contest such guarantees or similar instruments or to restructure or defer the payment obligations under the guaranteed debt securities. The latter could be seen for example in the case of the debt securities issued by Austrian HETA Asset Resolution AG that are covered by a letter of indemnity issued by the Austrian federal state of Carinthia. If any of such events occur and affect assets held by Bremer LB, Bremer LB may have to recognize considerable impairments on loans, advances and securities.

Historically low interest rates across financial markets have, among other things, led to a noticeable euphoria among market participants giving rise to concerns that market participants underestimate the likelihood and severity of risks, such as a full or partial break-up of the Eurozone (e.g. following the exit of a Member State from the Eurozone), an escalation of geopolitical tension, severe disruptions of currency exchange rates, a decline in confidence in the ability of the European Central Bank ("ECB") to safeguard financial stability or a decline in confidence in the ability of the member states of the European Union (EU) to achieve the required rebalancing and adjustment of their economies. The low interest rates at which the ECB has been and currently still is providing liquidity to the market might lead to an inflation of asset values and/or an increase of currency depreciation. It could also lead to a further tightening of spreads which could affect revenues and profitability, including real estate lenders.

Furthermore, a sudden change in the ECB's policies could undermine market confidence and destabilize the financial markets. All these risks could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to credit risk stemming from a borrower's or counterparty's failure to pay or deterioration in a borrower's or counterparty's credit rating.

Bremer LB actively operates as a universal commercial bank in the financing sector. As such it is exposed to the risk stemming from a borrower's or counterparty's failure to pay or deterioration in a borrower's or counterparty's credit rating.

Credit risk breaks down into traditional credit risk and counterparty risk in trading. Traditional credit risk is the risk of loss resulting from a borrower's failure to pay or deterioration in a borrower's credit rating. Counterparty risk in trading is the risk of loss from trading activities stemming from a borrower's or counterparty's failure to pay or deterioration in a borrower's or counterparty's credit rating. It breaks down into default risk in trading, replacement, settlement and issuer risk. Default risk from trading is the risk of loss stemming from an obligor's failure to pay or deterioration in an obligor's credit rating. It is equivalent to the traditional credit risk and occurs in money trading, in money market or treasury activities. Replacement risk is the risk that the counterparty is unable to meet the terms of a pending contract with a positive present value and that this contract has to be replaced at a loss. Settlement risk comprises pre-settlement and clearing risk. Pre-settlement risk is the risk that, when it comes to settling a contract, the counterparty fails to provide consideration for a contract on which the Issuer has already made advance delivery or, when performance is mutually offset, no compensation payment is made. Pre-settlement risk can be prevented by acquiring the transaction value from the counterparty in advance under good value or on a reciprocal basis or if sufficient cover exists. Actual settlement risk is the risk of a transaction not being mutually settled on or after the contractual settlement date. Issuer risk is the risk of loss stemming from an issuer's or reference entity's (credit derivative's) failure to pay or deterioration in an issuer's or reference entity's credit rating.

Bremer LB's credit portfolio focuses in particular on special finance for shipping, renewable energies, social housing and leasing companies, as well as private and corporate customer business in north-west Lower Saxony and the Free Hanseatic City of Bremen. Furthermore a credit investment portfolio is managed within the Financial Markets division of Bremer LB. Bremer LB monitors, and has monitored, its credit risks and relevant collaterals regularly with regard to borrowers, countries and business sectors, and will continue to do so. It is however possible that a realisation of risks that cannot be foreseen or risks that cannot be averted, or risks which were not identified in the past, will result in credit defaults. Moreover, collaterals given to hedge the credit default risk may prove insufficient to cover the amount of credit in default, for example due to declining market prices. Any default on the part of borrowers with large loan volumes could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB has in the past made specific bad debt provisions and loan loss provisions to compensate for expected credit defaults, and will continue to do so. While the bad debt and loan loss provisions have been made in all conscience to the extent necessary pursuant to IAS 39, it is possible that Bremer LB will have to increase risk provisions in the future due to higher numbers or higher amounts of defaulted loans in its credit portfolio.

Bremer LB is exposed to the risk of default in the cover pools for Pfandbriefe and to the risk that - for regulatory reasons - an increase of the cover pool is ordered by supervisory authorities.

Assets in the cover pools relating to the different Pfandbriefe issued by Bremer LB include loans and other financings which are exposed to the economic situation of the financed object and/or debtor which can deteriorate. If the risk of default in relation to assets held by Bremer LB materializes in any of the cover pools and if and to the extent Bremer LB is unable to replace the respective assets in the cover pool with adequate new assets, this could also result in the cover assets being insufficient to meet the requirements under the Pfandbrief Act which could have a material negative impact on

Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Furthermore, Bremer LB is exposed to the risk that the competent supervisory authority orders with respect to the cover pools of the different Pfandbriefe issued by Bremer LB that, for regulatory reasons, Bremer LB must meet increased cover requirements if and to the extent the recoverability of liabilities arising from Pfandbriefe in circulation and derivative transactions used as cover seems not assured. Any such order could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to risks resulting from its ship finance portfolio in view of the current difficult market environment and the volatility of ship prices and charter rates and the default risk (credit risk) affected thereby.

The ships furnished as collateral to Bremer LB in connection with its ship financing activities are subject to structural value fluctuations. The ships' value is influenced on the one hand by their features (type, age, technology, size) and, on the other, particularly by their capacity utilization and the charter rates realized. Capacity utilization and charter rates are in turn dependent on the performance of international trade and the related state of the supply of and demand for transportation capacity. Since the beginning of the crisis on the shipping markets in 2008, the significant decline in charter rates resulting from intense competitive pressure on the supply side (increased transportation capacities) and persistently high bunker costs have led to ship values deteriorating noticeably, to charter shipping companies suffering significant liquidity outflows and to a higher amount of loan loss provisions and increasing credit defaults with the financing banks. Charter rates in shipping, which had been falling fast since late summer 2008, reached their first low in the first half of 2010. While they started to pick up in some important submarkets later on in 2010, the crisis has worsened again since the middle of 2011. In crude oil and bulk shipping, the (spot) charter rates were for a time sufficient to cover solely operating costs, while in container and multi-purpose and product tanker shipping, it was possible to pay interest and in some cases make redemption payments. In the meantime, the entire tanker market has recovered due to the global oversupply of oil, while the recovery in bulk shipping stalled again after a few good quarters at the end of 2014. Container ships up to the Panamax class and the multi-purpose ships are mostly not capable of making repayments. Nonetheless, the prices for new ships and scrap rose, and the decline in prices for used ships was stopped.

Even if the situation on the shipping market were to improve in the future, it is possible that certain ship types (such as smaller container ships) will not benefit from this. If economic recovery in the USA and in Europe does not materialize and if the economy in Asia – and especially in China – is slackening, charter rates, capacity utilization and, consequently, ship values would be subject to additional material adverse effects. This risk also applies to ships that Bremer LB intends to transfer to a new structure in the course of an investor solution. Each of these risks could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Due to the economic reasons described above, the collateral posted for the loan portfolios of the ship finance business are subject to considerable fluctuations in value. Impairments in respect of collateral may on the one hand require additional loan loss provisions to cover acute and latent credit default risk. This may moreover, on the other hand, lead to the collateral no longer being adequate to cover the outstanding loan volume in the event it is realized. Such a case would require valuation adjustments. All this could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB faces investment risks resulting from its investments in regional companies in the North-West region of Germany.

The Issuer fulfils its special responsibility towards the North-West region of Germany with its investments. Shares in regional companies therefore constitute a focus of investment portfolio activities, in addition to investments within the framework of the Savings Banks Finance Group

(*Sparkassen-Finanzgruppe*). With its investments, Bremer LB contributes equally towards fulfilling its public mandate and strengthening the regional economy. Bremer LB is exposed to the risk of loss resulting from making equity available to third parties. The occurrence of an investment risk could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB could potentially suffer from market risks.

Market risk describes the potential loss arising from changes in market parameters. Bremer LB could potentially suffer from negative valuation effects resulting from market fluctuations and inaccurate estimates and prognoses of market developments impacting its trade and investment activities. Bremer LB has in the past been and continues to be active in the securities, currency and derivatives markets, establishing trading portfolios and investment positions, with investment positions representing the predominant volume compared to trading positions. Individual investment decisions are based on estimates and forecasts for future developments in the financial markets, as the success of such transactions depends mainly on market and rate movements. Complex capital market products in particular are created so as to generate income from movements of and differences to market prices. In particular, Bremer LB is exposed to currency risks. For example, a significant part of the commercial shipping portfolio is financed in US dollar. Against this backdrop, the development of the Euro/US Dollar exchange rate may have, for example, a negative effect on the regulatory capital ratios as well as the risk-bearing capacity of Bremer LB.

Any market disturbances resulting in distortions in the money and capital markets, which are not expected or foreseen by Bremer LB, could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to market risk in the form of interest rate risks.

Bremer LB is exposed to the risk of a change in interest rates when the amount or type of interest (fixed/variable) on assets and liabilities in individual maturity brackets do not match, thereby creating open interest rate positions in assets and in liabilities. In the case of open fixed interest rate liability positions, falling market interest rates lead to a rise in the market values of the debt securities issued by Bremer LB and thus in an increase of the present values of Bremer LB's liabilities. In the case of open fixed interest rate asset positions, rising market interest rates lead to a decline in the market values of the assets and a potential decline in the interest spread due to the possible increase in the price of refinancing on the liabilities side. There is no market value risk from interest rate changes for products with variable interest rates, but a change in market interest rates does lead to a change in interest expense or income. Risks can also arise if there are fixed and variable interest rate items in the same maturity brackets, as this may result in open interest rate positions on either the asset or liability side. If Bremer LB is not successful in efficiently controlling its open interest rate position in line with market developments and within prescribed limits, this may have significant effects on Bremer LB's profitability, its risk-bearing capacity, its core capital and its equity ratios. Alongside its own interest risk, Bremer LB is also exposed to model risks from the internal deposit base models for the deposit taking business underlying the management of interest risk. These models indicate the extent to which customer deposits are available to Bremer LB over and beyond the contractual term. The model risk is the risk that deposits are withdrawn in greater volumes than expected.

Changes in market interest rates may lead to a flat or even inverse yield curve. This can generally impair a bank's ability to generate positive net interest income from term transformations by refinancing long-term assets using short-term liabilities, referred to as a structural contribution. Whether and to what extent this risk materializes depends on the actual term transformation position of the bank in question. A flat or inverse yield curve, particularly over an extended period, may have a material adverse effect on Bremer LB's interest margin and profitability. Bremer LB is also exposed to basis risk resulting from differing time point or frequency determinations, as the case may be, in respect of variable interest rates in a currency (tenor basis risk). The materialization of one or more of the risks described above could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB faces liquidity risks.

Liquidity risks are risks which may arise from disruptions to the liquidity of individual market segments, unexpected events in lending, deposit or issue business or deterioration in Bremer LB's own refinancing conditions. Bremer LB defines placement risk as a component of liquidity risk. Placement risk is the risk that Bremer LB's own issues cannot be placed on the market at the desired conditions or due to a closure of the market a placement may not be possible at all.

Liquidity risk breaks down into traditional liquidity risk, refinancing risk and market-liquidity risk.

Traditional liquidity risk is the risk that payment obligations cannot be met or cannot be met in due time. Such risks may arise due to a general disruption in the liquidity of the money markets affecting individual banks or the entire financial market. Market disruptions can also mean that collateral from significant asset classes can no longer be realised. Alternatively, unexpected events in lending, investment or new issue business may also result in liquidity shortages.

Refinancing risk constitutes potential losses of earnings resulting from the worsening of Bremer LB's own refinancing conditions in the money or capital markets. The most significant cause is a change in the assessment of Bremer LB's credit rating by other market participants Bremer LB focuses on the entire range of maturities.

Market-liquidity risk describes potential losses to be borne if transactions need to be concluded at conditions which are not in line with the fair market value due to a lack of liquidity in individual market segments. Market-liquidity risks result primarily from securities positions in the trading and banking books.

Bremer LB maintains a buffer of high liquid assets in order to fulfil all its payment obligations should any such event occur. Extraordinary events in this business could nevertheless require measures which could have an adverse effect on Bremer LB's profitability. High volatility and disruption that the capital and credit markets have experienced since mid-2007 have led to the failure of several substantial financial institutions, causing widespread liquidation of assets and further constraining credit markets. These asset sales, along with asset sales by other leveraged investors, including some hedge funds, have rapidly driven down prices and valuations across a wide variety of traded asset classes. Asset price deterioration has a negative effect on the valuation of some of the asset categories represented on Bremer LB's balance sheet, and reduces Bremer LB's ability to sell assets at prices Bremer LB deems acceptable. This could have an adverse effect on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

The crisis has affected almost the entire international financial market. Investors are acting more selective in respect of their investment decisions. As a consequence, credit spreads especially for senior unsecured notes of credit institutions have widened. Such widening of credit spreads in the capital markets may affect Bremer LB's funding costs. There is a possibility of tense market conditions which may lead to liquidity constraints. This could limit Bremer LB's funding abilities, which would in turn impact on profitability.

The risk related to an issuer's ability to fulfil its obligations created by the issuance of debt securities and money market papers is described by reference to the credit ratings assigned by independent rating agencies. A credit rating is an assessment of the solvency or the credit-worthiness of creditors and/or bond-issuers according to established credit review procedures. These ratings and associated research help investors to analyse the credit risks associated with fixed-income securities by providing detailed information of the ability of issuers to meet their obligations. The lower the assigned rating is on the relevant scale, the higher such rating agency assesses the risk that the Issuer's obligations will not, not fully and/or not timely be met. A rating is not a recommendation to buy, sell or hold any Notes issued and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of any rating assigned may adversely affect the market price of the Notes issued and could also limit Bremer LB's funding ability (both long-term and short-term), which could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

The markets in which Bremer LB is active are characterized by intense competition on price and on transaction terms, which results in considerable pressure on margins.

The German banking sector is characterized by intense competition – significantly more intense, for example, than in the other EU member states. It is often conducted under conditions that result in margins that are economically unattractive or are not commensurate with the associated risks.

The private customers business is subject to pressures on income that may further intensify in the future as many competitors are placing a stronger focus on retail banking as their core business as a result of the financial crisis. In addition, banks are seeking to reduce their dependency on the interbank market by refinancing themselves to a greater extent through deposits from private customers. This could also increase the intensity of competition even further. Competitors are increasingly seeking to attract new customers with very favorable conditions (in particular high interest on deposit accounts) for limited introductory periods. Competition on terms in respect of existing customers may, however, also intensify further due to the effects of customers becoming accustomed to these terms.

German banks are competing with a range of foreign providers in the corporate customer business and also in the field of investment banking. Some of these providers have considerably increased their presence in the German market in recent years. Therefore, there is a risk that the intensity of competition will increase even further. Bremer LB believes that some competitors do not always adequately take into consideration the default risk associated with the extension of credit (risk-adjusted pricing). As a result of this intense competition, attractive margins and commissions are hard to achieve in individual market segments or sub-segments.

In addition, non-banks are also increasingly competing for customers, e.g. a substantial share of payments in internet trading is now handled through electronic platforms such as Paypal, which provide a simple customer interface and use the services of cooperation banks merely for payment processing purposes. It is to be expected that such additional competitors will add to the pressure on margins.

If another economic downturn were to occur, competitive pressures may increase even further, for example through increased pressure on pricing and lower business volumes.

If Bremer LB does not succeed in providing its products and services on competitive terms and in achieving margins that at least compensate for the costs and risks associated with its business activities, this could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Measures by governments and central banks to combat the financial crisis and the sovereign debt crisis have a significant impact on the competitive environment.

As a response to the financial crisis and the sovereign debt crisis, governments and central banks intervened in the financial sector to a considerable extent. These intervention measures included making direct investments in individual financial institutions, in particular in Germany, the United States, the United Kingdom, the Netherlands, Belgium and Switzerland, supplying other forms of equity capital, assuming liability guarantees or acquiring non-performing assets from financial institutions and the long-term provision of liquidity on very favorable terms. In some cases, individual financial institutions were nationalized. Such measures influence the competitive environment. Bremer LB may have to compete in various business areas and regions with financial service providers that, under certain circumstances, including as a result of state stabilization measures, are sometimes larger and better capitalized than Bremer LB. If Bremer LB does not succeed in providing products and services in these areas on competitive terms and thereby achieve profitable margins, this could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is dependent on the regular supply of liquidity, and a market-wide or company-specific liquidity shortage could have material adverse effects on Bremer LB's net assets, financial position and results of operations. The liquidity supply for banks and other players in the financial markets remains heavily dependent on extensive central bank measures.

Bremer LB regularly requires liquidity in order to refinance its business activities and is therefore generally subject to liquidity risk, i.e., the risk that it is unable to meet its current and future payment obligations at all or in a timely manner, or that it can only refinance itself at exorbitantly high costs.

As a bank located in the Eurozone, Bremer LB obtains medium and long-term refinancing funds predominantly in the euro capital markets. In general, the most part of the required refinancing funds in other currencies is obtained indirectly by tapping the euro capital markets and subsequently converting by way of suitable currency derivatives (e.g., cross currency swaps). Therefore Bremer LB is exposed to risks arising from the derivative markets. Widening cross currency swap spreads, distortions between different currency areas or an insufficient number of swap counterparties could potentially affect Bremer LB's ability to obtain funding in required foreign currencies via these derivatives.

Liquidity risk can take various forms. For example, Bremer LB may be unable to meet its payment obligations from its own liquid funds on a particular day and may have to obtain liquidity from the markets at short notice and on expensive terms, or may even fail to obtain liquidity. Furthermore, deposits may be withdrawn or lending commitments unexpectedly drawn down. A market-wide or company-specific liquidity shortage could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

A resurgence of the financial market and sovereign debt crises may result in downward pressure on the share prices and creditworthiness of financial institutions, oftentimes without respect to their financial strength, and of other capital markets participants, and impair their ability to refinance themselves through the capital markets at favorable conditions in the short, medium and long-term.

Banks in the Eurozone are still continuing to make use of the liquidity supplied by the ECB through the Longer-Term Refinancing Operations (LTRO) launched in 2011 and 2012. European banks were thus provided with a large volume of liquidity in connection with the 3y-LTRO. This allowed participating banks to post lower quality collateral than in past refinancing operations. Consequently, in the event of an escalation in the sovereign debt crisis, there is a risk that the ECB may suffer losses on its 3y-LTRO positions, or that it may consider itself forced to conduct further measures to support the banks in order to avoid losses of its own. This in turn may have a negative impact on the competitive environment (see risk factor: "*Measures by governments and central banks to combat the financial crisis and the sovereign debt crisis have a significant impact on the competitive environment*").

In addition, banks and other financial market participants are currently generating a significant volume of liquidity in the context of repo transactions by employing the same assets (including sovereign debt) from multiple market participants as collateral on multiple levels (re-hypothecation). If these collateral chains were to be broken as a result of potential decreases in the value of these assets, liquidity could thereby be lost on multiple levels at the same time. If liquidity supplies cannot be secured elsewhere, in particular through central banks, the very existence of the participants in these collateral chains could be threatened. The materialization of this risk could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

In the event of refinancing difficulties, Bremer LB could be forced to dispose of assets held by it for less than their book values and to limit its business activities. Measures of this nature could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

A downgrade in the rating of Bremer LB may make refinancing more difficult or more expensive.

Rating agencies perform creditworthiness assessments to determine whether a potential borrower will be in a position to meet its contractually agreed credit obligations in the future. A key element of the assigned rating is the assessment of the borrower's net assets, financial position and results of operations. A downgrade of Bremer LB's rating would have a negative impact on the cost of Bremer LB's debt capital and could result in the materialization of new liabilities or the acceleration of repayment obligations under existing liabilities that depend on the maintenance of a specific rating. In addition, Bremer LB's rating is also an important comparative element in competition with other banks. A downgrade or the mere possibility of a downgrade of Bremer LB's rating or the rating of Norddeutsche Landesbank-Girozentrale ("**NORD/LB**"), Bremer LB's majority shareholder, may have a detrimental effect on the respective company's customer relationships and sales of products and services. A downgrade may also have a negative impact on the availability and cost of Bremer LB's refinancing.

Furthermore, it is possible that, following any further downgrade, Bremer LB might no longer be considered as a suitable counterparty for derivative transactions. Should the rating of Bremer LB be downgraded to a rating below investment grade, this could significantly impair the operating businesses of Bremer LB.

Any of the aforementioned risks could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to operational risks, including the risk that employees will enter into excessive risks on behalf of Bremer LB or violate compliance-relevant regulations in connection with the conduct of business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements.

As part of its normal business activities, Bremer LB conducts a large number of complex transactions and is exposed to a variety of related operational risks. These risks include, in particular, the possibility of inadequate or erroneous internal and external workflows and systems, regulatory problems, violations of compliance-relevant regulations and provisions in connection with the conduct of its business activities, human error and deliberate violations of law, such as fraud. The compliance-relevant regulations and provisions include, among other things, conduct, organization and transparency obligations in respect of securities services. Violations of these obligations may lead to regulatory investigations and corresponding sanctions. Furthermore, these also include regulations for the prevention of money laundering and the financing of terrorism in various countries. Further compliance-relevant regulations serve the prevention of fraud and compliance with applicable embargos. Purported violations of such regulations may lead to criminal investigations and, as a result, to financial penalties.

As several spectacular cases relating to competitors have illustrated, banks can suffer significant sudden losses if employees take on excessive risks with the intent to cause damage or in circumvention of internal rules and controls, and these risks materialize. Such risks and losses may sometimes be recognized only after a delay of several years. It cannot be ruled out that Bremer LB will also be affected by such risks or losses. Internal regulations and control and safety mechanisms for the prevention of such incidents may prove to be insufficient in this respect or may be intentionally circumvented.

It is also conceivable that external events such as natural disasters, terrorist attacks, wars, pandemics or other states of emergency may significantly impair the environment in which Bremer LB is active and thus indirectly affect Bremer LB's internal processes. Such events may result in Bremer LB incurring substantial losses, as well as reputational damage. Furthermore, Bremer LB may be forced to dismiss staff, which could also have a detrimental impact on Bremer LB's business. Bremer LB endeavors to hedge operational risks by implementing appropriate control processes tailored to its business and the market and regulatory environment in which it operates. Nevertheless, it is possible that these measures will prove to be ineffective in relation to particular or even all operational risks to

which Bremer LB is exposed. While Bremer LB endeavors to insure itself against the most significant operational risks, it is not possible to obtain insurance coverage on the market for all operational risks at commercially acceptable terms.

In addition, like other banks and financial market participants, Bremer LB usually faces considerable risks related to the IT infrastructure. IT-systems can break down, possibly there are unidentified errors in the data processing as well as problems with data privacy which altogether might e.g. lead to severe customer complaints or even legal proceedings and by this to adverse effects on customer relations.

Should certain or all of the aforementioned risks materialize, this could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to various reputational risks.

Reputational risks are present in respect of all business incidents that lower confidence in Bremer LB from the public, customers, business partners, investors or rating agencies (see also risk factor: "*Bremer LB is exposed to operational risks, including the risk that employees will enter into excessive risks on behalf of Bremer LB or violate compliance-relevant regulations in connection with the conduct of business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements*"). In general, each of the facts and circumstances described above entails reputational risks. As is the case for other non-quantifiable risks, Bremer LB has therefore established processes and responsibilities intended to enable it to identify reputational risks at an early stage and to react to them. However, these procedures may prove to be ineffective. Should this lead to the materialization of such risks, this could have a material negative impact on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB may be exposed to risks that are either not identified or inadequately assessed by its existing risk management.

Bremer LB has developed and implemented principles, procedures and evaluation methods for the monitoring and identification of risks. Nevertheless, the establishment of these monitoring systems cannot fully prevent Bremer LB from being exposed to various types of risks that it fails to identify or predict. Some of the quantitative measurement methods and categories in risk management are based on empirical values gained from Bremer LB's experience of historical market developments. Statistical and other methods are applied to these empirical values in order to quantify the risks to which Bremer LB is exposed. These measurement methods and categories may be unable to predict losses. In this respect, insufficient data quality, in particular, may result in misjudgments. In addition, the quantitative risk management model does not take all risks into consideration and makes numerous assumptions in respect of the market environment that are not based on concrete events. The application of models outside their defined scope of application may result in inaccurate estimation. As a result, risks may arise from factors which are not foreseen by the statistical models applied or which are not appropriately assessed, and these risks could also continue to arise.

Models are used extensively in Bremer LB's risk management not only for the measurement of risks, but also for the calculation of risk-bearing capacity. These models could in hindsight prove to be faulty and they could significantly overestimate or underestimate risks. This applies to liquidity risk, for example. Accordingly, model assumptions with respect to the interest rate sensitivity of depositors or with respect to their deposit behavior could prove to be inaccurate.

Further, Bremer LB's predominantly qualitative approach to the management of those risks that are not covered by quantitative methods could prove to be inadequate, which could result in considerable unforeseen losses. Should current or future customers or business partners consider Bremer LB's risk management to be inadequate, there is a risk that business will be lost to other banks or that transactions will be limited. This could impair both the reputation of Bremer LB and its income and profits.

Bremer LB is also exposed to a so-called "tail risk" in relation to the management of risks. Tail risk describes, as an example, the form of market risk that arises if the possibility that a portfolio of assets will deviate more than three standard deviations from the mean is greater than that which corresponds to a normal distribution. Should Bremer LB underestimate the tail risk in its portfolios, it would be exposed to higher losses than forecast by its portfolio models.

Each of these risks could have a material adverse effect on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB's business activity depends to a large extent on information technology systems, modern communication media and other technical systems.

Bremer LB's business activity depends to a large extent on information technology systems, modern communication media and other technical systems. IT systems are vulnerable to a number of problems such as computer viruses, hacker attacks, damage to IT centres and software and hardware errors. These problems can cause the IT systems to fail, either in whole or in part. The complete or partial failure of IT systems may result in significant disruption of business processes, temporary suspension of business operations, claims for damages, and/or loss of clients.

In addition, the IT systems require regular adjustments and updates in order to be able to meet changing business needs and supervision regulations. This places considerable demands on the functionality of Bremer LB's IT systems. If Bremer LB is unable to make the necessary adjustments and updates to its IT systems, this may result in disruption of business transactions, datasets that contain errors, calculations that do not meet the requirements of supervision law, and other disruptions and risks, the details of which cannot be predicted.

Bremer LB's measures to protect data and ensure its confidentiality may prove to be inadequate.

Measures to protect data and ensure its confidentiality may prove to be inadequate. The data collected in connection with the business activities is strictly confidential and is subject to data protection because it is part of the fiduciary relationship between banks and their clients. Bremer LB has taken a number of measures to protect the data processed and managed in its business activities and to comply with the relevant regulations. However, it cannot be ruled out that these measures may prove to be inadequate and the confidentiality of this data may be violated, including by third parties that gain access to Bremer LB's systems without authorisation. This could expose Bremer LB to claims for damages.

Bremer LB may be unable to attract and retain qualified staff in the future.

Bremer LB needs to attract and retain highly qualified staff. Bremer LB endeavors to counteract the risk of losing know-how as a result of the departure of key employees through various measures, in particular through talent, management and career development measures. Despite these measures, Bremer LB may not succeed in attracting or retaining highly qualified employees in the future. If Bremer LB's efforts to attract and/or retain employees should fail, this may have a material adverse effect on Bremer LB's net assets, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Provisions made by Bremer LB for pension obligations may be prove to be insufficient.

Bremer LB has shown provisions for pension liabilities and similar obligations in an amount of EUR 249 million in its unconsolidated annual financial statements in accordance with the German Commercial Code as at 31 December 2014. It cannot be excluded that Bremer LB may be required to increase the provisions for pension obligations due to changes in market conditions and other circumstances, in particular changes of the discount rate affecting the present value of pension liabilities. The discount rate depends, among other things, on the current and future interest rate environment. Changes of the interest rate environment may, therefore, require additional provisions for pension obligations. This could result in significant expenses for Bremer LB which could have a

material adverse effect on Bremer LB's business, financial position and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is generally subject to legal risks.

Bremer LB is generally subject to legal risks. Legal risks mean the risks of violating any applicable laws or other legal requirements (each of which may change), particularly of contractual or legal provisions or jurisdictional developed provisions. This includes the risk of violations of legal provisions caused by ignorance of law, incorrect interpretation of legal terms, negligent action or not timely implementation. While legal risks are in principle mitigated through monitoring the legal environment, stipulating guidelines and using of standard contracts and Bremer LB believes that sufficient reserves were formed for legal risks, it cannot be ruled out entirely that Bremer LB will incur losses in the future as a result of legal risks being realised in excess of such reserves.

Risks arising from bank-specific regulation

Regulatory reforms relating to the financial sector together with increased regulatory scrutiny may create significant uncertainty for Bremer LB and result in higher administrative expenses adversely affecting its ability to set up and execute its business and strategic plans.

Regulatory authorities and the European Union, among others, have made and continue to make proposals to reform the regulatory framework of financial institutions, in particular in response to the financial crisis and sovereign debt crisis. Many of these proposals have already been implemented and further significant changes are likely. This creates uncertainty for Bremer LB as well as for the financial industry as a whole. The wide range of legislative proposals include provisions for more stringent regulatory capital, liquidity standards, restrictions on compensation practices as well as recovery and resolution powers. The likely effects of some of these laws and regulations, also regarding leverage ratios and capital requirements, as well as their execution by the competent authorities remain uncertain as the drafting and implementation of these laws and regulations are still on-going. Since most of the regulation adopted during the last years allow for and require the drafting of further delegated acts, regulatory and implementing technical standards, guidelines and recommendations, the material effects of many of the new regulatory provisions is still under discussion, and it is likely that the regulatory framework for the financial industry will continue to be subject to fundamental changes and increasing complexity. Compliance with the regulatory framework which is continuously being under review and subject to further modifications and the initial implementation of the new rules as well as their ongoing internal and external supervision may increase the administrative expenses for Bremer LB.

Regulatory authorities have substantial discretion in how to regulate banks. This discretion, and the regulators' powers, has been increasing in recent years. In the context of establishing the European Single Supervisory Mechanism ("**SSM**"), NORD/LB, Bremer LB's majority shareholder, was identified as a "significant institution". Therefore, the ECB has taken over the direct supervision of NORD/LB and its regulated subsidiaries, including Bremer LB, with effect from 4 November 2014 and will need to acquire know-how and expertise as to its new function. If and to what extent this change of prudential supervisor will result in significant changes in the application of the regulatory environment in which Bremer LB operates remains uncertain. There are, however, some factors which allow for the conclusion that the administrative burden and costs connected with supervision will increase as a consequence of the establishment of the SSM.

The significant uncertainty created by the regulatory reforms and by the degree of discretion conferred to regulatory authorities, as well as the content of such reforms, may complicate Bremer LB's ability to establish and execute its business and strategic plans. Such reforms could also impede certain of Bremer LB's business activities and render them less attractive. All this, together with the increased administrative expenses, may negatively affect Bremer LB's business, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes.

New legislation requires Bremer LB to maintain a minimum level of capital and additional capital buffers, which may be increased over time and which may have a material adverse effect on Bremer LB's business and profitability. Any capital shortage may lead to interventions by the supervisor.

The legislative package on the capital adequacy framework within the European Union, which consists of the Capital Requirement Regulation ("**CRR**") and the Capital Requirement Directive ("**CRD 4**", together with CRR the "**CRD 4 Package**"), provides, among other things, for minimum capital requirements and additional capital buffers, expressed in a percentage to the total risk weighted assets. They have to consist of a certain quality of capital referred to as Tier 1, sub-divided into CET 1 (Common Equity Tier 1) and AT 1 (Additional Tier 1), and Tier 2 instruments depending on their ability to absorb losses. Furthermore, the CRD 4 Package introduced the leverage ratio requirement, which is a non-risk based measure designed to act as a supplement to risk based capital requirements. It is intended as a back stop measure. The leverage calculation determines a ratio based on the relationship between Tier 1 capital and the total of the exposure values of all assets and off-balance sheet items not deducted when determining the Tier 1 Capital. The Basel Committee on Banking Supervision of the Bank for International Settlement (BIS) suggested in its framework (known as "**Basel 3**") a minimum ratio of at least 3% to apply as of 2018; however this may be subject to changes and the minimum leverage ratio requirement may be increased over time. The further development of Basel 3 may also lead to higher liquidity and own fund requirements as well as a more stringent large exposure regime and additional risk management requirements. As a consequence of the regulatory requirements, Bremer LB's capital calculation, funding activities and its ability to offer loans may be adversely affected. This may have a material adverse effect on Bremer LB's business and profitability. Additionally, currently valid economic and regulatory indicators may be impacted which may lead to changes regarding capital resources.

If any of these risks materialize, Bremer LB could be confronted with an actual or perceived shortage of capital or liquidity which could lead to regulatory interventions, such as required changes to the strategy, restrictions on the pay-out of dividends and other distributions (including the payment of interest on Additional Tier 1 capital instruments) and discretionary compensation payments. This may have adverse effects on Bremer LB's business, financial situation and results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB may be subject to capital ratios in excess of own funds requirements (Pillar 1), in particular in respect of SREP Decisions and other Pillar 2 requirements.

In the context of the Pillar 2 requirements under the Basel 3 framework, the ECB has issued or is expected to issue decisions (the "**SREP Decisions**") for most of the directly supervised institutions pursuant to which the relevant institution or group of institutions is required to maintain certain capital ratios in excess of the requirements following from the CRD 4 Package under Pillar 1 (CET 1 capital ratio and a total capital ratio). These additional requirements have been set or will be set by the ECB on the basis of the Supervisory Review and Evaluation Process ("**SREP**"). Further, it may be expected that the ECB will renew its SREP Decisions and impose additional requirements in respect of directly supervised institutions on an annual basis to ensure that risks identified by the SREP are adequately covered by regulatory capital. In addition, the methodology applied in the SREP as basis for future SREP Decisions is currently being revised and is expected to be subject to further review and modifications in the future. These revisions and modifications may also lead to higher additional requirements, including in respect of regulatory capital.

Any failure to maintain any additional capital requirements pursuant to the Pillar 2 framework or any other capital requirements to which Bremer LB is or may become subject (including buffer requirements), could result, among other things, in the imposition of further Pillar 2 requirements and early intervention by resolution authorities. This may adversely affect Bremer LB's reputation, results of operations, financial position and hence the ability to meet liabilities to investors under the Notes.

Bremer LB is subject to the risk of further stress tests which could lead to adverse effects on Bremer LB and could lead to higher capital or liquidity needs.

Stress tests analyzing the robustness of credit institutions are regularly carried out and published by supranational and national supervisory authorities. Any announcement by a supervisory authority that

it will perform a stress test or market perception that any such test is not rigorous enough can increase uncertainty in the banking sector and lead to a loss of confidence in individual institutions, such as Bremer LB, or in the banking sector as a whole. It cannot be ruled out that future stress test results for Bremer LB may not meet certain legal requirements or expectations by supervisory authorities, market participants or rating agencies. This could result, for example, in higher capital requirements for Bremer LB or require Bremer LB to increase its liquidity. Such requirements may have a negative impact on Bremer LB's results of operations and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB is subject to risks attributable to periodic audits, inspections and similar proceedings conducted by regulators.

Bremer LB has been, and will remain, subject to periodic audits, inspections and similar proceedings conducted by regulators which focus on Bremer LB's compliance with regulations applicable to the financial sector. It cannot be ruled out that any of those audits, inspections and similar proceedings will produce findings of deficiencies. Such findings may lead to (additional) requirements for Bremer LB imposed by the regulator and/or adversely affect Bremer LB's reputation should those findings be made public. The realization of any of these risks could have a material adverse effect on Bremer LB's business, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes.

Bremer LB is exposed to the risk that deposit guarantee schemes will lead to additional costs which may make it difficult to maintain the required capital.

The EU Directive on Deposit Guarantee Schemes ("**DSGS**"), as implemented in Germany into national law with effect as of 3 July 2015, further harmonizes the regulation of deposit protection schemes in the EU. The DSGS obliges each credit institution to contribute to a statutory or legally recognized guarantee scheme. The overall minimum target level of the scheme is 0.8% of the covered deposits in each Member State in the EU within the next ten years. To achieve this target and to finance any compensation to depositors if necessary, contributions of up to 0.5% of the covered deposits may be raised by the member banks.

Bremer LB is a member of the Security Reserve of the Landesbanken and Girozentralen (*Sicherungsreserve der Landesbanken und Girozentralen* – the "**Security Reserve**") which forms, together with other protection schemes of the regional savings banks, the Joint Liability Scheme of the German Savings Banks Finance Group (*Sicherungssystem der Deutschen Sparkassen-Finanzgruppe* – the "**Joint Liability Scheme**"). The legal framework for the mandatory deposit guarantee scheme will be amended with effect as of 3 July 2015 to implement the DSGS and includes potentially higher contributions that could be levied on participating banks. It cannot be ruled out that Bremer LB may be required to contribute more to the deposit guarantee scheme for the past and/or in the future. Any of these cases may reduce Bremer LB's otherwise available capital and, hence, negatively affect its business, financial position and earnings.

The far reaching intervention rights under the Single Resolution Mechanism and the national law implementing the EU Bank Resolution and Recovery Directive may directly affect the rights of the Holders under the Notes. They may also negatively affect Bremer LB's assets, financial position and earnings. Proposed German legislation in connection with the recovery and resolution of banks and investment firms may result in regulatory consequences that could limit Bremer LB's business operations and lead to higher refinancing costs.

Bremer LB may become subject to intervention measures pursuant to the Single Resolution Mechanism ("**SRM**") and the national law implementing the EU Bank Resolution and Recovery Directive (the "**BRRD**"). The tools of the Single Resolution Board include the potential sale of businesses, a bridge institution tool, an asset separation tool, and a "bail-in" tool. The "bail-in" tool will give resolution authorities the power to write down, including to zero, or convert into equity the claims, including the claims for repayment and payment of outstanding interest, of certain unsecured creditors of institutions (including the Holders) that are failing or likely to fail. To that end, the application of the "bail-in" tool may result in an unequal treatment of other non-subordinated creditors of Bremer LB which may be exempt from the application of the "bail-in" tool in accordance with the BRRD. In addition, resolution authorities may amend or alter the maturity of debt instruments or amend the

amount of interest payable on such instruments. Finally, any resolution actions taken by the resolution authorities must not entitle creditors of the affected institution to accelerate or terminate their debt. The transposition period for the "bail-in" tool is 1 January 2016.

On 29 April 2015 the German Federal Government adopted a bill (*Regierungsentwurf*) of a Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*). The bill proposes, inter alia, that, in the event of an insolvency proceeding in respect of a CRR institution, unsecured bearer bonds, bonds made out to order and similar debt instruments as well as *Schuldschein* loans and registered bonds, excluding (i) *Schuldschein* loans and registered bonds treated as covered or recoverable deposits (as specified in the German Banking Act), (ii) money market instruments and (iii) instruments (such as derivatives and structured debt instruments with a derivative component) where the occurrence or the amount of redemption or interest is contingent on a future uncertain event other than the determination of a reference interest rate, or is settled other than by way of payment, shall by operation of law be subordinated, subject to further contractual or statutory subordination. Claims that are contractually subordinated to senior insolvency creditors shall rank immediately behind these debt instruments. As a consequence of the proposed Resolution Mechanism Act, the loss share allocated to creditors of the instruments referred to above in an insolvency or bail-in scenario will increase vis-à-vis other senior unsecured creditors. Such change of the insolvency and bail-in waterfalls is intended to have retrospective effect (excluding insolvency proceedings instituted before 1 January 2016), and could thus negatively affect the senior unsecured funding of BremerLB. These effects may result in higher refinancing costs and may make it more difficult to issue such instruments. Moreover, Bremer LB holds exposures in such senior unsecured debt instruments of other issuers. If such instruments were to become subordinated under the proposed German legislation or will be subject to intervention measures pursuant to the SRM and/or the national law implementing the BRRD, this may limit the proceeds which Bremer LB would be able to obtain in the case of the insolvency of such issuer. If any of these risks materialize, this could adversely affect Bremer LB's reputation, net assets, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes.

Under the SRM, Bremer LB is also subject to minimum requirements for own funds and eligible liabilities (MREL). This could require Bremer LB to issue additional capital with sufficient loss absorbing quality. Should Bremer LB not be able to raise the additional capital, it may be subject to regulatory measures and sanctions which could adversely affect Bremer LB's reputation, net assets, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes. Furthermore, in the context of resolution planning, resolution authorities may order Bremer LB to remove any obstacle to its resolvability. Such orders may result in restrictions to businesses, changes to the group structure or to outsourcing arrangements. This may impose additional costs to, and/or limit future business opportunities, of Bremer LB and could adversely affect Bremer LB's reputation, net assets, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes.

The planned introduction of new bank levies and a financial transaction tax might make certain business activities of Bremer LB unprofitable.

In several countries of the European Union additional fees and levies for banks are under discussion as of the date of the Prospectus. In addition to the Single Resolution Fund ("**SRF**") (which is financed by the banking sector as part of the SRM that is intended to provide for an effective management of bank resolutions) the introduction of a financial market transaction tax is being considered. According to the current proposal, the purchase and sale of fungible securities or options and other financial instruments are to be taxed. Such additional levies and taxes could adversely impact the profit of Bremer LB and reduce the profitability of its business and, hence, negatively affect Bremer LB's net assets, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes.

Bremer LB operates in an increasingly regulated environment. If Bremer LB fails to comply with the wide range of laws and regulations applicable to its business, Bremer LB or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigation and criminal prosecution.

Due to the nature and extent of its business activities, Bremer LB has to comply with a wide range of laws and regulations. It cannot be guaranteed that Bremer LB continuously complies with all laws and

regulations all the time, in particular since legislation and jurisprudence is developing fast. Specifically, compliance with local laws outside of Germany and the European Union is more challenging. Bremer LB or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigations and criminal prosecution for any failures to comply with all laws and regulations. This could have negative effects on Bremer LB's reputation, results of operations, financial position and hence on the ability to meet liabilities to investors under the Notes.

Bremer LB must comply with anti-money laundering and data protection regulations, which require Bremer LB to monitor the compliance with such regulations and may lead to sensitive sanctions in the case of failure.

Bremer LB has to comply with laws on money laundering and the financing of terrorism. This includes the German Money Laundering Act (*Geldwäschegesetz*) which establishes, among other things, the requirement for institutions to conduct a customer due diligence. The scope of this review includes, finding out about the background of business relationships, following up on suspicious transactions and continuously monitoring suspicious business relationships. Such duties require significant technical capabilities and may pose a serious burden on the obliged institutions. Furthermore, the laws may be amended or their interpretation or enforcement may change in future. Although Bremer LB believes that its current policies and procedures are sufficient to comply with all applicable anti-money laundering rules and regulations, it cannot guarantee that its current policies and procedures completely prevent money laundering. It also cannot guarantee that all employees, advisors and service providers (including service providers for synthetically transferred portfolios), for which Bremer LB may be held responsible, will abide by these policies. Any such failure to abide may result in sanctions, fines and reputational consequences which could have a material adverse effect on Bremer LB's reputation, business, financial position, results of operations and hence on the ability to meet liabilities to investors under the Notes.

In addition, Bremer LB is subject to regulation regarding the use of customer data as Bremer LB processes sensitive customer data as part of its business. Bremer LB seeks to ensure that procedures are in place that all employees, advisors and service providers, for which Bremer LB may be held responsible, will comply with all relevant data protection requirements. However, it cannot be excluded that such data breaches occur. In such event, Bremer LB's reputation and consequently its business, financial position and results of operations and hence the ability to meet liabilities to investors under the Notes may be adversely affected. Furthermore, Bremer LB faces the risk that customer data may be stolen or misappropriated which may lead to customers being discouraged from providing Bremer LB with their data or to Bremer LB's marketing efforts being negatively affected.

Risks associated with an Investment in the Notes

Words and expressions used in this section and not otherwise defined in the Prospectus shall have the meaning ascribed to them in the Terms and Conditions of the Notes.

The purchase of the Notes involves significant risks arising as a result of specific characteristics of the Notes.

The Notes may not be a suitable investment for all investors.

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. 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;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment it is considering, an investment in the Notes and the impact such investment 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 the risk not to receive any return on investment or repayment of the invested amount, and also including risks arising if the currency for principal or interest payments on the Notes, *i.e.* Euro, is different from the currency in which its financial activities are principally denominated;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of the financial markets; 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.

Prior to making an investment decision, each potential investor should consider carefully, in light of its own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

Interest Payments are entirely discretionary and subject to the fulfillment of certain conditions. If the Issuer elects to cancel an Interest Payment or is legally prevented to pay interest, the Issuer will be under no obligation to compensate the Holders for such cancellation at any later point of time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer.

The Notes shall bear interest in accordance with the Terms and Conditions of the Notes. However, pursuant to the Terms and Conditions of the Notes, the Notes shall cease to bear interest if (but only to the extent that):

- (i) the Issuer, in its sole discretion, elects to cancel all or part of any payment of interest which would otherwise fall due for payment on such Interest Payment Date; or
- (ii) such payment of interest together with any additional Distributions (as defined below, see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments depend, among other things, on the Issuer's Distributable Items*") that are simultaneously planned or made or that have been made by the Issuer on the other Tier 1 Instruments (as defined below, see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments depend, among other things, on the Issuer's Distributable Items*") in the then current financial year of the Issuer would exceed the Distributable Items (as defined below, see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments depend, among other things, on the Issuer's Distributable Items*"), provided that, for such purpose, the Distributable Items shall be increased by an amount equal to what has been accounted for 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 Distributable Items are based (see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments depend, among other things, on the Issuer's Distributable Items*" below); or
- (iii) the competent supervisory authority orders that all or part of the relevant payment of interest be cancelled or another prohibition of Distributions is imposed by law or an authority (see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments may be excluded and cancelled for regulatory reasons*" below).

The Issuer may make the election to cancel the payment of interest (in whole or in part) on or prior to 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 set out under (ii) to (iii) above is fulfilled. No such election to cancel the payment of any interest (or part thereof) or cancellation of the payment of interest (or part thereof) for the reasons set out under (ii) and (iii) 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.

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

Furthermore, if the Issuer exercises its discretion to cancel interest payments on the Notes with respect to any Interest Payment Date, this will not give rise to any restriction on the Issuer making dividend payments or other distributions or any other payments to the holders of any other instruments, including 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 fulfillment of its own obligations when due.

Investors should be aware that there will be no circumstances under which a payment of an Interest Amount will be compulsory for the Issuer.

Certain market expectations may exist among investors in the Notes with regard to Bremer LB 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 Distributable Items.

The Interest Amounts payable under the Notes depend, among others, on the future Distributable Items (as defined in the Terms and Conditions of the Notes and set out below) of the Issuer. Interest will not accrue if (but only to the extent that) payment of interest on the Notes, together with any other Distributions that are simultaneously planned or made or that have been made by the Issuer on other Tier 1 Instruments in the then current financial year of the Issuer, would exceed the Distributable Items, provided, however, that for purposes of this determination the Distributable Items shall be increased by an amount equal to the aggregate expense accounted for in respect of Distributions on Tier 1 Instruments (including the Notes) when determining the profit which forms the basis of the Distributable Items (see risk factor: "*Risks associated with an Investment in the Notes—Interest Payments under the Notes are entirely discretionary and subject to the fulfillment of certain conditions. If the Issuer elects to cancel an Interest Payment or is legally prevented to pay interest, the Issuer will be under no obligation to compensate the Holders for such cancellation at any later point of time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer*" above). In such event, Holders would receive no, or reduced, Interest Payments on the relevant Interest Payment Date. With the annual profit and any distributable reserves of Bremer LB forming an essential part of the Distributable Items, investors should also carefully review the risk factors under "*Risks relating to the Issuer*" since any change in the financial prospects of the Issuer or its inherent profitability, in particular a reduction in the amount of profit 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.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (including any provisions of regulatory law supplementing this Regulation); to the extent that any provisions of the CRR are amended or replaced, the term CRR as used in these Terms and Conditions shall refer to such amended provisions or successor provisions.

"**Distributable Items**" means, with respect to any payment of interest, in accordance with Article 4 (1) no 128 CRR the profit as of 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 (i) any profits carried forward and distributable reserves, minus (ii) any losses carried forward and any profits which are non-distributable pursuant to applicable law or the articles of association of the Issuer and any amounts allocated to the non-distributable reserves, provided that such 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 its consolidated financial statements.

"Distributions" means any kind of payment of dividends or interest.

"Tier 1 Instruments" means capital instruments which, pursuant to CRR, qualify as common equity tier 1 capital or additional tier 1 capital.

The Issuer's management has broad discretion within the applicable accounting principles to influence the amounts relevant for determining the Distributable Items and the amount of the Distributions (including interest amounts in respect of the Notes) 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 Distributable Items available for making interest payments under the Notes on any Interest Payment Date. Accordingly, the Issuer is legally capable of influencing its ability to make Interest Payments to the detriment of the Holders.

Interest Payments may be cancelled for regulatory reasons.

Interest Payments will also be excluded if (and to the extent) the competent supervisory 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 risk factor: *"Risks associated with an Investment in the Notes—Interest Payments under the Notes are entirely discretionary and subject to the fulfillment of certain conditions. If the Issuer elects to cancel an Interest Payment or is legally prevented to pay interest, the Issuer will be under no obligation to compensate the Holders for such cancellation at any later point of time. There will be no circumstances under which an Interest Payment will be compulsory for the Issuer"* above).

The CRR prohibits the Issuer from making an Interest Payment if (but only to the extent that) the relevant Interest Payment would exceed the Issuer's Distributable Items as determined in accordance with the Terms and Conditions of the Notes or if such payment does not meet any of the other conditions set out in Art. 52 (1) lit. (l) CRR. However, it cannot be excluded that the European Union or the Federal Republic of Germany or any other authority enacts further legislation affecting the Issuer and thereby also adversely affecting the right of the Holders to receive Interest Payments on any Interest Payment Date.

In particular, the competent supervisory authority may issue an order to the Issuer to cancel all or part of the Interest Payments in cases of inadequate own funds or inadequate liquidity. Cases of inadequacy of own funds exist if an institution or the relevant group does not meet the minimum own funds requirements stipulated by CRR or, if applicable, additional capital requirements that may be imposed on the Issuer under certain circumstances. More specifically, CRR requires a minimum amount of total regulatory capital of 8% of the risk weighted assets of the institution respectively the relevant group and also imposes minimum requirements for Tier 1 capital and Common Equity Tier 1 capital (all within the meaning of the CRR), which are subject to a phased-in implementation.

CRD 4 also introduced capital buffer requirements in addition to the minimum capital requirement and any applicable additional requirements. These are required to be met with Common Equity Tier 1 capital. The respective CRD 4 requirements have been implemented into German law through sections 10c et seq. of the German Banking Act (*Kreditwesengesetz – "KWG"*) which introduced five new capital buffers: (i) the capital conservation buffer (as implemented in Germany by section 10c KWG), (ii) the institution-specific counter-cyclical buffer (as implemented in Germany by section 10d KWG), (iii) the global systemically important institutions buffer or, depending on the institution, the other systemically important institutions buffer (as implemented in Germany by sections 10f and 10g KWG) and (iv) the systemic risk buffer (as implemented in Germany by section 10e KWG). While the capital conservation buffer will, after a phase-in period, be in any case applicable to the Issuer, one or all of the other buffers may additionally be established and be applicable to the Issuer (whereby the global systemically important institutions buffer and the other systemically important institutions buffer may only be applied alternatively not cumulatively). All applicable buffers will be aggregated in a combined buffer (as implemented by section 10i KWG), applying a calculation specified in section 10i KWG. If the Issuer does not meet such combined buffer requirement, the Issuer will be restricted from making Interest Payments on the Notes in certain circumstances (as set out in section 10i KWG, to be read in conjunction with section 37 of the solvability regulation ("**SolvV**") until a capital conservation plan has been approved by the competent supervisory authority in which the Issuer is required to

explain how it can be ensured that the Interest Payments and certain other discretionary payments, including distributions on Common Equity Tier 1 instruments and variable compensation payments, do not exceed the maximum distributable amount). The maximum distributable amount is calculated as a percentage of the profits of the institution since the last distribution of profits as further defined in section 37 para 2 SolvV. The applicable percentage is scaled according to the extent of the breach of the combined buffer requirement. As an example, if the scaling is in the bottom quartile of the combined buffer requirement, no discretionary Distributions will be permitted to be paid. 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 (in whole or in part) Interest Payments in respect of the Notes. Again, it cannot be excluded that the European Union or the Federal Republic of Germany or any other authority enacts further legislation affecting the Issuer and thereby also adversely affecting the right of the Holders to receive Interest Payments on any Interest Payment Date.

Similar risks may result from additional capital requirements determined by the ECB in the context of the SREP (see risk factor: "*Risks arising from bank-specific regulation—Bremer LB may be subject to capital ratios in excess of own funds requirements (Pillar 1), in particular in respect of SREP Decisions and other Pillar 2 requirements*").

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. In all such instances, Holders would receive no, or reduced, Interest Payments on the relevant Interest Payment Date.

Please also see risk factor: "*Risks associated with an Investment in the Notes—The Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions of the Notes) or converted upon the occurrence of a non-viability event or if the Issuer becomes subject to resolution*."

The Redemption Amount and the nominal amount of the Notes will be reduced under the Terms and Conditions of the Notes 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 of the Redemption Amount and the nominal amount of the Notes 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.

Under the Terms and Conditions of the Notes, the nominal amount of the Notes is subject to a write-down (a "**Write-down**") if the Issuer's Common Equity Tier 1 capital ratio pursuant to Art. 92 (1) lit. (a) CRR (or any successor provision) (the "**Common Equity Tier 1 Capital Ratio**"), falls below 5.125% (the "**Trigger Event**"). In case of a Write-down, and with effect from the date of the notification, and thus the occurrence, of such Write-down, Interest Payments will be calculated on the basis of the reduced nominal amount of the Notes and thus not accrue in full. In such event, Holders would receive no, or reduced, Interest Payments on the relevant Interest Payment Date.

Such Write-down could also negatively affect the size of the Redemption Amount payable on the Notes as the Terms and Conditions of the Notes stipulate that the Issuer will be entitled to terminate the Notes for certain tax or regulatory reasons even if the Redemption Amount payable on the Notes has been and continues to be reduced due to such Write-down. The amount to be repaid under the Notes, if any, may thus be substantially lower than the initial 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.

Therefore, as any event which could result in a Write-down of the Redemption Amount and 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 of the Issuer. Such changes may be caused by changes in the amount of Common Equity Tier 1 capital or risk weighted assets, as well as changes to their respective definition and interpretation under the applicable capital regulations. 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. A decline or perceived decline in the Common Equity Tier 1 Capital Ratio may significantly affect the trading price of the Notes.

The Issuer's current 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.

Following a Write-down of the Redemption Amount and the nominal amount in accordance with the Terms and Conditions of the Notes as outlined above, the Issuer will, subject to certain limitations set out in the Terms and Conditions of the Notes, be entitled (but not obliged) to effect, in its sole discretion an increase of the Redemption Amount and the nominal amount of the Notes up to their initial nominal amount (a "**Write-up**"). The Issuer's ability to make a Write-up depends on the availability of an annual surplus of the Issuer and is subject to a number of conditions set out in the Terms and Conditions of the Notes, including that the sum of the write-up of Additional Tier 1 instruments the terms of which provide for a similar Trigger Event together with the amounts of any dividend payments and other payments of dividends and interest on shares and other Common Equity Tier 1 instruments of the Issuer for the relevant financial year does not exceed the maximum distributable amount within the meaning of section 10 (1) no. 5 e) KWG in connection with section 37 SolvV (which transpose Article 141 (2) CRD IV into national law) (or any successor provision). However, there can be no assurance that the Issuer will at any time have the ability and be willing to effect such Write-up, 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 full Write-up has been effected. In case a Write-up is made, it will have to be effected on a *pro rata* basis with other Additional Tier 1 instruments the terms of which provide for a similar Trigger Event.

The Issuer's Common Equity Tier 1 Capital Ratio 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.

Pursuant to the Terms and Conditions of the Notes, a Write-down occurs if the Common Equity Tier 1 Capital Ratio falls below 5.125% (see risk factor: "*Risks associated with an Investment in the Notes—The Redemption Amount and the nominal amount of the Notes will be reduced under the Terms and Conditions of the Notes 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. 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*"). As of 31 March 2015, the Common Equity Tier 1 Capital Ratio of the Issuer is 8.17%. Such ratio is, however, currently calculated on the basis of transitional provisions in the CRR (so called "phase in" calculation) which are more generous than the final provisions of the CRR related to the calculation of the Common Equity Tier 1 Capital Ratio (so called calculation on a "fully loaded basis"). As the transitional provisions are designed to implement certain requirements under the CRR in stages, the provisions related to the calculation of the Common Equity Tier 1 Capital Ratio will become more stringent over time until the Common Equity Tier 1 Capital Ratio is finally calculated on a fully loaded basis. Calculation of the Common Equity Tier 1 Capital Ratio on a fully loaded basis is expected to result in a lower ratio if the Issuer is not able to compensate the negative effects of a calculation of the Common Equity Tier 1 Capital Ratio on a fully loaded basis.

The occurrence of a Trigger Event and therefore a Write-down 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 Issuer's Common Equity Tier 1 Capital Ratio could be affected by a wide range of factors, including, among other things, changes in the mix of the Issuer'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 Issuer's ability to manage risk-weighted assets.

Such ratio will also depend on the Issuer's decision relating to its businesses and operations, as well as the management of its capital position, and may be affected by changes in applicable accounting rules or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. For example, 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, the Common Equity Tier 1

Ratio will depend in part on decisions made by the Issuer relating to its businesses and operations as well as the management of their capital position. 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. Holders will not have a claim against the Issuer or any other member of Bremer LB relating to decisions that affect the business and operations of the Issuer, including its capital positions, regardless of whether they result in the occurrence of a Trigger Event. Following the occurrence of a Trigger Event, such decisions could cause Holders to lose all or part of the value of their investment in the Notes.

Many aspects of the manner in which the CRD 4 Regulations will be implemented remain uncertain.

Some of the terms, including certain defined terms, in the Terms and Conditions of the Notes depend on the final interpretation and implementation of the CRD 4 and the CRR (together, the "**CRD 4 Regulations**"). The CRD 4 Regulations are a recently-adopted set of rules and regulations that imposes a series of new requirements, many of which will be phased in over a number of years. The CRD 4 Regulations leave a number of important interpretational issues to be resolved through binding technical standards that will be adopted in the future, and leave certain other matters to the discretion of the regulator. The manner in which the requirements under the CRD 4 Regulations will be applied to the Issuer therefore remains uncertain.

The Notes have no scheduled maturity and the Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur.

The Notes have no scheduled maturity and may remain outstanding for an indefinite period. Accordingly, the Issuer is under no obligation to repay all or any part of the nominal amount of the Notes at a certain point in time. The Terms and Conditions of the Notes only provide for termination by the Issuer and not by the Holders. Except for certain tax or regulatory reasons, as stipulated in this Prospectus, the Terms and Conditions of the Notes provide that an ordinary termination by the Issuer may not become effective earlier than 29 June 2020 and on any Interest Payment Date thereafter. In addition, the Terms and Conditions of the Notes stipulate that no termination shall become effective without prior regulatory approval. Moreover, any termination by the Issuer of the Notes will be at the Issuer's full discretion.

The Holders have no ability to require the Issuer to redeem their Notes and the Terms and Conditions of the Notes do not provide for any events of default allowing acceleration of the Notes. In particular, neither non-viability nor a Regulatory Bail-in in connection therewith will constitute an event of default with respect to the Notes (see risk factor: "*Risks associated with an Investment in the Notes—The Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions of the Notes) or converted upon the occurrence of a non-viability event or if the Issuer becomes subject to resolution*"). Accordingly, if the Issuer fails to meet obligations under the Notes, including the payment of interest which has not been cancelled, Holders will not have the right of acceleration of principal. 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, the Holders would not be entitled to file an application for the institution of insolvency proceedings in respect of the Issuer with a view to recover such amounts.

Certain market expectations may exist among investors in the Notes with regard to Bremer LB 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.

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 can be redeemed by the Issuer at any time under certain regulatory or tax reasons. In such case, the Redemption Amount may be substantially lower than the initial nominal amount of the Notes due to a Write-down that has not been fully written up. In case of a write-down to zero, this may result in a full loss of the nominal amount.

The Notes may be redeemed at any time, in whole but not in part, subject to prior permission by the competent supervisory authority, and without any previous Write-down having been written up (a) for regulatory reasons, if the Issuer (i) is no longer able to treat the Notes in full as Additional Tier 1 capital for purposes of complying with its own funds requirements or (ii) is subject to any other form of a less advantageous regulatory own funds treatment than it was the case at the Issue Date, or (b) for tax reasons, if the tax treatment of the Notes changes (including but not limited to the tax deductibility of interest payable on the Notes) and such change, in the judgment of the Issuer, is materially disadvantageous to the Issuer. In addition, the Notes may also be redeemed at the option of the Issuer on 29 June 2020 and subsequently at each Interest Payment Date, but in this case only if any previous Write-down having been fully written-up.

If the Issuer elects, in its sole discretion and subject to prior permission by the competent supervisory authority, to redeem the Notes, the Notes will become repayable as a consequence thereof. Due to any previous Write-downs that have not been fully written up, in the cases of a redemption for regulatory or tax reasons the amount to be repaid under the Notes, if any, may be substantially lower than the initial 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 (see risk factor: "*Risks associated with an Investment in the Notes—The Redemption Amount and the nominal amount of the Notes will be reduced under the Terms and Conditions of the Notes 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 of the Redemption Amount and the nominal amount of the Notes 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 Notes may be written down (without prospect of a potential write-up in accordance with the Terms and Conditions of the Notes) or converted upon the occurrence of a non-viability event or if the Issuer becomes subject to resolution.

Certain legal provisions and regulatory measures, in particular the application of bail-in measures, implementing the BRRD may severely affect the rights of Holders under the Notes. Under the BRRD, resolution authorities (in the case of the Issuer, under the single European resolution mechanism) shall be given the authority to write down the claims of unsecured creditors of a failing institution or one that is likely to fail (in particular claims under own funds instruments such as the Notes intended to qualify as Additional Tier 1 instruments and thereafter other subordinated debt as well as also certain non-subordinated liabilities) or to convert such claims into equity if certain requirements are met (so-called "**bail-in tool**"). Even though the BRRD provides for a longer transposition period until 1 January 2016 at the latest with respect to certain provisions on the bail-in tool, the bail-in tool is already available under the laws of Germany as of 1 January 2015. Furthermore, Member States may retain (and thus introduce also separately from the transposition of the BRRD into national law) specific national tools and powers to deal with a failing institution (or one that is likely to fail) in addition to those powers.

These newly introduced measures, especially the application of the bail-in tool, may result in claims for payment of principal, interest or other amounts under the Notes being subject to a permanent reduction, including to zero, or a conversion into one or more instruments that constitute Common Equity Tier 1 capital for Bremer LB (each of these measures herein referred to as a "**Regulatory Bail-in**"). This would probably occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" or in the event of a resolution of the Issuer. Consequently, any amounts so written down in respect of the Notes would be irrevocably lost and the Holders would cease to have any claims thereunder, regardless whether or not the bank's financial position is restored. Holders would have no claim against the Issuer in such a case and there would be no obligation of the Issuer to make payments under the Notes. Other than in the event that the Issuer's Common Equity Tier 1 Capital Ratio falls below a certain trigger, the Terms and Conditions of the Notes do not contain a provision which requires them to be written down in the event of "non-viability"

or resolution of the Issuer. However, applicable supervisory law provides for regulatory powers to impose a Regulatory Bail-in in such scenarios in respect of the Notes.

The SRM Regulation, which will be fully applicable from 1 January 2016 and provides for the same resolution measures, establishes the Single Resolution Board. The Single Resolution Board is responsible for the resolution of banks under direct ECB supervision. Bremer LB falls within the scope of the SRM Regulation with the Single Resolution Board, closely cooperating with the ECB as supervisory authority and with the national resolution authorities, being the responsible resolution authority. In addition, German implementing provisions remain relevant for Bremer LB because the execution of resolution decisions by the national resolution authority, even upon instruction by the Single Resolution Board, will be based upon them.

The extent to which the nominal amount of the Notes may be subject to a Regulatory Bail-in may 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 Regulatory Bail-in will occur. 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 Regulatory Bail-in. Potential investors should consider the risk that they may lose all of their investment, including the nominal amount plus any accrued interest if a Regulatory Bail-in occurs. Also, the legal provisions and regulatory measures allowing for a Regulatory Bail-in may have a negative impact on the market value of the Notes also prior to non-viability or resolution.

In addition, investors should note that the provisions of the Terms and Conditions of the Notes dealing with a potential write-up of the Redemption Amount and the nominal amount of the Notes should the Notes have been subject to a Write-down (see risk factor: "*Risks associated with an Investment in the Notes—The Redemption Amount and the nominal amount of the Notes will be reduced under the Terms and Conditions of the Notes 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 of the Redemption Amount and the nominal amount of the Notes 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 Regulatory Bail-in and it is therefore likely that any write-down due to a Regulatory Bail-in cannot be written up.

The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer. There is a significant risk that Holders of Notes will lose all or some of their investment should the Issuer become insolvent or is liquidated.

The obligations of the Issuer under the Notes constitute unsecured and subordinated obligations of the Issuer. In the event of the dissolution, liquidation, insolvency of the Issuer or composition, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, (each of these proceedings hereinafter referred to as "Insolvency/Liquidation Proceedings") the obligations under the Notes shall be fully subordinated to (i) the claims of other unsubordinated creditors of the Issuer, (ii) the claims under Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 of the German Insolvency Code (*Insolvenzordnung – "InsO"*) so that in any such event no amounts shall be payable in respect of the Notes until (i) the claims of such other unsubordinated creditors of the Issuer, (ii) the claims under such Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 InsO have been satisfied in full.

Even prior to the opening of Insolvency/Liquidation Proceedings, Holders may only request satisfaction from the Notes if and to the extent the Issuer is able to make such payments from available assets. Holders may not request payment if the Issuer is over-indebted within the meaning of § 19 InsO or illiquid within the meaning of § 17 InsO or if the payment resulted in over-indebtedness or illiquidity. The Issuer's payment obligations under the Notes will rank *pari passu* amongst themselves and *pari passu* with all other subordinated obligations of the Issuer. 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 securing rights of the Holders under the Notes.

In the event of the dissolution, liquidation, insolvency or composition, or any other proceedings for the avoidance of insolvency, there is a significant risk that a Holder of Notes will lose all or some of its investment.

There is no restriction on the amount or type of further instruments, including those which rank pari passu or senior to the Notes and those which depend, amongst others, on the Issuer's 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 issue or guarantee further instruments, including those which depend, amongst others, on the Issuer's Distributable Items, or other indebtedness ranking *pari passu* with or senior to claims under the Notes. In particular, concurrently with the issue of the Notes, the Issuer may issue additional notes for the purposes of raising Additional Tier 1 capital. The issuance of further instruments which rank *pari passu* or senior to the Notes may reduce the amount recoverable by investors upon the occurrence of an insolvency or liquidation of the Issuer. The issue or guaranteeing of any further instruments or indebtedness may limit the Issuer's ability to make payments of principal and interest under 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.

The Notes constitute a new issue of securities. Prior to their issue, there has been no public market for the Notes. Although application has been made to have the Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange which appears on the list of regulated markets issued by the EC, there can be no assurance that an active public market for the Notes will develop. Even if such a market were to develop, neither the Issuer nor the Manager nor any other person is obligated to maintain it. In an illiquid market, an investor might not be able to sell his Notes at all or at any time at fair market prices. The possibility to sell the 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.

Holders of the Notes are exposed to risks associated with fixed rate notes. Movements of the market interest rate or the credit risk premium can adversely affect the price of the Notes and lead to losses upon a sale. As a consequence of the reset of the interest rate on the first Redemption Date and thereafter on any anniversary thereof, Holders are exposed to the risk of fluctuating interest rate levels and an uncertain yield.

The Notes bear interest at a fixed rate until 29 June 2020. A holder of notes with a fixed interest rate is exposed to the risk that the price of such notes falls as a result of changes in the market interest rate or the premium the market applies to the risks relating to the Issuer or the Issuer's capital (credit risk premium). While the interest rate of the Notes is initially fixed at 8.50 % per annum until 29 June 2020 and thereafter, unless the Notes are previously redeemed or repurchased and cancelled, the interest rate applicable to the Notes for any period following 29 June 2020 will be determined by the Calculation Agent for each Interest Period on the basis of the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for a period of twelve months which is displayed on the Screen Page as of 11.00 a.m. (Brussels time) on the Interest Determination Date plus the Margin. As the market interest rate changes, the price of the Notes changes in the opposite direction. If the market interest rate or the credit risk premium increases, the price of the Notes would typically fall. If the market interest rate or the credit risk premium falls, the price of the Notes would typically increase. Hence, Holders should be aware that movements of the market interest rate and the credit risk premium are independent from each other and that movements of the market interest rate or the credit risk premium can adversely affect the price of the Notes and can lead to losses. In

addition, any reset interest rate of the Notes may be lower than the interest rate previously applicable which would adversely affect the yield of the Notes. A Holder is therefore also exposed to the risk of fluctuating interest rate levels and an uncertain yield.

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 be traded, 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 an Interest Payment is cancelled as described herein (in whole or in part), purchasers of such Notes will not be entitled to an Interest Payment (in full or in part, as the case may be), and will not receive any compensation for an increased price paid due to accrued interest.

Changes in the credit ratings assigned to the Issuer could affect the market value and reduce the liquidity of the Notes.

As of the date of the Prospectus, Bremer LB has a Long Term Issuer Default Rating A- (outlook stable) assigned by Fitch Ratings Ltd. and a Short Term Issuer Default Rating F1 assigned by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and any rating assigned to Bremer LB may at any time be lowered or withdrawn entirely by a rating agency, or the Issuer may decide not to maintain a solicited rating by a rating agency. Any change in, or withdrawal of, the credit rating(s) assigned to the Issuer may affect the market value and could reduce the liquidity of the Notes even though the Notes are as such not rated.

In general, European regulated investors are restricted under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Taxation

Investors should be aware that duties, other taxes and expenses, including any stamp duty, depositary 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 that it is the obligation of an investor to pay all such duties, other taxes and expenses.

All payments made under the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, in no event, be required to pay additional amounts to cover the amounts so withheld or deducted.

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 of the Notes or in other jurisdictions in which the holder of the Notes is required to pay taxes. Section "Taxation" below contains a general description of certain tax considerations relating to the purchasing, holding and disposing of the Notes in relation to the Federal Republic of Germany.

Change in tax law

Investors should be aware that tax regulations and their application by the relevant taxation authorities are 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 German Federal Ministry of Finance issued on 10 April 2014 a decree regarding the tax treatment of Additional Tier 1 instruments. According to the wording of such decree, the principles set out therein were meant to only apply to certain model terms and conditions as attached to the decree. Although the Issuer has been advised that the Terms and Conditions of the Notes in all material tax respects correspond to the model terms, it cannot be entirely excluded that the tax authorities might not apply, in whole or in part, the principles set out in the aforesaid decree to the Notes. It is therefore not possible to predict the precise tax treatment which will apply at any given time and changes in the tax treatment of the Notes (including but not limited to the tax deductibility of interest payable on the Notes) where Bremer LB determines, in its own discretion, that such change is materially disadvantageous to it may give the Issuer the right to redeem the Notes.

Financial Transaction Tax

On 14 February 2013, following the request of eleven member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, together the "**Participating Member States**"), the European Commission proposed a draft directive (the "**Draft FTT Directive**") to implement a financial transaction tax ("**FTT**").

Pursuant to the Draft FTT Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Prospective holders should therefore note, in particular, that, subject to the Draft FTT Directive being adopted and then transposed into the respective national laws as envisaged, any sale, purchase or exchange of the Notes will be subject to the FTT at a minimum rate of 0.1 per cent. provided the abovementioned prerequisites are met. The holder may be liable to itself pay this charge or reimburse a financial institution for the charge, and the charge may affect the value of the Notes. However, the issuance of the Notes should not be subject to the FTT.

The Draft FTT Directive remains subject to negotiation between the Participating Member States. It was the subject of an unsuccessful legal challenge by the United Kingdom and may be challenged again in the future. It may therefore be altered prior to its adoption, the timing of which remains unclear. At the moment, the adoption is announced for 2016. Moreover, once the Draft FTT Directive has been adopted (the "**FTT Directive**"), it will need to be transposed into the respective national laws of the Participating Member States and the national provisions transposing the FTT Directive might deviate from the FTT Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within CBF in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by CBF (see Section "*Taxation—U.S. Foreign Account Tax Compliance Withholding*" below). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA including any IGA legislation, if applicable), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuers, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

§ 1

Währung, Stückelung, Form

- (1) *Währung; Stückelung.* Diese Serie von nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der BREMER LANDESBANK KREDITANSTALT OLDENBURG – GIROZENTRALE – (die "**Emittentin**") wird in Euro (die "**festgelegte Währung**") im Gesamtnennbetrag von Euro 50.200.000 (in Worten: fünfzig Millionen zweihunderttausend Euro) in einer Stückelung von Euro 100.000 (die "**festgelegte Stückelung**") begeben.
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) Vorläufige Globalurkunde – Austausch.
- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") und, gemeinsam mit der vorläufigen Globalurkunde, jeweils die "**Globalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (b) Die vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften

TERMS AND CONDITIONS

§ 1

Currency, Denomination, Form

- (1) *Currency; Denomination.* This series of subordinated notes (the "**Notes**") of BREMER LANDESBANK KREDITANSTALT OLDENBURG – GIROZENTRALE – (the "**Issuer**") is being issued in Euro (the "**Specified Currency**") in the aggregate nominal amount of EUR 50,200,000 (in words: fifty million two hundred thousand euros) in a denomination of EUR 100,000 (the "**Specified Denomination**").
- (2) *Form.* The Notes are being issued in bearer form.
- (3) Temporary Global Note – Exchange.
- (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchanged for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**") and together with the Temporary Global Note, the "**Global Note**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchangeable for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons (other than certain financial institutions or

Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß § 1 (3)(b) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.

- (4) *Clearing System.* Jede die Schuldverschreibungen verbriefende Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" bedeutet Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Bundesrepublik Deutschland ("**CBF**") und jeder Funktionsnachfolger.
- (5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

§ 2 Status

- (1) Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander und (vorbehaltlich der Nachrangregelung in Satz 2) mit allen anderen nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind. 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 (jeweils ein "**Insolvenz- oder Liquidationsverfahren**") gehen die Verbindlichkeiten aus den Schuldverschreibungen (i) den Ansprüchen dritter Gläubiger der Emittentin aus nicht nachrangigen Verbindlichkeiten, (ii) den Ansprüchen aus Instrumenten des Ergänzungskapitals

certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to § 1 (3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).

- (4) *Clearing System.* Each Global Note representing the Notes will be kept in custody by or on behalf of a Clearing System. "**Clearing System**" means Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Federal Republic of Germany ("**CBF**") and any successor in such capacity.
- (5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other right in the Notes.

§ 2 Status

- (1) The Notes constitute unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves and (subject to the subordination provision in sentence 2) *pari passu* with all other subordinated obligations of the Issuer. In the event of the dissolution, liquidation, insolvency of the Issuer or composition, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, (each of these proceedings hereinafter referred to as "**Insolvency/Liquidation Proceedings**") the obligations under the Notes shall be fully subordinated to (i) the claims of other unsubordinated creditors of the Issuer, (ii) the claims under Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 of the German

sowie (iii) den in § 39 Absatz 1 Nr. 1 bis 5 Insolvenzordnung ("InsO") bezeichneten Forderungen im Range vollständig nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie (i) die Ansprüche dieser dritten Gläubiger der Emittentin aus nicht nachrangigen Verbindlichkeiten, (ii) die Ansprüche aus den Instrumenten des Ergänzungskapitals sowie (iii) die in § 39 Absatz 1 Nr. 1 bis 5 InsO bezeichneten Forderungen nicht vollständig befriedigt sind.

Auch vor Einleitung eines Insolvenz- oder Liquidationsverfahrens können Gläubiger Befriedigung aus den Schuldverschreibungen nur erlangen, wenn und soweit die Emittentin zur Zahlung aus ihrem ungebundenem Vermögen in der Lage ist. Die Gläubiger können eine Befriedigung aus den Schuldverschreibungen von der Emittentin auch dann nicht verlangen, wenn eine Überschuldung im Sinne des § 19 InsO oder Zahlungsunfähigkeit im Sinne des § 17 InsO der Emittentin entweder vorliegt oder als Folge der Befriedigung einträte.

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. Verbotswidrige Zahlungen haben keine Tilgungswirkung.

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

Kein Gläubiger ist berechtigt, mit Ansprüchen aus den Schuldverschreibungen gegen Ansprüche der Emittentin 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.

(2) Nachträglich können – ungeachtet vertraglicher oder sonstiger Vereinbarungen – der Nachrang gemäß § 2 (1) nicht beschränkt sowie die Laufzeit

Insolvency Code (*Insolvenzordnung* – "InsO") so that in any such event no amounts shall be payable in respect of the Notes until (i) the claims of such other unsubordinated creditors of the Issuer, (ii) the claims under such Tier 2 instruments, and (iii) the claims specified in § 39 (1) nos. 1 to 5 InsO have been satisfied in full.

Even prior to the opening of Insolvency/Liquidation Proceedings, Holders may only request satisfaction from the Notes if and to the extent the Issuer is able to make such payments from available assets. Holders may not request payment if the Issuer is over-indebted within the meaning of § 19 InsO or illiquid within the meaning of § 17 InsO or if the payment resulted in over-indebtedness or illiquidity.

This subordination provision constitutes a prohibition of payments with the effect that payments under the Notes may only be made by the Issuer, and requested by the Holders, in accordance with this subordination provision. Payments violating this subordination provision do not have releasing effect.

Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes from other available assets of the Issuer.

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 shall at any time be, provided by the Issuer or any other person securing rights of the Holders under the Notes.

(2) Notwithstanding any contractual or other agreements to the contrary, no subsequent agreement may limit the subordination pursuant to the provisions

der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden. Werden die Schuldverschreibungen unter anderen als den in § 2 (1) beschriebenen Umständen oder infolge einer Kündigung nach Maßgabe von § 5 (2), § 5 (3) oder § 5 (4) zurückgezahlt oder von der Emittentin zurückerworben, so ist der zurückgezahlte oder gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurück zu gewähren, sofern nicht die für die Emittentin zuständige Aufsichtsbehörde der Rückzahlung oder dem Rückkauf zugestimmt hat. Eine Kündigung oder Rückzahlung der Schuldverschreibungen nach Maßgabe von § 5 oder ein Rückkauf der Schuldverschreibungen ist in jedem Fall nur mit vorheriger Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde zulässig.

set out in § 2 (1) or shorten the term of the Notes or any applicable notice period. If the Notes are redeemed or repurchased by the Issuer otherwise than in the circumstances described in § 2 (1) or as a result of a redemption pursuant to § 5 (2), § 5 (3) or § 5 (4), then the amounts redeemed or paid must be returned to the Issuer irrespective of any agreement to the contrary unless the competent supervisory authority of the Issuer has given its permission to such redemption or repurchase. A termination or redemption of the Notes pursuant to § 5 or a repurchase of the Notes requires, in any event, the prior permission of the competent supervisory authority of the Issuer.

§ 3 Zinsen

§ 3 Interest

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| <p>(1) <i>Zinszahlungstage.</i></p> <p>(a) Vorbehaltlich des Ausschlusses der Zinszahlung nach § 3 (8) und einer Herabschreibung nach § 5 (8) werden die Schuldverschreibungen bezogen auf ihren Gesamtnennbetrag ab dem 29. Juni 2015 (der "Verzinsungsbeginn") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst; im Falle einer Herabschreibung nach § 5 (8)(a) werden die Schuldverschreibungen, solange und soweit sie noch nicht nach § 5 (8)(b) wieder hochgeschrieben wurden, nur bezogen auf den entsprechend reduzierten Gesamtnennbetrag verzinst.</p> <p>(b) "Zinszahlungstag" bedeutet jeder 29. Juni. Erster Zinszahlungstag ist der 29. Juni 2016.</p> <p>(c) Fällt ein Zinszahlungstag, der ein Festzinszahlungstag ist, auf einen Tag, der kein Geschäftstag ist, so wird dieser Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben. Die Gläubiger sind in diesem Fall nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verschiebung zu</p> | <p>(1) <i>Interest Payment Dates.</i></p> <p>(a) Subject to a cancellation of interest payments pursuant to § 3 (8) and a write-down pursuant to § 5 (8), the Notes shall bear interest on their aggregate nominal amount from (and including 29 June 2015 (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; in the event of a write-down pursuant to § 5 (8)(a), the Notes shall only bear interest on the relevant reduced aggregate nominal amount so long as, and to the extent that, they have not been subject to a write-up pursuant to § 5 (8)(b).</p> <p>(b) "Interest Payment Date" means 29 June in each year. The first Interest Payment Date is 29 June 2016.</p> <p>(c) If any Interest Payment Date which is a Fixed Interest Payment Date would otherwise fall on a day which is not a Business Day, this Interest Payment Date shall be postponed to the next day which is a Business Day. Holders shall in this case not be entitled to further interest or other payments in respect of such</p> |
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verlangen.

"**Festzinszahlungstag**" bezeichnet jeden Zinszahlungstag bis zum 29. Juni 2020 (einschließlich).

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet ist.

- (d) Fällt ein Zinszahlungstag, der kein Festzinszahlungstag ist, auf einen Tag, der kein Geschäftstag (wie in § 3 (1)(c) definiert) ist, so wird dieser Zinszahlungstag auf den nächstfolgenden Geschäftstag (wie in § 3 (1)(c) definiert) verschoben, es sei denn, dieser Zinszahlungstag würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird dieser Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag (wie in § 3 (1)(c) definiert) vorgezogen. Ungeachtet des § 3 (1)(a), jedoch vorbehaltlich des Ausschlusses der Zinszahlung nach § 3 (8) und einer Herabschreibung nach § 5 (8), haben die Gläubiger Anspruch auf weitere Zinszahlung für jeden zusätzlichen Tag, um den der Zinszahlungstag aufgrund § 3 (1)(d) nach hinten verschoben wird. Für den Fall jedoch, in dem der Zinszahlungstag nach § 3 (1)(d) auf den unmittelbar vorhergehenden Geschäftstag (wie in § 3 (1)(c) definiert) vorgezogen wird, haben die Gläubiger nur Anspruch auf Zinsen bis zum tatsächlichen Zinszahlungstag, nicht jedoch bis zum festgelegten Zahltag.

- (2) **Zinssatz.** Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird,

- (i) für den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum 29. Juni 2020 (ausschließlich) ein fester Zinssatz in Höhe von 8,50 % *per annum*, und
- (ii) für den Zeitraum ab dem 29. Juni 2020 (einschließlich) der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die Dauer von zwölf Monaten, der auf der Bildschirmseite am

postponement.

"**Fixed Interest Payment Date**" means each Interest Payment Date until and including 29 June 2020.

"**Business Day**" means a day (other than Saturday or Sunday) on which the Trans-European Automated Realtime Gross Settlement Express Transfer System 2 (TARGET2) is open.

- (d) If any Interest Payment Date which is not a Fixed Interest Payment Date would fall on a day which is not a Business Day (as defined in § 3 (1)(c)), this Interest Payment Date shall be postponed to the next day which is a Business Day (as defined in § 3 (1)(c)) unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day (as defined in § 3 (1)(c)). Notwithstanding the provisions of § 3 (1)(a) and subject to a cancellation of interest payment pursuant to § 3 (8) and a write-down pursuant to § 5 (8), the Holders are entitled to further interest for each additional day for which the Interest Payment Date is postponed due to the provisions set out in § 3 (1)(d). However, in the event that the Interest Payment Date is brought forward to the immediately preceding Business Day (as defined in § 3 (1)(c)) pursuant to § 3 (1)(d), the Holders will only be entitled to interest until the actual Interest Payment Date and not until the scheduled Interest Payment Date

- (2) **Rate of Interest.** The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as otherwise provided below, be

- (i) for the period from (and including) the Interest Commencement Date to (but excluding) 29 June 2020 a fixed rate of 8.50 per cent. *per annum*, and
- (ii) for the period from (and including) 29 June 2020 the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for a period of twelve months which is displayed on the Screen Page as of 11.00 a.m.

Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird, zuzüglich der Marge (wie nachstehend definiert), wobei alle Festlegungen durch die Berechnungsstelle (wie in § 6 definiert) erfolgen.

"Zinsperiode" bezeichnet den jeweiligen Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

"Zinsfestlegungstag" bezeichnet in Bezug auf den Angebotssatz, der für jede Zinsperiode ab dem 29. Juni 2020 (einschließlich) festzustellen ist, den zweiten Geschäftstag (wie in § 3 (1)(c) definiert) vor dem Beginn der jeweiligen Zinsperiode.

Die **"Marge"** beträgt 7,968 % *per annum*¹.

"Bildschirmseite" bedeutet Reuters Bildschirmseite EURIBOR01 oder jede Nachfolgeseite.

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze zuzüglich der Marge, wobei alle

(Brussels time) on the Interest Determination Date (as defined below) plus the Margin (as defined below), all as determined by the Calculation Agent (as defined in § 6).

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

"Interest Determination Date" means, in respect of the offered quotation to be determined in relation to each Interest Period from (and including) 29 June 2020, the second Business Day (as defined in § 3 (1)(c)) preceding the date on which the relevant Interest Period commences.

"Margin" means 7.968 per cent. *per annum*¹.

"Screen Page" means the Reuters screen page EURIBOR01 or any successor page.

If the relevant Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market in the Euro-Zone at approximately 11.00 a. m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations plus the Margin, all as determined by the

¹ Dies entspricht der ursprünglichen Kreditmarge im Zeitpunkt der Preisfindung. / This equals the initial credit spread at the time of pricing.

Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im Interbanken-Markt in der Euro-Zone angeboten werden zuzüglich der Marge; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am Interbanken-Markt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen) zuzüglich der Marge. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz auf der Bildschirmseite oder das arithmetische Mittel der Angebotssätze, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurde(n) zuzüglich der Marge. Kann jedoch an einem Zinsfestlegungstag der Angebotssatz nicht festgestellt werden, da er eingestellt wurde, wird der Zinssatz für die betreffende Zinsperiode von der

Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a. m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the interbank market in the Euro-Zone plus the Margin; or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market in the Euro-Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) plus the Margin. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation on the Screen Page or the arithmetic mean of the offered quotations, as described above, on the last day preceding the Interest Determination Date on which such quotations were displayed plus the Margin. However, if on any Interest Determination Date, the offered quotation cannot be determined since it is discontinued the Rate of Interest for the relevant Interest Period is determined by the Calculation Agent in accordance with a suitable method.

Berechnungsstelle nach einer geeigneten Methode festgelegt.

"Referenzbanken" bezeichnen diejenigen Niederlassungen von mindestens vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde.

"Euro-Zone" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

- (3) *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen. Die Berechnungsstelle wird zudem den auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf die festgelegte Stückelung (vorbehaltlich § 3 (8) und § 5 (8)(a)) (der **"Zinsbetrag"**) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) (vorbehaltlich § 3 (8) und § 5 (8)(a)) auf die festgelegte Stückelung angewendet werden. Im Falle einer Herabschreibung gemäß § 5 (8)(a) berechnet die Berechnungsstelle den Zinsbetrag jedoch bis zur vollständigen Hochschreibung gemäß § 5 (8)(b) jeweils auf Grundlage des entsprechend verringerten Nennbetrags der Schuldverschreibungen. Der resultierende Betrag wird auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet, wobei 0,5 solcher Einheiten aufgerundet werden.
- (4) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz und der Zinsbetrag (unter dem Vorbehalt der Anwendung von § 3 (8) und §§ 5 (8)(a) und (b)) für die

"Reference Banks" means those offices of not less than four such banks whose offered quotations were used to determine such quotation when such quotation last appeared on the relevant Screen Page.

"Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

- (3) *Interest Amount.* The Calculation Agent will, on or as soon as possible after the date on which the Rate of Interest is to be determined, determine the applicable Rate of Interest and calculate the amount of interest (the **"Interest Amount"**) payable on the Notes in respect of the Specified Denomination (subject to § 3 (8) and § 5 (8)(a)) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to (subject to § 3 (8) and § 5 (8)(a)) the Specified Denomination. In the event of a write-down pursuant to § 5 (8)(a) and until a full write-up has been effected in accordance with § 5 (8)(b), however, the Calculation Agent shall calculate the Interest Amount in each case on the basis of the applicable reduced nominal amount of the Notes. The resulting figure will be rounded to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.
- (4) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest and the Interest Amount (subject to the application of § 3 (8) and §§ 5 (8)(a) and

jeweilige Zinsperiode der (i) Emittentin, der Zahlstelle und den Gläubigern gemäß § 10 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, in jedem Fall baldmöglichst, aber keinesfalls später als zu Beginn der Zinsperiode, für die der betreffende Zinssatz und der betreffende Zinsbetrag gelten, mitgeteilt werden. Die Berechnungsstelle wird veranlassen, dass im Falle der Vornahme einer Herabschreibung gemäß § 5 (8)(a) oder einer Hochschreibung gemäß § 5 (8)(b) der geänderte Zinsbetrag für die betreffende Zinsperiode baldmöglichst der (i) Emittentin, der Zahlstelle und den Gläubigern gemäß § 10 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, mitgeteilt wird.

- (5) *Verbindlichkeit der 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.

(b)) for the relevant Interest Period to be notified (i) to the Issuer, the Paying Agent and to the Holders in accordance with § 10 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, in each case as soon as possible, but in no event later than the first day of the relevant Interest Period in relation to which the relevant Rate of Interest and the relevant Interest Amount apply. Upon the occurrence of a write-down pursuant to § 5 (8)(a) or (as the case may be) a write-up pursuant to § 5 (8)(b), the Calculation Agent will cause the modified Interest Amount for the relevant Interest Period to be notified as soon as possible (i) to the Issuer, the Paying Agent and to the Holders in accordance with § 10 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.

- (5) *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) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, ist der ausstehende Gesamtnennbetrag der Schuldverschreibungen vom Tag der Fälligkeit an (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen² zu verzinsen.
- (6) *Accrual of Interest.* The Notes shall cease to bear interest from the beginning of the day on which they become due for redemption. If the Issuer fails to make the relevant redemption payment under the Notes when due, the Notes will bear interest on their outstanding aggregate 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 interest².
- (7) *Zinstagequotient.*
- "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"),
- (i) der in den Zeitraum vom 29. Juni 2015 (einschließlich) bis zum 29. Juni 2020 (ausschließlich) fällt, die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, geteilt durch die Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt, und
- (ii) der in den Zeitraum ab dem 29. Juni 2020 (einschließlich) fällt, die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.
- "Bezugsperiode" bezeichnet den Zeitraum von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich).
- (7) *Day Count Fraction.*
- "Day Count Fraction" means, in respect of the calculation of an Interest Amount on the Notes for any period of time (the "Calculation Period"),
- (i) for the period from (and including) 29 June 2015 to (but excluding) 29 June 2020 the actual number of days in the Calculation Period divided by the number of days in the Reference Period in which the Calculation Period falls; and
- (ii) for the period from (and including) 29 June 2020 the actual number of days in the Calculation Period divided by 360.
- "Reference Period" means the period from (and including) every Interest Payment Date to (and excluding) the following Interest Payment Date.
- (8) *Ausschluss der Zinszahlung.*
- (a) Die Emittentin hat das Recht, die Zinszahlung nach freiem Ermessen ganz oder teilweise entfallen zu lassen, insbesondere (jedoch nicht ausschließlich) wenn dies notwendig ist, um ein Absinken der Harten Kernkapitalquote (wie in § 5 (8) definiert) unter die Mindest-CET1-Quote (wie in
- (8) *Cancellation of Interest Payment.*
- (a) The Issuer has the right, in its sole discretion, to cancel all or part of any payment of interest, including (without limitation) if such cancellation is necessary to prevent the Common Equity Tier 1 Capital Ratio (as defined in § 5 (8)) from falling below the Minimum CET1 Ratio (as defined in § 5 (8)) or to meet a

² Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz I, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz. / The statutory default rate of interest per year is five percentage points above the basic rate of interest published by the Deutsche Bundesbank from time to time pursuant to §§ 288 paragraph 1, 247 German Civil Code (BGB).

- § 5 (8) definiert) zu vermeiden oder eine Auflage der zuständigen Aufsichtsbehörde zu erfüllen. Sie teilt den Gläubigern unverzüglich, spätestens jedoch am betreffenden Zinszahlungstag gemäß § 10 mit, wenn sie von diesem Recht Gebrauch macht.
- (b) Eine Zinszahlung auf die Schuldverschreibungen ist für die betreffende Zinsperiode ausgeschlossen (ohne Einschränkung des freien Ermessens nach § 3 (8)(a)):
- (i) soweit eine solche Zinszahlung zusammen mit den zeitgleich geplanten oder erfolgenden und den in dem laufenden Geschäftsjahr der Emittentin bereits erfolgten weiteren Ausschüttungen (wie in § 3 (9) definiert) auf die anderen Kernkapitalinstrumente (wie in § 3 (9) definiert) die Ausschüttungsfähigen Posten (wie in § 3 (9) definiert) übersteigen würde, wobei die Ausschüttungsfähigen Posten für diesen Zweck um einen Betrag erhöht werden, der bereits als Aufwand für Ausschüttungen in Bezug auf Kernkapitalinstrumente (einschließlich Zinszahlungen auf die Schuldverschreibungen) in die Ermittlung des Gewinns, der den Ausschüttungsfähigen Posten zugrunde liegt, eingegangen ist; oder
- (ii) wenn und soweit die zuständige Aufsichtsbehörde anordnet, dass diese Zinszahlung insgesamt oder teilweise entfällt, oder ein anderes gesetzliches oder behördliches Ausschüttungsverbot besteht.
- (c) 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.
- (d) Zur Klarstellung: Die Höhe der Zinszahlung wird nicht aufgrund der Bonität der Emittentin oder eines mit ihr verbundenen Unternehmens angepasst.
- (e) Der Ausfall einer Zinszahlung berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keinen Ausfall der Emittentin dar.
- requirement imposed by the competent supervisory authority. If the Issuer makes use of such right, it shall give notice to the Holders in accordance with § 10 without undue delay but no later than on the relevant Interest Payment Date.
- (b) Payment of interest on the Notes for the relevant Interest Period shall be cancelled (without prejudice to the exercise of sole discretion pursuant to § 3 (8)(a)):
- (i) to the extent that such payment of interest together with any additional Distributions (as defined in § 3 (9)) that are simultaneously planned or made or that have been made by the Issuer on the other Tier 1 Instruments (as defined in § 3 (9)) in the then current financial year of the Issuer would exceed the Distributable Items (as defined in § 3 (9)), provided that, for such purpose, the Distributable Items shall be increased by an amount equal to what has been accounted for 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 Distributable Items are based; or
- (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 another prohibition of Distributions is imposed by law or an authority.
- (c) 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.
- (d) For the avoidance of doubt: The payment of interest does not depend on the creditworthiness of the Issuer or any affiliated entity.
- (e) The non-payment of interest does not entitle the Holders to call the Notes for redemption and does not constitute an event of default of the Issuer.

(9) *Definitionen.*

"**Ausschüttung**" bezeichnet jede Art der Auszahlung von Dividenden oder Zinsen.

"**Ausschüttungsfähige Posten**" bezeichnet in Bezug auf eine Zinszahlung gemäß Artikel 4 (1) Nr. 128 CRR den Gewinn am Ende des dem betreffenden Zinszahlungstag unmittelbar vorhergehenden Geschäftsjahres der Emittentin, für das ein testierter Jahresabschluss vorliegt, zuzüglich (i) etwaiger vorgetragener Gewinne und ausschüttungsfähiger Rücklagen, jedoch abzüglich (ii) vorgetragener Verluste und gemäß anwendbarer Rechtsvorschriften oder der Satzung der Emittentin nicht ausschüttungsfähiger Gewinne und in die nicht ausschüttungsfähigen Rücklagen eingestellter Beträge, wobei diese Gewinne, Verluste und Rücklagen ausgehend von dem handelsrechtlichen Einzelabschluss der Emittentin und nicht auf der Basis des Konzernabschlusses festgestellt werden.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013 des Europäischen Parlaments und des Rates vom 26. Juni 2013 über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen und zur Änderung der Verordnung (EU) Nr. 648/2012 (einschließlich jeder jeweils anwendbaren aufsichtsrechtlichen Regelung, die diese Verordnung ergänzt); soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Begriff CRR in diesen Anleihebedingungen auf die geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Kernkapitalinstrumente**" bezeichnet Kapitalinstrumente, die im Sinne der CRR zu den Instrumenten des harten Kernkapitals oder des zusätzlichen Kernkapitals zählen.

§ 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

(9) *Definitions.*

"**Distribution**" means any form of payment of dividends and interest.

"**Distributable Items**" means, with respect to any payment of interest, in accordance with Article 4 (1) no 128 CRR the profit as of 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 (i) any profits carried forward and distributable reserves, minus (ii) any losses carried forward and any profits which are non-distributable pursuant to applicable law or the Articles of Association of the Issuer and any amounts allocated to the non-distributable reserves, provided that such 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 its consolidated financial statements.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (including any provisions of regulatory law supplementing this Regulation); to the extent that any provisions of the CRR are amended or replaced, the term CRR as used in these Terms and Conditions shall refer to such amended provisions or successor provisions.

"**Tier 1 Instruments**" means capital instruments which, pursuant to the CRR, qualify as Common Equity Tier 1 capital or Additional Tier 1 capital.

§ 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

auf den Konten der jeweiligen Kontoinhaber des Clearing Systems außerhalb der Vereinigten Staaten.

- (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.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 4 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3)(b).

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der festgelegten Währung.
- (3) *Vereinigte Staaten.* Für die Zwecke des § 1 (3) und des § 4 (1) bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).
- (4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.
- (5) *Zahltag.* Fällt der Fälligkeitstag für eine Zahlung von Kapital in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag (wie in § 3 (1)(c) definiert) ist, dann haben die Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag (wie in § 3 (1)(c) definiert) und sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

holders of the Clearing System outside the United States.

- (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.

Payment of interest on Notes represented by the Temporary Global Note 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, upon due certification as provided in § 1 (3)(b).

- (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) *United States.* For purposes of § 1 (3) and § 4 (1), "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).
- (4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (5) *Payment Day.* If the date for payment of any principal in respect of any Note is not a Business Day (as defined in § 3 (1)(c)) then the Holders shall not be entitled to payment until the next Business Day (as defined in § 3 (1)(c)) and shall not be entitled to further interest or other payment in respect of such delay.

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|---|---|
| <p>(6) <i>Bezugnahmen auf Kapital.</i> Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen, jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge.</p> | <p>(6) <i>References to Principal.</i> References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable, the following amounts: the Redemption Amount of the Notes, any premium and any other amounts which may be payable under or in respect of the Notes.</p> |
| <p>(7) <i>Hinterlegung von Kapital und Zinsen.</i> Die Emittentin ist berechtigt, beim Amtsgericht Bremen Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.</p> | <p>(7) <i>Deposit of Principal and Interest.</i> The Issuer may deposit with the local court (<i>Amtsgericht</i>) in Bremen amounts of interest or principal not claimed by the Holders within twelve months after the due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that such deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.</p> |

§ 5

Rückzahlung; Herabschreibungen

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag.
- (2) *Rückzahlung aus regulatorischen Gründen.* Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin und vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde mit einer Kündigungsfrist von nicht weniger als 35 und nicht mehr als 60 Tagen gekündigt und zu ihrem Rückzahlungsbetrag (wie in § 5 (6) definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) (vorbehaltlich § 3 (8)) aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin nach aufsichtsrechtlicher Einstufung (i) die Schuldverschreibungen nicht vollständig für Zwecke der Eigenmittelausstattung als zusätzliches Kernkapital (Additional Tier 1) anrechnen darf oder (ii) in sonstiger Weise im Hinblick auf die Schuldverschreibungen einer weniger günstigen regulatorischen Eigenmittelbehandlung unterliegt als am Verzinsungsbeginn.
- (3) *Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht

§ 5

Redemption; Write-downs

- (1) *No Maturity.* The Notes have no scheduled maturity date.
- (2) *Redemption for Regulatory Reasons.* If, on the basis of the classification under banking regulatory law, the Issuer (i) may not treat the Notes in their full aggregate nominal amount as Additional Tier 1 capital for the purposes of its own funds or (ii) is subject to any other form of a less advantageous regulatory own funds treatment with respect to the Notes than on the Interest Commencement Date, the Notes may be redeemed, in whole but not in part, at any time at the option of the Issuer, subject to the prior permission of the competent supervisory authority, upon not less than 35 and not more than 60 days' prior notice of redemption at their Redemption Amount (as defined in § 5 (6)) together with interest accrued to (but excluding) the date fixed for redemption (subject to § 3 (8)).
- (3) *Redemption for Reasons of Taxation.* If the tax treatment of the Notes changes (including but not limited to the tax

teilweise, nach Wahl der Emittentin und vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde mit einer Kündigungsfrist von nicht weniger als 35 und nicht mehr als 60 Tagen gekündigt und zu ihrem Rückzahlungsbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) (vorbehaltlich § 3 (8)) aufgelaufener Zinsen zurückgezahlt werden, falls sich die steuerliche Behandlung der Schuldverschreibungen ändert (insbesondere, jedoch nicht ausschließlich, im Hinblick auf die steuerliche Abzugsfähigkeit der unter den Schuldverschreibungen zu zahlenden Zinsen) und diese Änderung für die Emittentin nach eigener Einschätzung wesentlich nachteilig ist.

- (4) *Rückzahlung nach Wahl der Emittentin.* Die Emittentin kann die Schuldverschreibungen insgesamt, jedoch nicht teilweise, vorbehaltlich der vorherigen Zustimmung der zuständigen Aufsichtsbehörde unter Einhaltung einer Kündigungsfrist von nicht weniger als 35 Tagen erstmalig zum 29. Juni 2020 und danach zu jedem Zinszahlungstag (jeweils der "**Rückzahlungstag**") kündigen und zu ihrem Rückzahlungsbetrag zuzüglich bis zum Rückzahlungstag (ausschließlich) (vorbehaltlich § 3 (8)) aufgelaufener Zinsen zurückzahlen.
- (5) *Form der Kündigung.* Eine Kündigung nach § 5 (2), (3) und (4) hat gemäß § 10 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin und im Falle einer Kündigung nach § 5 (2) oder (3) den Grund für die Kündigung nennen.
- (6) *Keine Kündigung im Falle eines Auslöseereignisses; Kündigung nach erfolgter Hochschreibung; Rückzahlungsbetrag.* Wenn eine Mitteilung gemäß § 5 (8)(a)(1) über den Eintritt eines Auslöseereignisses sowie des Umstandes, dass eine Herabschreibung vorzunehmen ist, erfolgt ist, kann die Emittentin ihre Kündigungsrechte nach § 5 (2), (3) und (4) nicht ausüben, solange diese Herabschreibung noch nicht erfolgt ist; eine bereits erklärte Kündigung ist ungültig und es erfolgt keine Rückzahlung der Schuldverschreibungen, wenn eine Mitteilung gemäß § 5 (8)(a)(1) über den Eintritt eines Auslöseereignisses und den

deductibility of interest payable on the Notes) and the Issuer determines, in its own discretion, that such change is materially disadvantageous to the Issuer, the Notes may be redeemed, in whole but not in part, at any time at the option of the Issuer, subject to the prior permission of the competent supervisory authority, upon not less than 35 and not more than 60 days' prior notice of redemption at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption (subject to § 3 (8)).

- (4) *Redemption at the Option of the Issuer.* The Issuer may redeem the Notes, in whole but not in part, at any time, subject to the prior permission of the competent supervisory authority, upon not less than 35 days' notice of redemption for the first time on 29 June 2020 and on any Interest Payment Date thereafter (each an "**Redemption Date**") at their Redemption Amount together with interest (if any) accrued to (but excluding) the Redemption Date (subject to § 3 (8)).
- (5) *Form of Notice.* A notice pursuant to § 5 (2), (3) and (4) shall be given in accordance with § 10. Such notice shall be irrevocable and shall state the date fixed for redemption and, in the case of a notice pursuant to § 5 (2) or (3), the reason for the redemption.
- (6) *No Redemption upon the occurrence of a Trigger Event; Redemption after Write-up; Redemption Amount.* If a notification about the occurrence of a Trigger Event and the fact that a write-down will have to be effected has been given in accordance with § 5 (8)(a)(1), the Issuer may not exercise its redemption rights pursuant to § 5 (2), (3) and (4) if and so long as such write-down has not yet been effected; if a notification about the occurrence of a Trigger Event and the fact that a write-down will have to be effected has been given in accordance with § 5 (8)(a)(1) between the date on which a notice of redemption has been

Umstand, dass eine Herabschreibung vorzunehmen ist, in dem Zeitraum zwischen Erklärung der Kündigung und dem jeweiligen Rückzahlungstag erfolgt ist. Die Emittentin kann ferner ihr Kündigungsrecht nach § 5 (4) nur ausüben, wenn etwaige Herabschreibungen nach § 5 (8) wieder vollständig aufgeholt worden sind. Im Übrigen steht die Ausübung der Kündigungsrechte nach § 5 (2), (3) und (4) im alleinigen Ermessen der Emittentin.

Der "**Rückzahlungsbetrag**" einer Schuldverschreibung entspricht (außer in den Fällen des § 5 (2) oder § 5 (3)) ihrem ursprünglichen Nennbetrag, soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet. In den Fällen einer Rückzahlung nach § 5 (2) oder § 5 (3) entspricht der "**Rückzahlungsbetrag**" einer Schuldverschreibung ihrem um Herabschreibungen verminderten (soweit nicht durch Hochschreibung(en) kompensiert) aktuellen Nennbetrag, soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet.

- (7) *Kein Kündigungsrecht der Gläubiger.* Die Gläubiger sind zur Kündigung der Schuldverschreibungen nicht berechtigt.
- (8) *Herabschreibung.*
- (a) Bei Eintritt eines Auslöseereignisses sind der Rückzahlungsbetrag und der Nennbetrag jeder Schuldverschreibung um den Betrag der betreffenden Herabschreibung zu reduzieren.

Ein "**Auslöseereignis**" tritt ein, wenn die in Artikel 92 Absatz 1 Buchstabe a CRR bzw. einer Nachfolgeregelung genannte harte Kernkapitalquote der Emittentin (die "**Harte Kernkapitalquote**") unter 5,125% (die "**Mindest-CET1-Quote**") fällt. Das Auslöseereignis kann jederzeit eintreten und die hierfür relevante Harte Kernkapitalquote wird nicht nur in Bezug auf bestimmte Stichtage ermittelt.

Im Falle eines Auslöseereignisses ist eine Herabschreibung *pro rata* mit sämtlichen anderen Instrumenten des zusätzlichen Kernkapitals im Sinne der CRR (*Additional Tier 1 capital*), die eine Herabschreibung (gleichviel ob permanent oder temporär) bei Eintritt des

given and the relevant Redemption Date, such notice of redemption shall be null and void and the Notes shall not be redeemed. In addition, the Issuer may exercise its redemption right pursuant to § 5 (4) only if any write-downs pursuant to § 5 (8) have been fully written up. Otherwise, the exercise of the redemption rights pursuant to § 5 (2), (3) and (4) shall be at the sole discretion of the Issuer.

"**Redemption Amount**" of each Note, unless previously redeemed in whole or in part or repurchased and cancelled, shall be the initial nominal amount of such Note, except in the event that the Issuer redeems the Notes in accordance with § 5 (2) or § 5 (3). In the event of a redemption in accordance with § 5 (2) or § 5 (3) the "**Redemption Amount**" of each Note, unless previously redeemed in whole or in part or repurchased and cancelled, shall be the then current nominal amount of such Note as reduced by any write-downs (to the extent not made up for by write-up(s)).

- (7) *No Call Right of the Holders.* The Holders have no right to call the Notes for redemption.
- (8) *Write down.*
- (a) Upon the occurrence of a Trigger Event, the Redemption Amount and the nominal amount of each Note shall be reduced by the amount of the relevant write-down.

A "**Trigger Event**" occurs if the Common Equity Tier 1 capital ratio of the Issuer pursuant to Article 92 (1) (a) CRR or any successor provision, determined (the "**Common Equity Tier 1 Capital Ratio**") falls below 5.125 per cent. (the "**Minimum CET1 Ratio**"). A Trigger Event may occur at any time and the relevant Common Equity Tier 1 Capital Ratio is not only calculated as of certain reporting dates.

Upon the occurrence of a Trigger Event, a write-down shall be effected *pro rata* with all other Additional Tier 1 instruments within the meaning of the CRR, the terms of which provide for a write-down (whether permanent or temporary) upon the occurrence of the

Auslöseereignisses vorsehen, vorzunehmen.

Diese *pro rata*-Herabschreibung gilt auch dann, wenn im Falle eines Auslöseereignisses andere Instrumente des zusätzlichen Kernkapitals herabzuschreiben oder in Instrumente des harten Kernkapitals zu wandeln sind, die nach ihren jeweiligen Bedingungen als Auslöseereignis das Unterschreiten einer Harten Kernkapitalquote vorsehen, die über der Mindest-CET1-Quote liegt.

Der *pro rata* zu verteilende Gesamtbetrag der Herabschreibungen entspricht dabei dem Betrag, der zur vollständigen Wiederherstellung der Harten Kernkapitalquote der Emittentin bis zur Mindest-CET1-Quote erforderlich ist, höchstens jedoch der Summe der im Zeitpunkt des Eintritts des Auslöseereignisses ausstehenden Kapitalbeträge dieser Instrumente.

Die Vornahme von Herabschreibungen in Bezug auf die Schuldverschreibungen erfolgt unabhängig von einer Herabschreibung bei anderen Instrumenten. Sie hängt jedoch keinesfalls von der Durchführung einer solchen Herabschreibung bei anderen Instrumenten ab.

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

Im Falle des Eintritts eines Auslöseereignisses wird die Emittentin:

- (1) unverzüglich die für sie zuständige Aufsichtsbehörde sowie gemäß § 10 die Gläubiger der Schuldverschreibungen von dem Eintritt dieses Auslöseereignisses sowie des Umstandes, dass eine Herabschreibung vorzunehmen ist, unterrichten, und
- (2) unverzüglich, spätestens jedoch innerhalb eines Monats (soweit die für sie zuständige Aufsichtsbehörde diese Frist nicht verkürzt) die vorzunehmende Herabschreibung feststellen und (i) der zuständigen

Trigger Event.

This write-down on *pro rata* basis, shall also apply, if upon the occurrence of a Trigger Event other Additional Tier 1 instruments shall be written-down or converted into Common Equity Tier 1 instruments the terms of which provide for a trigger event if the Common Equity Tier 1 Capital Ratio of the Issuer falls below a ratio which is higher than the Minimum CET1 Ratio.

The total amount of the write-downs to be allocated *pro rata* shall be equal to the amount required to restore fully the Common Equity Tier 1 Capital Ratio of the Issuer to the Minimum CET1 Ratio but shall not exceed the sum of the nominal amounts of the relevant instruments outstanding at the time of occurrence of the Trigger Event.

A write-down to be effected with respect to the Notes is without prejudice to any write-downs of other instruments. It is under no circumstances conditional upon such write-downs of other instruments.

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

Upon the occurrence of a Trigger Event, the Issuer shall:

- (1) inform the competent supervisory authority of the Issuer and, in accordance with § 10, the Holders of the Notes without undue delay about the occurrence of such Trigger Event and the fact that a write-down will have to be effected, and
- (2) determine the write-down to be effected without undue delay, but not later than within one month (unless the competent supervisory authority of the Issuer shortens such period), and notify such write-down

Aufsichtsbehörde, (ii) den Gläubigern der Schuldverschreibungen gemäß § 10, (iii) der Berechnungsstelle und der Zahlstelle sowie (iv) 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.

Die Herabschreibung gilt als bei Abgabe der Mitteilungen nach § 5 (8)(a)(2)(i) und (ii) vorgenommen und der jeweilige Nennbetrag der Schuldverschreibungen (einschließlich Rückzahlungsbetrag) nach Maßgabe der festgelegten Stückelung zu diesem Zeitpunkt um diesen Betrag reduziert.

- (b) Nach der Vornahme einer Herabschreibung können der Nennbetrag sowie der Rückzahlungsbetrag jeder Schuldverschreibung in jedem der Reduzierung nachfolgenden Geschäftsjahre der Emittentin bis zur vollständigen Höhe des ursprünglichen Nennbetrags (soweit nicht zuvor zurückgezahlt oder angekauft und entwertet) nach Maßgabe der folgenden Regelungen dieses § 5 (8)(b) wieder hochgeschrieben werden, soweit ein entsprechender Jahresüberschuss zur Verfügung steht und mithin hierdurch kein Jahresfehlbetrag entsteht oder erhöht würde.

Die Hochschreibung erfolgt gleichrangig mit der Hochschreibung anderer Instrumente des zusätzlichen Kernkapitals im Sinne der CRR, es sei denn die Emittentin verstieße mit einem solchen Vorgehen gegen bereits übernommene vertragliche, gesetzliche oder aufsichtsrechtliche Verpflichtungen.

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

- (i) Soweit der festgestellte bzw. festzustellende Jahresüberschuss für die Hochschreibung der Schuldverschreibungen (mithin

(i) to the competent supervisory authority, (ii) to the Holders of the Notes in accordance with § 10, (iii) to the Calculation Agent and the Paying Agent, and (iv) 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.

The write-down shall be deemed to be effected at the time when the notices pursuant to § 5 (8)(a)(2)(i) and (ii) are given and the nominal amount of each Note (including the Redemption Amount) in the Specified Denomination shall be deemed to be reduced at such time by the amount of such write-down.

- (b) After a write-down has been effected, the nominal amount and 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 (8)(b) in each of the financial years of the Issuer subsequent to the occurrence of such write-down until the full initial nominal amount has been restored, to the extent that a corresponding annual surplus is recorded and the write-up will not give rise to or increase an annual deficit.

The write-up shall be effected *pari passu* with write-ups of other Additional Tier 1 instruments within the meaning of the CRR, unless this would cause the Issuer to be in breach with any contractual obligation that has been assumed by the Issuer or with any statutory or regulatory obligation.

Subject to the conditions (i) to (v) below, it shall be at the discretion of the Issuer to effect a write-up. In particular, even if a corresponding annual surplus is available and the conditions (i) to (v) were fulfilled, the Issuer may effect a write-up only in part or effect no write-up at all.

- (i) To the extent that the annual surplus determined or to be determined is to be used for a write-up of the Notes (i.e. a write-up of the nominal

jeweils von Nennbetrag und Rückzahlungsbetrag) und anderer, mit einem vergleichbaren Auslöseereignis (d.h. auch im Falle einer abweichenden harten Kernkapitalquote als Auslöser) ausgestatteter Instrumente des zusätzlichen Kernkapitals im Sinne der CRR (insgesamt – einschließlich der Schuldverschreibungen – die "**AT1 Instrumente**") verwendet werden soll und nach Maßgabe von (ii) und (iii) zur Verfügung steht, erfolgt die Hochschreibung *pro rata* nach Maßgabe der ursprünglichen Nennbeträge der Instrumente.

- (ii) Der Höchstbetrag, der insgesamt für die Hochschreibung der Schuldverschreibungen und anderer, herabgeschriebener AT1 Instrumente sowie die Zahlung von Zinsen und anderen Ausschüttungen auf herabgeschriebene AT1 Instrumente verwendet werden kann, errechnet sich nach folgender Formel:

$$H = J \times S/T1$$

H bezeichnet den für die Hochschreibung der AT1 Instrumente und Ausschüttungen auf herabgeschriebene AT1 Instrumente zur Verfügung stehenden Höchstbetrag;

J bezeichnet den festgestellten bzw. festzustellenden Jahresüberschuss des Vorjahres;

S bezeichnet die Summe der ursprünglichen Nennbeträge der AT1 Instrumente (d.h. vor Vornahme von Herabschreibungen infolge eines Auslöseereignisses oder eines vergleichbaren Ereignisses);

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

Der Höchstbetrag **H** ist von der Emittentin nach den technischen Regulierungsstandards und den im Übrigen für die Emittentin geltenden Anforderungen zu bestimmen und der so bestimmte Betrag der Hochschreibung zugrunde zu legen, ohne dass es einer Änderung dieses Absatzes (ii) bedürfte.

amount and of the Redemption Amount) and of other Additional Tier 1 instruments within the meaning of the CRR, 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 "**AT1 Instruments**"), and is available in accordance with (ii) and (iii) below, such write-up shall be effected *pro rata* in proportion to the initial nominal amounts of the instruments.

- (ii) The maximum total amount that may be used for a write-up of the Notes and of other AT1 Instruments that have been written down and for the payment of interest and other Distributions on AT1 Instruments that have been written down shall be calculated in accordance with the following formula:

$$H = J \times S/T1$$

H means the maximum amount available for the write-up of AT1 Instruments and the Distributions on AT1 Instruments that have been written down;

J means the annual surplus determined or to be determined for the previous year;

S means the sum of the initial nominal amounts of the AT1 Instruments (i.e. before write-downs are effected due to a Trigger Event or a similar event);

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

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

- (iii) Insgesamt darf die Summe der Beträge der Hochschreibungen auf AT1 Instrumente zusammen mit etwaigen Dividenden und anderen Ausschüttungen in Bezug auf Geschäftsanteile, Aktien und andere Instrumente des harten Kernkapitals der Emittentin (einschließlich der Zinszahlungen und anderen Ausschüttungen auf herabgeschriebene AT1 Instrumente) in Bezug auf das betreffende Geschäftsjahr den in Umsetzung von Artikel 141 Absatz 2 CRD IV nach § 10 Abs. 1 Nr. 5 e) des Kreditwesengesetzes i.Vm. § 37 der Solvabilitätsverordnung ermittelten maximal ausschüttungsfähigen Betrag bzw. den in einer etwaigen Nachfolgeregelung entsprechend bezeichneten Betrag (in der englischen Sprachfassung von Artikel 141 Absatz 2 CRD IV der sog. **"Maximum Distributable Amount"** oder **"MDA"**, wie jeweils in das nationale Recht umgesetzt) nicht überschreiten.

"CRD IV" bezeichnet die Richtlinie 2013/36/EU des Europäischen Parlaments und des Rates vom 26. Juni 2013 über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen, zur Änderung der Richtlinie 2002/87/EG und zur Aufhebung der Richtlinien 2006/48/EG und 2006/49/EG.

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

Wenn sich die Emittentin für die Vornahme einer Hochschreibung nach

- (iii) In total, the sum of the amounts of the write-ups of AT1 Instruments together with the amounts of any dividend payments and other Distributions on shares and other Common Equity Tier 1 instruments of the Issuer (including payment of interest amounts and other Distributions on AT1 Instruments that have been written down) for the relevant financial year must not exceed the maximum distributable amount as determined in accordance with section 10 (1) no. 5 e) of the German Banking Act in connection with section 37 of the solvability regulation (which transpose Article 141 (2) CRD IV into national law) or any maximum distributable amount in a successor provision (such term being referred to as the **"Maximum Distributable Amount"** or **"MDA"** in the English language version of Article 141 (2) CRD IV as transposed into national law).

"CRD IV" means Directive 2013/36/EU of the European Parliament and of the Council 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.

- (iv) Write-ups of the Notes do not have priority over dividend payments and other Distributions on shares and other Common Equity Tier 1 instruments of the Issuer, i.e. such payments and Distributions are permitted even if no full write-up has been effected.
- (v) At the time of a write-up, no Trigger Event shall have occurred that is continuing. A write-up is also excluded if such write-up were to result in the occurrence of a Trigger Event.

If the Issuer elects to effect a write-up in accordance with the provisions of this § 5

den Bestimmungen dieses § 5 (8)(b) entscheidet, wird sie unverzüglich gemäß § 10 die Gläubiger der Schuldverschreibungen, die Berechnungsstelle, die Zahlstelle sowie jede Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, von der Vornahme der Hochschreibung (einschließlich des Hochschreibungsbetrags als Prozentsatz des ursprünglichen Nennbetrags der Schuldverschreibungen und des Tags, an dem die Hochschreibung bewirkt werden soll (jeweils ein "**Hochschreibungstag**")) unterrichten. Die Hochschreibung gilt als bei Abgabe der Mitteilung an die Gläubiger gemäß § 10 vorgenommen und der jeweilige Nennbetrag der Schuldverschreibungen (einschließlich Rückzahlungsbetrag) nach Maßgabe der festgelegten Stückelung um den in der Mitteilung angegebenen Betrag zum Zeitpunkt des Hochschreibungstags erhöht.

§ 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:

Bremer Landesbank Kreditanstalt
Oldenburg
– Girozentrale –
Domshof 26
28195 Bremen
Bundesrepublik Deutschland

Berechnungsstelle:

Bremer Landesbank Kreditanstalt
Oldenburg
– Girozentrale –
Domshof 26
28195 Bremen
Bundesrepublik Deutschland

Die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete

(8)(b), it shall notify the write-up (including the amount of the write-up as a percentage of the initial nominal amount of the Notes and the effective date of the write-up (in each case a "**Write-up Date**") without undue delay to the Holders of the Notes in accordance with § 10, to the Calculation Agent, to the Paying Agent 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. The write-up shall be deemed to be effected at the time when the notice to the Holders is given in accordance with § 10 and the nominal amount of each Note in the Specified Denomination (including the Redemption Amount) shall be deemed to be increased by the amount specified in the notice with effect as of the Write-up Date.

§ 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:

Bremer Landesbank Kreditanstalt
Oldenburg
– Girozentrale –
Domshof 26
28195 Bremen
Federal Republic of Germany

Calculation Agent:

Bremer Landesbank Kreditanstalt
Oldenburg
– Girozentrale –
Domshof 26
28195 Bremen
Federal Republic of Germany

The Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same

Geschäftsstelle in derselben Stadt 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 § 10 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Beauftragte der Emittentin.* Die Berechnungsstelle und die Zahlstelle handeln 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.

§ 7 Steuern

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.

§ 8 Vorlegungsfrist

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

§ 9 Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung

- (1) *Begebung weiterer Schuldver-*

city.

- (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 § 10.
- (3) *Agents of the Issuer.* The Calculation Agent and the Paying Agent act solely as agents of the Issuer and do not have any obligations towards, or relationship of agency or trust to, any of the Holders.

§ 7 Tax

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 on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

§ 8 Term of presentation

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

§ 9 Further Issues, Purchases and Cancellation

- (1) *Further Issues.* The Issuer may from time

schreibungen. 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) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

- (2) *Ankauf.* Die Emittentin ist (mit vorheriger Zustimmung der für die Emittentin zuständigen Aufsichtsbehörde, soweit diese erforderlich ist) berechtigt, Schuldverschreibungen zu jedem beliebigen Kurs zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Rückkaufangebot erfolgen, muss dieses Rückkaufangebot allen Gläubigern gemäß § 10 gemacht werden.
- (3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 10 Mitteilungen

- (1) *Mitteilungen an das Clearing System.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Kalendertag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.
- (2) Zusätzlich erfolgen alle die Schuldverschreibungen betreffenden Mitteilungen durch elektronische Publikation auf der Website der Luxemburger Börse (www.bourse.lu). Solange Schuldverschreibungen in der offiziellen Liste der Luxemburger Börse notiert sind, findet dieser Absatz (2) Anwendung. Soweit die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach diesem Absatz (2) durch eine Mitteilung an das Clearing System zur

to time, without the consent of the Holders, issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.

- (2) *Purchases.* The Issuer may (with prior permission of the competent supervisory authority of the Issuer, if required) purchase Notes at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation. If purchases are made by public tender, tenders for such Notes must be made available to all Holders of such Notes alike pursuant to § 10.
- (3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 Notices

- (1) *Notifications to the Clearing System.* The Issuer shall deliver all notices regarding the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice will be deemed to have been given to the Holders on the seventh calendar day after the day on which the said notice was given to the Clearing System.
- (2) Additionally, all notices regarding the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, this subparagraph (2) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may replace the relevant notice pursuant to this subparagraph (2) by the delivery of a notice to the Clearing System for

Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Kalendertag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

- (3) *Form der Mitteilung der Gläubiger.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit dem Nachweis seiner Inhaberschaft gemäß § 12 (3) an die Zahlstelle geleitet werden. Eine solche Mitteilung kann von einem Gläubiger an die Zahlstelle über das Clearing System in der von der Zahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

§ 11 Zusätzliches Kernkapital

Zweck der Schuldverschreibungen ist es, der Emittentin auf unbestimmte Zeit als zusätzliches Kernkapital zu dienen.

§ 12 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.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Bremen, Bundesrepublik Deutschland.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank (wie nachfolgend definiert) beibringt, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige

communication by the Clearing System to the Holders. Any such notice will be deemed to have been given to the Holders on the seventh calendar day after the day on which the said notice was given to the Clearing System.

- (3) *Form of Notice of Holders.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered together with an evidence of the Holder's entitlement in accordance with § 12 (3) to the Paying Agent. Such notice may be given through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

§ 11 Additional Tier 1 Capital

The purpose of the Notes is to serve as Additional Tier 1 capital of the Issuer for an indefinite period of time.

§ 12 Governing Law and Place of Jurisdiction

- (1) *Governing Law.* The Notes, with regard to both form and content, as well as all rights and obligations of the Holders and the Issuer shall in all respects be governed by German law.
- (2) *Place of Jurisdiction.* The regional court (*Landgericht*) in Bremen, 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 of Notes may in any Proceedings against the Issuer, or to which the Holder and the Issuer are parties, protect and enforce in its own name its rights arising under these Notes on the following basis: (i) by submitting a certificate issued by its Depositary Bank (as defined below) with which he maintains a securities account in respect of the Notes, which (a) states the full name and address of the Holder, (b) specifies the aggregate nominal amount of the Notes credited on the date of such certificate to such Holder's securities account and (c) confirms that the

Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) indem er eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vorlegt, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des 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.

§ 13 Sprache

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

Depository Bank has given a written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) by bearing a copy of the relevant Global Note certified by a duly authorized officer of the Clearing System or the depository as being a true copy without any requirement to submit originals of the relevant Global Note. For the purposes of the foregoing, "**Depository Bank**" means any bank or other financial institution of recognized standing authorized to engage in securities deposit business with which the Holder maintains a securities account in respect of the Notes, and includes the Clearing System. Without prejudice to the foregoing, any Holder may also protect and enforce its rights arising under these Notes in any other way, which is admitted in the country of the Proceedings.

§ 13 Language

These Terms and Conditions are written in the German language with an English language translation. The German version shall be the only legally binding version. The English language translation is provided for convenience only.

INTEREST PAYMENTS AND DISTRIBUTABLE ITEMS OF THE ISSUER

Pursuant to the Terms and Conditions of the Notes, 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 fulfillment 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 supervisory 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 of the Notes, the Notes will not bear interest, in whole or in part, on any Interest Payment Date

"to the extent that such payment of interest together with any additional Distributions (as defined in § 3 (9)) that are simultaneously planned or made or that have been made by the Issuer on the other Tier 1 Instruments (as defined in § 3 (9)) in the then current financial year of the Issuer would exceed the Distributable Items (as defined in § 3 (9)), provided that, for such purpose, the Distributable Items shall be increased by an amount equal to what has been accounted for 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 Distributable Items are based."

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 Distributable Items in accordance with the Terms and Conditions of the Notes by:

- determining the profit (*Gewinn*)³ 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 for the financial year of the Issuer immediately preceding the relevant Interest Payment Date;
- adding, as applicable, any profits carried forward and distributable reserves (*ausschüttungsfähige Rücklagen*) on the basis of the unconsolidated financial statements of the Issuer for the financial year of the Issuer immediately preceding the relevant Interest Payment Date; and
- subtracting, as applicable, any losses carried forward and any profits which are non-distributable pursuant to applicable law or the Articles of Association of the Issuer and any amounts allocated to the non-distributable reserves, each as determined on the basis of the unconsolidated financial statements of the Issuer 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 reflected as expenses in respect of Tier 1 Instruments (*i.e.* capital instruments which, pursuant to CRR, qualify as Common Equity Tier 1 capital instruments or Additional Tier 1 capital instruments, which will include the Notes) in the unconsolidated financial statements of the Issuer for the financial year of the Issuer immediately preceding the relevant Interest Payment Date.

It will then, by the time the Issuer intends to make the respective Interest Payment on the Notes, count against such determined sum every Distribution on other Tier 1 Instruments that have already been made by the Issuer in the then current financial year of the Issuer. From the remaining amount the Issuer would be permitted to make an Interest Payment on the Notes, unless Distributions on other Tier 1 Instruments need to be made simultaneously on the relevant Interest Payment Date in which

³ The terms "*profit (Gewinn)*" are being used in the CRR and have therefore also been used in the Terms and Conditions of the Notes. The corresponding line item from the Issuer's unconsolidated financial statements is "*net income (Jahresüberschuss)*".

case, subject to the terms and conditions of such other Tier 1 Instruments, such remaining amount would need to be allocated on a *pro rata* or other basis to the Notes and such other Tier 1 Instruments and the Issuer would only be permitted to make an Interest Payment on the Notes in an amount equal to the portion allocated to the Notes.

Available Distributable Items of Bremer LB ¹⁾

| | Financial year ended 31 December 2014 | Financial year ended 31 December 2013 | Financial year ended 31 December 2012 |
|--|---|---|---|
| | in EUR million | in EUR million | in EUR million |
| Profit (<i>Bilanzgewinn</i>) | 0 | 0 | 31 |
| Net income for the year (<i>Jahresüberschuss</i>) | 0 | 36 | 31 |
| Profit carried forward from previous year (<i>Gewinnvortrag aus dem letzten Jahr</i>) | 0 | 31 | 0 |
| Allocations to retained earnings (<i>Einstellungen in Gewinnrücklagen</i>) | 0 | (67) | 0 |
| Other revenue reserves after net income attribution <i>Andere Gewinnrücklagen (nach Einstellungen in Gewinnrücklagen)</i> | 600 | 600 | 533 |
| = Total dividend potential before amount blocked ²⁾ | 600 | 600 | 564 |
| | | | |
| <i>./. Dividend amount blocked under section 268 (8) of the German Commercial Code (ausschüttungsgesperrte Beträge gemäß § 268 Abs. 8 HGB)</i> | 0 | 0 | 0 |
| = Available Distributable Items ²⁾ | 600 | 600 | 564 |
| | | | |
| Increase by aggregated amount of interest expenses relating to Distributions on Tier 1 instruments ²⁾ | 0 | 0 | 0 |
| | | | |
| = Amount referred to in §3 (8)(b)(i) of the terms and conditions of the respective Notes as being available to cover Interest Payments on the Notes and Distributions on other Tier 1 Instruments ²⁾ | 600 | 600 | 564 |

¹⁾ Unless otherwise indicated, figures are taken from Bremer LB's unconsolidated annual financial statements prepared in accordance with the German Commercial Code for the fiscal years ended 31 December 2014, 2013 and 2012.

²⁾ Unaudited.

DESCRIPTION OF THE ISSUER

Name, registered office, history and financial year

The Issuer's legal name is Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, the name used for commercial purposes is Bremer Landesbank.

Bremer LB is registered with the commercial register at the Local Court (*Amtsgericht*) of Bremen, Federal Republic of Germany, under no. HRA 22159.

With effect from 26 April 1983 the predecessor institutions Staatliche Kreditanstalt Oldenburg-Bremen (established 1 November 1883) and the Bremer Landesbank – Girozentrale – (established 1 January 1938) were merged to form Bremer LB in its current form through a state treaty between the Free Hanseatic City of Bremen and the State of Lower Saxony as most recently amended on 18 June 2012.

Bremer LB is an institution of public law (*rechtsfähige Anstalt des öffentlichen Rechts*). Its registered head office is located at Domshof 26, 28195 Bremen, Federal Republic of Germany, Phone +49 421 332 0, Facsimile +49 421 332 2322; governing law is German law.

The financial year of Bremer LB is the calendar year.

Bremer LB is a member of the Security Reserve of the Landesbanken and Girozentralen (*Sicherungsreserve der Landesbanken und Girozentralen*) established by and for the mutual assistance of all regional banks (*Landesbanken*) in Germany. Pursuant to its statute, the Security Reserve of the Landesbanken and Girozentralen serves to protect its member institutions and, in particular, to ensure their liquidity and solvency. This forms, together with other protection schemes of the regional savings banks, the Joint Liability Scheme of the German Savings Banks Finance Group (*Sicherungssystem der Deutschen Sparkassen-Finanzgruppe*).

Business Overview

Bremer LB's tasks are those of a regional bank (*Landesbank*), a central savings bank (*Sparkassenzentralbank*) for the 13 savings banks in its region and a commercial bank providing a full range of banking services both nationally and internationally. In its capacity as a central bank for savings banks Bremer LB receives deposits from and provides loans to the savings banks, offers a wide range of financial services, conducts their foreign business and grants joint loans to industry and trade. Additionally, Bremer LB offers other banking services such as portfolio management, corporate finance, advisory services and, through subsidiaries, leasing and factoring services.

Bremer LB may also operate other transactions of any kind that serve the purposes of Bremer LB and its owners. Bremer LB is entitled to issue Mortgage Pfandbriefe (*Hypothekendarlehen*), Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*) and Ship Pfandbriefe (*Schiffspfandbriefe*) as well as other bonds and also to operate a building-society business through independent associate companies.

Bremer LB's business model incorporates four strategic business segments (Corporate Customers, Special Finance, Financial Markets and Private Customers), covering customers and their requirements in its business region.

(i) Corporate Customers

Bremer LB considers Corporate Customers to be one of its core competencies and operates with a specific focus on the business sectors of commerce, ports / logistic, construction / residential and industry / service.

Furthermore, Bremer LB sees its function in this sector as that of a partner for the enterprises in the north-western region of the Federal Republic of Germany. Special business sector expertise allows Bremer LB to offer services specifically tailored to the needs of both medium sized and large enterprises.

Consultancy services for medium sized enterprises focus on tailor made solutions for payment transactions and financial management as well as individual services for international business. The range of services extends from a structured analysis of client's annual accounts to structure customised financing for Bremer LB's corporate clients.

(ii) Special Finance

The Special Finance division incorporates the following areas:

- a) Ship finance;
- b) Renewable energy;
- c) Financing of social housing; and
- d) Refinancing of leasing companies and the refinancing of factoring companies business.

In these areas, Bremer LB operates domestically and in selected individual cases Europe-wide.

- a) Ship finance

The spectrum of services for ship finance ranges from ship construction worldwide to advance finance for lengthy and cost intensive freight contracts for special transport projects. As a universal bank, Bremer LB is able to offer comprehensive support to its clients worldwide, beginning at the conceptual stage and continuing through delivery of a ship all the way to providing solutions for all aspects of finance throughout the operational life of the vessel.

- b) Renewable energy

Bremer LB is a major provider of finance for onshore wind farms, with a more than 10 *per cent.* share in the German market. Wind energy has by now become a significant factor for regional employment in Bremer LB's main operational area. Due to beneficial parameter conditions during the past decade, this initially regionally oriented sub-segment has developed into a leading, globally recognised high-tech industry and service segment.

In this area Bremer LB is also active in the sub-segments biogas and photovoltaics/solar energy.

- c) Financing of social housing

The demographic trend towards an aging population is reflected in an increasing demand for retirement and nursing homes. For many years, Bremer LB has been acting as a partner for financing and has successfully participated in the positive development of this business sector in the Federal Republic of Germany.

- d) Refinancing of leasing companies and the refinancing of factoring companies business

Bremer LB thinks that it is one of the leading banks in the Federal Republic of Germany for the refinancing of leasing companies. The main focus is currently on targeted support for and new acquisition of medium-sized companies. The other major part of the portfolio are manufacturer leasing companies and bank-related leasing companies.

Additionally, BLB-Leasing GmbH, a 100 *per cent.* subsidiary of Bremer LB, acts as a partner for the financing of mobile equipment to corporate clients in the north-western region of the Federal Republic of Germany on a leasing basis.

(iii) Financial Markets

The Financial Markets division of Bremer LB provides access to the national and international financial markets for private and institutional customer groups. On the financial trading floor in Bremen, equities, bonds, money market products, foreign currencies, derivatives and commodities are being

traded. Refinancing measures carried out by Bremer LB are also conducted by the Financial Markets division.

The main objective is to systematically develop the regional market in close cooperation with the associated savings banks, who are chiefly in charge of sales and customer contacts. To ensure swift and targeted integration of the mutually developed sales and product profile, the strategic orientation of Bremer LB's business model entails bundling of all sales activities with the associated savings banks within a single responsibility. In addition to support for their everyday customer business requirements, comprehensive support for savings banks is one of Bremer LB's core functions.

Being an Issuer of unsecured bonds, Pfandbriefe within the framework of the German Pfandbrief Act (*Pfandbriefgesetz*) and registered bonds as well as commercial paper and medium term notes, Bremer LB has a broad, well diversified refinancing base.

The product and consultancy expertise of the Financial Markets division is also used for direct business with, among others, customers of the divisions Corporate Customers and Special Finance. This allows Bremer LB to consolidate its current position in money, foreign exchange and capital markets in the region and beyond, aiming to further expand the joint market share of the Savings Banks Finance Group (*Sparkassen-Finanzgruppe*) in the north-western region of the Federal Republic of Germany.

(iv) Private Customers

The activities of the Private Customers division are divided into the departments Private Banking and Retail Banking. The following services are offered to private customers:

a) Private Banking:

Bremer LB acts as partner for wealthy private clients in the Bremen and Oldenburg region, advising on all issues relating to sophisticated Private Banking. The Private Banking range comprises high-quality products and tailored consultancy concepts in the segments financial planning, portfolio management, investment management, real estate management, risk management, estate and trust fund management and financing. Additionally, Bremer LB has complemented its range with marketable products developed in-house.

Bremer LB's Private Banking division ranks among the leading addresses in the north-western region of the Federal Republic of Germany. Within the German-speaking area Bremer LB is recognized as high quality provider of private banking which is evidenced by numerous awards.

The target customers of these segments include wealthy private clients, so-called high net and ultra-high net worth individuals.

b) Retail Banking:

Bremer LB attaches great importance to its business with private customers in the north-western region of the Federal Republic of Germany. Bremer LB consistently offers suitable and cost-effective finance solutions at the most up-to-date standards for the areas construction and residences, planning and investment, money and service as well as insurance and retirement arrangements for sophisticated private customers.

Continuing the history of Bremer LB's predecessor, Staatliche Kreditanstalt Oldenburg-Bremen, residential construction finance represents Bremer LB's longstanding core competence in its Retail Banking department.

In addition, Bremer LB offers its private customers – in the sense of an integrated consultation – a range of attractive products provided by its associated partners within the Savings Banks Finance Group (*Sparkassen-Finanzgruppe*), the savings banks' network.

Principal Markets

Bremer LB is a regional commercial bank. The core business region of Bremer LB is located in the Federal Republic of Germany in the north-western part of Lower Saxony and in the Free Hanseatic City of Bremen.

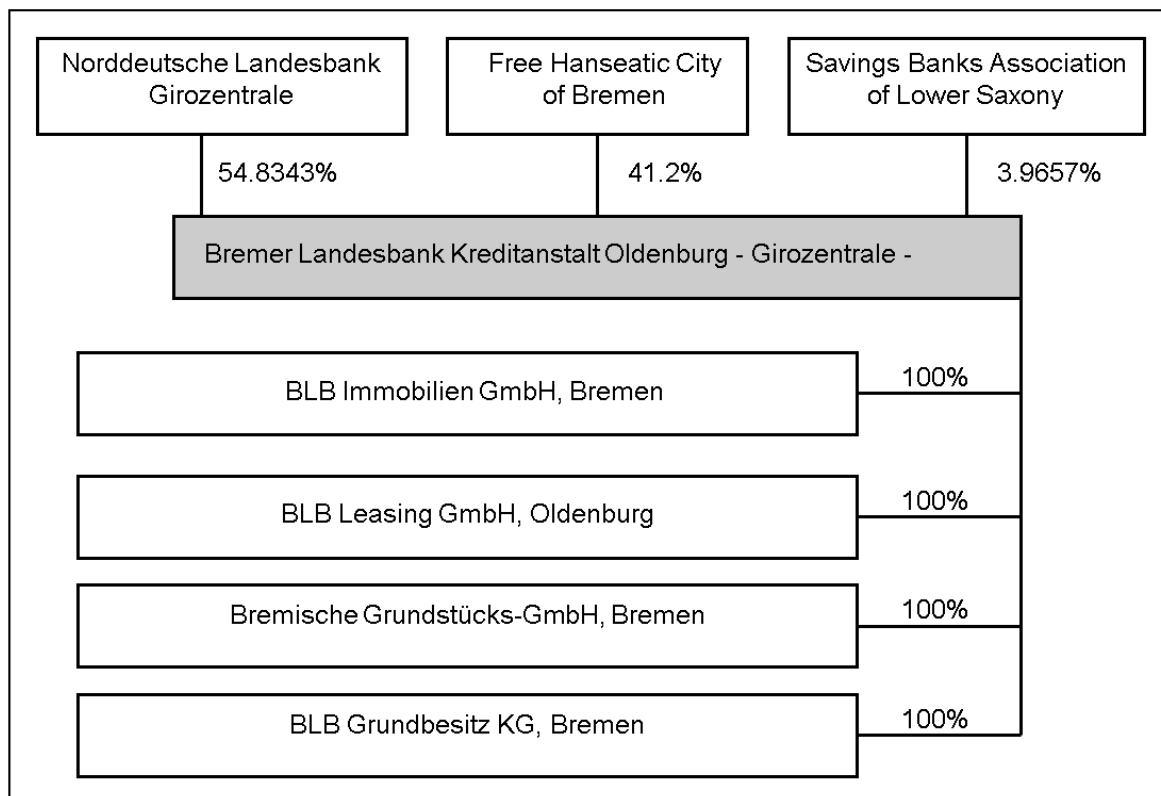
In particular areas of business where Bremer LB has special expertise, services are offered in the Federal Republic of Germany (*i.e.* financing of social housing, renewable energies) and in selected individual cases abroad.

Organisational Structure

Bremer LB is included and consolidated in the consolidated financial statements of the NORD/LB group and is a significant part of the latter. NORD/LB is a parent company of Bremer LB as defined by sections 10a, 25a paragraph 3 of the German Banking Act (*Gesetz über das Kreditwesen, KWG*).

NORD/LB is an institution of public law (*rechtsfähige Anstalt des öffentlichen Rechts*); its home market is Lower Saxony and Saxony-Anhalt.

Organisation Chart



Main Subsidiaries of Bremer LB

BLB Immobilien GmbH

The present BLB Immobilien GmbH, a 100 *per cent.* subsidiary of Bremer LB, was founded in 1977 under the name Bremer Fondsverwaltung GmbH. Since a large part of the real estate holding was located in Bonn, a branch was established in that city at the same time.

Following the decision to further expand project development as well as traditional real estate brokerage, the company name was changed to BLB Immobilien GmbH in the summer of 2000.

Today, the operational area is focused mainly on Bremer LB's two locations, Bremen and Oldenburg. However, business activities extend far beyond these locations.

Business segments comprise project development, real estate management and facility management. For project development, BLB Immobilien GmbH focuses mainly on commercial real estate. As a traditional real estate broker, BLB Immobilien GmbH markets predominantly commercial properties as well as residential properties in the medium to high price range. Its clients include both capital investors and occupying owners. Facility management completes BLB Immobilien GmbH's range of products.

BLB Immobilien GmbH holds its real estate directly as well as indirectly via subsidiaries. Such subsidiaries being property companies in the legal form of a private limited partnership under German law are entirely funded by equity and shareholder loans and do not directly employ any of its own employees. The largest subsidiaries of BLB Immobilien GmbH are BLB I Investment GmbH & Co. KG including its subsidiary NORTHWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG. Together with BLB Immobilien GmbH both companies belong to the basis of consolidation of Bremer LB.

BLB Leasing GmbH

BLB Leasing GmbH is a 100 *per cent.* subsidiary of Bremer LB. It was founded in 1998 as an independent partner for commercial and self-employed lessees. The business activity consists of leasing mobile equipment. Clients range from medium sized commercial and industrial enterprises to the self-employed.

The area of operation is the same as that of Bremer LB.

The company is a member of the "*Bundesverband Deutscher Leasing-Unternehmen e. V.*".

Bremische Grundstücks-GmbH

Bremische Grundstücks-GmbH is also a 100 *per cent.* subsidiary of Bremer LB. It holds the shares of BREBAU GmbH, GEWOBA Aktiengesellschaft Wohnen und Bauen, Ammerländer Wohnungsbau-Gesellschaft mbH and Gemeinnützige Nordenhamer Siedlungsgesellschaft mbH (each housing societies in Northern Germany).

BLB Grundbesitz KG

BLB Grundbesitz KG is also a 100 *per cent.* subsidiary of Bremer LB and was founded in 2013. The business activities of BLB Grundbesitz KG consist of investments in other companies, the management of investments and/or the acquisition and sale of all kinds of assets. The company does not conduct operating activities and does not directly employ any of its own employees. Bremer LB being the sole general partner with unlimited liability is responsible for the management of BLB Grundbesitz KG.

List of Bremer LB's shareholdings

The following list names the shareholdings held by Bremer LB. The list is taken from Bremer LB's consolidated financial statements prepared in accordance with IFRS, as adopted by the EU, for the fiscal year ended 31 December 2014. Unless otherwise indicated, the information regarding the profit/loss and equity of each subsidiary is taken from the most recently approved annual financial statements of the respective subsidiary of Bremer LB.

| Company name and registered office | Shares in % indirect | Shares in % direct | Equity in € m¹⁾ | Profit/loss in € m |
|--|-----------------------------|---------------------------|-----------------------------------|---------------------------|
| Companies included in the consolidated financial statements | | | | |
| Subsidiaries | | | | |
| BLB Grundbesitz KG, Bremen | - | 100.00 | - | - |
| BLBI Investment GmbH & Co. KG, Bremen | 100.00 | - | - | - |
| BLB Immobilien GmbH, Bremen | - | 100.00 | - | - ²⁾ |
| BLB Leasing GmbH, Oldenburg | - | 100.00 | - | - ²⁾ |
| Bremische Grundstücks-GmbH, Bremen | - | 100.00 | - | - |
| NORTHWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen | 100.00 | - | - | - |
| NORTHWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen | 90.00 | 10.00 | - | - |

| Investments included in the consolidated financial statements using the equity method | | | | |
|--|--------|--------|------------------|-----------------|
| Affiliated companies | | | | |
| Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede | 32.26 | - | - | - |
| BREBAU GmbH, Bremen | 48.84 | - | - | - |
| DEUTSCHE FACTORING BANK Deutsche Factoring GmbH & Co. KG, Bremen | - | 16.50 | - | - |
| GSG Oldenburg Bau- und Wohnungsgesellschaft, Oldenburg | - | 22.22 | - | - |
| Investment funds | | | | |
| Lazard-Sparkassen Rendite-Plus-Fonds, Frankfurt am Main | - | 49.18 | - | - |
| Companies not included in the consolidated financial statements | | | | |
| BGG Bremen GmbH & Co. KG, Bremen | 100.00 | - | 0 ³⁾ | 0 ³⁾ |
| BGG Oldenburg GmbH & Co, KG, Bremen | 100.00 | - | 8 ³⁾ | 1 ³⁾ |
| BLB I Beteiligungs-GmbH, Bremen | 100.00 | - | 0 ³⁾ | 0 ³⁾ |
| Bremer Spielcasino GmbH & Co. Kommanditgesellschaft, Bremen | - | 49.00 | 0 | 0 |
| Bremische Grundstücks-GmbH & Co. KG Präsident-Kennedy-Platz, Bremen | 100.00 | - | 0 ³⁾ | 1 ³⁾ |
| Bremische Grundstücks-GmbH & Co., Wohnanlagen Gross-Bonn, Bremen | 100.00 | - | 0 ³⁾ | 0 ³⁾ |
| BREMER LAGERHAUS-GESELLSCHAFT- Aktiengesellschaft von 1877-, Bremen | - | 12.61 | 19 | 2 |
| GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen | 7.75 | - | 364 | 34 |
| Gewobau Gesellschaft für Wohnungsbau Vechta mbH, Vechta | - | 20.46 | 11 | 0 |
| Grundstücksgemeinschaft Escherweg 5 GbR, Bremen | 50.00 | - | -3 ³⁾ | 0 ³⁾ |
| Grundstücksgemeinschaft Escherweg 8 GbR, Bremen | 50.00 | - | -1 ³⁾ | 0 ³⁾ |
| Interessengemeinschaft KATHARINENKLOSTERHOF GbR, Bremen | 30.70 | - | 1 | 0 |
| NBV Beteiligungs-GmbH, Hamburg | - | 21.33 | 15 | 2 |
| Öffentliche Versicherung Bremen, Bremen | - | 20.00 | 5 | -1 |
| Schiffsbetriebs-Gesellschaft Bremen mbH, Bremen | - | 100.00 | 0 | 0 |
| Unterstützungseinrichtung der Bremer Landesbank Kreditanstalt Oldenburg GmbH, Bremen | - | 100.00 | 31 | 3 |
| WLO Wirtschaftsförderungsgesellschaft für den Landkreis Oldenburg mbH, Wildeshausen | - | 23.84 | 0 | - |
| Wohnungsbaugesellschaft Wesermarsch mbH, Brake | - | 21.71 | 19 | 0 |

1) Equity as defined in § 266 and § 272 of the German Commercial Code. There are no unpaid contributions.

2) Control and profit-and-loss-transfer agreement concluded with Bremer LB.

3) Figures are taken from the most recent, but as of 30 April 2015 unapproved, financial statements of the relevant subsidiary for the fiscal year ended 31 December 2014.

Governmental, legal and arbitration proceedings

Bremer LB is not and has not been involved in any governmental, legal and arbitration proceedings, which might have or have had during the 12 months preceding the date of this Prospectus a significant effect on the financial position or the operations of Bremer LB, nor is Bremer LB aware of any such proceedings being threatened.

Employees

In the fiscal year ended 31 December 2014, Bremer LB employed an average number of employees of 1,099 (fiscal year 2013: 1,084 employees). The total number of employees consisted of 547 male and 552 female employees (fiscal year 2013: 531 male and 553 female employees).

Material Contracts

Bremer LB has not entered into material contracts outside the ordinary course of business which could result in Bremer LB being under an obligation or entitlement that is material to Bremer LB's ability to meet its obligations to Holders in respect of the Notes.

Trend Information

Bremer LB continues to adopt a sustainable risk policy. It has taken measures to mitigate all significant risks. There are no threats to Bremer LB's ability to continue as a going concern. The expected increases in the minimum requirements pursuant to CRR (Capital Requirements Regulation) mean that it will be necessary to intensify the measures introduced within the scope of the RWA and shortfall management. Among others, defaulting ships should be transferred to a new structure as part of an investor solution. The goal of the new structure is a sustainable transfer of the affected ships from a default rating to a rating that frees up capital and simultaneously plays a significant role in the potential for reversal. In addition, the ship portfolio should be subject to less stress and adjusted in the primarily non-strategic customer area. Besides the issue of the Notes to strengthen the Tier 1 Capital of Bremer LB, further measures such as the reduction of risk by means of securitizations of loans and advances are also taken.

Given that a significant part of the commercial shipping portfolio is financed in US dollar, together with the increased probability of default in the portfolio and the already occurred loan defaults, this leads to a tight dependency between the development of the Euro/US Dollar exchange rate and the development of the capital ratios as well as the risk-bearing capacity of Bremer LB.

Due to the strong appreciation of the US Dollar against the Euro in the first quarter of 2015 regulatory capital ratios and risk-bearing capacity were under pressure. Therefore, a limited reduction of risk limits of Bremer LB became necessary in the first quarter until already planned capital measures have come into effect. With regard to the future course of 2015 and 2016, pressure on the risk-bearing capacity and capital ratio are expected to continue.

According to the assessment of Bremer LB, the requirements for risk provisioning in 2015 will continue to be defined by the significant difficulties in the shipping markets. A recovery, if any, may not be expected in the near future. Since 2010, the risk provisioning at Bremer LB has been determined largely by developments in the commercial shipping sector.

If the market does not recover in 2015, it is likely that the risk provisioning will be at a high level again. Bremer LB's measures for risk-weighted assets (RWA) optimisation could result in the risk provisioning being at a level similar to that of 2014. Deviations from the valuation parameters assumed for the shipping sector (e.g. an ongoing delay in the recovery of the market) and the liquidation or reduction of non-performing ship loans could have a significant impact on the level of the risk provisioning. Thus the development of Bremer LB remains dependent on the development in the shipping markets which continue to be marked by high uncertainty.

The level of risk provisioning has significant impact on Bremer LB's future income. In addition Bremer LB's income is influenced by the current low interest rates. For the next years a balanced profit/loss is expected.

As positions will mature and no new business will be transacted, the credit investment portfolio will be continually scaled back, falling below the EUR 1 billion mark by the end of 2015.

Since 31 December 2014, the date of Bremer LB's last published audited consolidated financial statements, there has been no material adverse change in the prospects of Bremer LB which is material in the context of the Notes.

Administrative, Management and Supervisory Bodies

Bremer LB has a two-tier board system: the Managing Board is responsible for the management of Bremer LB and the representation of Bremer LB with respect to third parties; the Supervisory Board is responsible for determining the number of the members of the Managing Board and their appointment. A further governing body of Bremer LB is the owner's meeting (*Trägerversammlung*).

Managing Board

The Managing Board represents Bremer LB and is responsible for its management. Members of the Managing Board are appointed by the Supervisory Board.

Current other external mandates of the members of the Managing Board as of the date of the approval of this Prospectus are as follows:

| Members | Company |
|--|--|
| Dr. Stephan-Andreas Kaulvers, Chairman of the Managing Board | BREMER LAGERHAUS GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen EWE Aktiengesellschaft, Oldenburg EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| Heinrich Engelken, Deputy Chairman of the Managing Board | GSG OLDENBURG Bau- und Wohngesellschaft mbH, Oldenburg BREBAU GmbH, Bremen GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen |
| Dr. Guido Brune | BREBAU GmbH, Bremen DEUTSCHE FACTORING BANK Deutsche Factoring GmbH & Co. KG, Bremen LBS Norddeutsche Landesbausparkasse, Berlin-Hannover, Hanover |
| Björn Nullmeyer | |

As of the date of the approval of this Prospectus the responsibilities within the Managing Board are as follows:

Dr. Stephan-Andreas Kaulvers, Chairman

Finance
Internal Audit
Secretary's Office to the Managing Board
Communications and Marketing

Heinrich Engelken, Deputy Chairman

Credit Risk Management
Risk Controlling
Compliance / Money Laundering Prevention
Operations

Dr. Guido Brune

Financial Markets
Private Customers
BLB Immobilien GmbH

Björn Nullmeyer

Special Finance
Human Resources Management
Corporate Customers
BLB Leasing GmbH

The business address of all members of the Managing Board is c/o Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Domshof 26, 28195 Bremen, Federal Republic of Germany.

Supervisory Board

The primary responsibilities of the Supervisory Board are to supervise and advise the Managing Board of Bremer LB. The Supervisory Board resolves in particular on

1. the appointment and removal of the members of the Managing Board and their terms of employment, and the proposal to the Owners' Meeting for the ratification of the acts of the Managing Board,
2. the general rules governing Bremer LB's business,
3. the proposal on corporate planning to be prepared by the Managing Board for the Owners' Meeting pursuant to clause 15 paragraph 4 sentence 1 no. 9 of the Statute of the Issuer,
4. the outsourcing of operations to NORD/LB,
5. the rules of procedure for the Managing Board,
6. the principles for the terms of employment of employees,
7. the selection and appointment of the auditor,
8. the approval of the annual financial statements,
9. the acquisition and sale of shareholdings as defined in section 271 German Commercial Code (*Handelsgesetzbuch, HGB*),
10. the proposal of the Owners' Meeting for the approval for the establishment and dissolution of branch offices and branches.

The members of the Supervisory Board are appointed for a four-year term.

The Supervisory Board has 18 members, including twelve owner representatives and six employee representatives, who are directly elected by the Bank's employees in accordance with the provisions of the Bremen Staff Representation Act. The Senator of Finance of the Free Hanseatic City of Bremen chairs the Supervisory Board. Every two years, the deputy chair alternates between the Lower Saxony Finance Minister and the chairman of the Savings Banks Association of Lower Saxony.

As of the date of the approval of this Prospectus the Supervisory Board consists of

1. Senator of Finance of the Free Hanseatic City of Bremen, Mayor Karoline Linnert, Bremen, Chairman of the Supervisory Board,
2. the President of the Savings Banks Association of Lower Saxony, Thomas Mang, Hanover, Deputy Chairman of the Supervisory Board,
3. Minister of Finance of the State of Lower Saxony, Peter-Jürgen Schneider, Hanover,
4. the Chairman of the Managing Board of NORD/LB, Dr. Gunter Dunkel, Hanover,
5. five further members appointed by NORD/LB:
 - Heinz Feldmann, Chairman of the Board of Sparkasse LeerWittmund, Leer,
 - Frank Doods, State Secretary of the Ministry of Finance of the State of Lower Saxony, Hanover,
 - Bernhard Reuter, District Commissioner, Göttingen District, Göttingen,
 - Thomas Stephan Bürkle, Member of the Managing Board of NORD/LB, Hanover,
 - Doris Wesjohann, Member of the Managing Board of Lohmann & Co AG, Visbek,
6. three further members appointed by the Free Hanseatic City of Bremen:
 - Ursula Carl, managing director of ATLANTIC Grand Hotel Bremen, Bremen,

Martin Günthner, Senator of Economic, Employment and Harbour, Bremen,

Dr. Olaf Joachim, Privy Council, Senate Chambers, Bremen,

7. six staff representatives who, in accordance with the Bremen personnel representation legislation, are directly elected by Bremer LB's staff:

Prof. Dr. Wolfgang Däubler, Bremen,

Markus Westermann, Hanover,

Jörg Walde, Bremer LB,

Michael Schlüter, Bremer LB,

Andreas Klarmann, Bremer LB,

Eike Westermann, Bremer LB.

Members referred to under no. 5, 6 and 7 may resign at any time.

Members according to no. 5 and 6 may be asked by the owner, who has appointed them, to retire prematurely when there is significant reason for doing so. When a member retires prematurely a successor must be appointed for the remainder of the period of office.

The Risk Committee, Audit Committee, Nomination Committee, Remuneration Committee and Sponsorship Committee were created to support the Supervisory Board.

The Risk Committee consists of ten members. It is chaired by the chairman of the Managing Board of NORD/LB. The Committee includes another two members for NORD/LB, the Finance Senator of the Free Hanseatic City of Bremen, two other members for the Free Hanseatic City of Bremen, the chairman of the Savings Banks Association of Lower Saxony and three employee representatives. The deputy chairman is a member specified by the Free Hanseatic City of Bremen and elected by the Committee. The Risk Committee advises the Supervisory Board on the Bank's current and future overall readiness for risk and its risk strategy, and supports it in the monitoring of the implementation of this strategy by senior management. The Risk Committee has the task, in regular meetings, of discharging the rights and duties of the Supervisory Board in advising and monitoring the management of the Bank.

The Audit Committee consists of six members, namely two representatives of NORD/LB and the Free Hanseatic City of Bremen, the president of the Savings Banks Association of Lower Saxony and an employee of Bremer LB who sits on the Supervisory Board and who is proposed by the employee representatives on the Supervisory Board and elected by the Supervisory Board. At least one member of the Audit Committee must be independent and have specialist knowledge of accounting or auditing. The Chairman of the Audit Committee may not be the Chairman of the Supervisory Board at the same time. The Audit Committee reports to the Supervisory Board on the basis of the auditors' reports on the outcome of the audit of the annual financial statements. The Audit Committee is also responsible for monitoring the accounting process and the effectiveness of the internal control system, the internal audit system and the risk management system, monitoring the audit of the annual and the consolidated financial statements, reviewing and monitoring auditor independence and the additional services provided to the Issuer by the auditors.

The Nomination Committee consists of seven members; these are the chairman of the Managing Board of NORD/LB, the finance senator, the chairman of the Savings Banks Association of Lower Saxony, a member of the Supervisory Board appointed by NORD/LB, another member of the

Supervisory Board, named by the Free Hanseatic City of Bremen, and two employee representatives from the group of the employee representatives on the Supervisory Board. The chairman and deputy chairman are the same as the chairman and deputy chairman of the Risk Committee. The Nomination

Committee supports the Supervisory Board, particularly in identifying applicants for appointment as member of the Managing Board and in the preparation of the election proposals for the selection of the members of the Supervisory Board and in the regularly, at least annually performed evaluation of the structure, size, composition and performance of the Managing Board and the Supervisory Board, and makes recommendations in this regard.

The Remuneration Committee consists of seven members, including the Chairman of the Managing Board of NORD/LB, the Finance Senator of the Free Hanseatic City of Bremen, the Chairman of the Savings Banks Association of Lower Saxony, a member of the Supervisory Board appointed by NORD/LB with sufficient expertise and professional experience in the area of risk management and risk controlling, another member of the Supervisory Board, named by the Free Hanseatic City of Bremen, and two employee representatives from the group of the employee representatives on the Supervisory Board. The chairman and deputy chairman are the same as the chairman and deputy chairman of the Risk Committee. The Remuneration Committee monitors in particular the appropriate design of the remuneration systems and prepares the resolutions of the Supervisory Board on the remuneration and other employment conditions of members of the Managing Board and takes into account in particular the impact on the Bank's risk management.

The Sponsorship Committee comprises the Chairman of the Supervisory Board, a member elected from within the Supervisory Board from the business area of the Issuer as well as a member nominated by the Chairman of the Risk Committee. It advises the Managing Board on the Issuer's sponsorship through donations and sponsoring within the scope assigned to it by the Owners' Meeting.

The business address of all members of the Supervisory Board is c/o Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Domshof 26, 28195 Bremen, Federal Republic of Germany.

Owners' Meeting (Trägerversammlung)

Each of NORD/LB, the Free Hanseatic City of Bremen and the Savings Banks Association of Lower Saxony may appoint (*entsenden*) up to three representatives for the Owners' Meeting (*Trägerversammlung*). Voting rights shall be exercised in accordance with the proportion of issued capital held by each owner. The representatives of each owner may only cast block votes. In addition to the other matters stated in the Statute, the Owners' Meeting shall resolve on

1. the general principles of commercial policy (overall banking strategy),
2. amendments to the Statute,
3. the fixing and alteration of the issued capital, including the distribution and conversion of reserves,
4. amendment to the participating interests,
5. the uptake and setting of the level and conditions of the other liable equity capital,
6. the conclusion, amendment and termination of profit transfer and controlling agreements and other company agreements,
7. the ratification of the acts of the Managing Board,
8. the approval of the establishment and dissolution of branch offices and branches,
9. at the suggestion of the Supervisory Board – corporate planning for the coming financial year and multi-year planning,
10. the fixing of the remuneration for the members of the Supervisory Board, the committees and advisory boards,
11. disposal over the stake in Bremer LB or a part thereof

12. the dissolution of Bremer LB,
13. the merger, division, transfer of assets and change of legal form of Bremer LB,
14. the ratification of the acts of the Supervisory Board.

As of the date of the approval of this Prospectus the members of the Owners' Meeting are:

Representatives of NORD/LB:

Dr. Gunter Dunkel, Chairman of the Managing Board of NORD/LB

Thomas Stephan Bürkle, Member of the Managing Board of NORD/LB

Peter-Jürgen Schneider, Minister of Finance of the State of Lower Saxony

Representatives of the Free Hanseatic City of Bremen:

Mayor Karoline Linnert, Senator of Finance of the Free Hanseatic City of Bremen

Dr. Anke Saebetzki, Senate Director to the Senator of Finance of the Free Hanseatic City of Bremen

Ekkehart Siering, Senate Councillor to the Senator of Finance of the Free Hanseatic City of Bremen

Representatives of Savings Banks Association of Lower Saxony

Thomas Mang, President of Savings Banks Association of Lower Saxony, Hanover

Gerhard Fiand, Chairman of the Managing Board of the Landessparkasse zu Oldenburg, Oldenburg

Harm-Uwe Weber, Chief Administrative Officer of Aurich, Aurich

The business address of all representatives of the Owners' Meeting is c/o Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Domshof 26, 28195 Bremen, Federal Republic of Germany.

Conflict of interests

In connection with a syndicated ship finance a physical division of the financing of a debtor has been agreed upon between a member of the syndicate and Bremer LB, a matter which has been discussed during the meeting of the Supervisory Board and the Risk Committee (*Risikoausschuss*) dated 20 June 2014. In the course of the consultation the Supervisory Board noticed that one of its members is subject to a conflict of interest. The affected member of the Supervisory Board – at the same time member of the Risk Committee – is a limited partner of a shipping company which belongs to the group of the debtor. The resolution of the Supervisory Board and the Risk Committee in respect of the physical division took place without participation of that member.

Apart from that, the Issuer is not aware of any potential conflicts of interests between any duties of the members of the Managing Board and the Supervisory Board and the Owners' Meeting and their private interests and/or other duties.

Major shareholders

The majority of Bremer LB's issued capital, 54.8343 per cent., is held by NORD/LB which is the direct and ultimate parent company of Bremer LB. Further 41.2 per cent. of the issued capital is held by the Free Hanseatic City of Bremen and 3.9657 per cent. is held by the Savings Banks Association of Lower Saxony.

The legal basis for this structure is formed by the amended state treaty between the Free Hanseatic City of Bremen and the State of Lower Saxony (*Staatsvertrag zwischen der Freien Hansestadt Bremen und dem Land Niedersachsen über die Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale* –) which was signed on 18 June 2012 and came into force on 14 August 2012 and the Statute of Bremer LB.

If an owner intends to sell his shares in Bremer LB in full or in part, the shares are to be offered to the other owners at the proportionate value of the company. NORD/LB is also obliged to offer its shares in Bremer LB to the Free Hanseatic City of Bremen at the business value, e.g. if the state of Lower Saxony and/or the Association of the Savings Banks Association of Lower Saxony dispose of their majority in the share capital of NORD/LB.

Historical Financial Information

The consolidated financial statements of the Issuer for the fiscal years ended 31 December 2013 and 31 December 2014 (both prepared in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) of the German Commercial Code (*Handelsgesetzbuch, HGB*) as well as the unconsolidated annual financial statements of the Issuer for the fiscal year ended 31 December 2014 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*) are incorporated by reference into this Prospectus, see "*Documents incorporated by reference*".

Auditors

The independent auditor of Bremer LB for the fiscal years ended 31 December 2013 and 31 December 2014 was KPMG AG Wirtschaftsprüfungsgesellschaft, Am Weser-Terminal 10, 28217 Bremen ("**KPMG**"). KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*). KPMG audited the consolidated financial statements of Bremer LB for the fiscal years ended 31 December 2013 and 31 December 2014 both prepared in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch, HGB*) as well as the unconsolidated financial statements of Bremer LB for the fiscal year ended 31 December 2014 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*) and issued, in each case, an unqualified audit opinion. The audit opinion refers to the respective German language version of the consolidated financial statements and group management report of Bremer LB and the German language version of the unconsolidated financial statements and management report of Bremer LB, respectively, as a whole and not solely to the consolidated and unconsolidated financial statements incorporated by reference in this Prospectus. The German language version of the audit opinion is the sole authoritative version.

TAXATION

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular holder of the Notes. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retrospective effect.

PROSPECTIVE HOLDERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES OF SUBSCRIBING, PURCHASING, HOLDING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICATION AND EFFECT OF ANY FEDERAL, STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY, LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

Taxation in the Federal Republic of Germany

German tax resident Investors

The following general description does not consider all aspects of income taxation in the Federal Republic of Germany ("**Germany**") that may be relevant to a holder in the light of the holder's particular circumstances and income tax situation. This general description is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retrospective effect.

German tax resident investors holding the Notes as private assets

Taxation of income from the Notes

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

Where the Notes are acquired 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 in Euro at the time of sale, and only the difference will then be computed in Euro.

The flat tax is generally collected by way of withholding (see subsequent paragraph "*—Withholding tax*") and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent, as defined below) the investor will have to include the income received with respect to the Notes in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the sales or redemption of the Notes held as private assets should generally be tax-recognised irrespective of the holding period of the Notes. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro jointly assessed husband and wife). The saver's lump sum tax allowance is also taken into account for purposes of withholding tax (see subsequent paragraph "*Withholding tax*") if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted. Pursuant to the current view of the German tax authorities (which has recently been confirmed by the German Federal Fiscal Court (*Bundesfinanzhof*)), the deduction of related expenses for tax purposes (except for the aforementioned saver's lump sum tax allowance) is also excluded in case where the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent.

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale or redemption of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with another Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Central Tax Office.

German resident investors holding the Notes as business assets

Taxation of income from the Notes

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (*i.e.*, a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances.

Capital losses from the sale or redemption of the Notes should generally be tax-recognised and may generally be offset against other income.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Central Tax Office.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return.

Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

Prospective Holders of the Notes are advised to consult their tax advisors regarding the possible tax (including withholding tax) consequences of a Write-down or a Write-up of the Notes.

Non-German tax resident Investors

Income derived from the Notes by investors who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, provided however (i) the Notes are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Notes or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*). If the income derived from the Notes is subject to German taxation pursuant to (i) through (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax and gift tax

The transfer of the Notes to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Prospective holders are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other taxes

The purchase, sale or other disposal of the Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of the Notes to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) and financial transaction tax (FTT) are, at present, not levied in Germany.

Luxembourg

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult their own tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual holders or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual holders or so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-residents

Under the existing laws of the Grand Duchy of Luxembourg there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of the Grand Duchy of Luxembourg through a paying agent established in Luxembourg.

Since 1 January 2015 the exchange of information procedure provided for under the Luxembourg laws of 21 June 2005 (or the relevant Accords) applies.

Luxembourg residents

Pursuant to the law of 23 December 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU, the EEA or in a State which has concluded with Luxembourg an international agreement related to the EU Savings Tax Directive to an individual holder of Notes who is a resident of the Grand Duchy of Luxembourg or to a residual entity established in another EU Member State or in the dependent and associated territories securing the payment for such individual will be subject to a withholding tax of 10 per cent. In case of payment through a paying agent established in the EU, the EEA or in a State which has concluded with Luxembourg an international agreement related to the EU Savings Tax Directive, the Luxembourg resident individual holder of Notes must under a specific procedure remit 10 per cent. tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10 per cent. withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "interest", "paying agent" and "residual entity" have the meaning given thereto in the Luxembourg laws of 21 June 2005 (or the relevant Accords) and 23 December 2005, as amended. "Interest" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream

Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

European Savings Directive

On 3 June 2003 the European Union Council adopted the Savings Directive. The Savings Directive is effective as from 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Austria, Belgium and Luxembourg were instead allowed to apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. Luxembourg elected out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015. Belgium had elected to switch to the exchange of information system already with effect from 1 January 2010. The transitional period has commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Austria has, in the meantime, undertaken to implement an automatic exchange of information as of September 2017.

In Germany, provisions for implementing the Savings Directive have been enacted by legislative regulations of the federal government (*Zinsinformationsverordnung*). These provisions apply as from 1 July 2005.

Similar provisions may apply under agreements entered into pursuant to the Savings Directive in respect of interest payments made by persons within the jurisdiction of certain territories, not being Member States (e.g. Switzerland) to individuals resident in Member States, and, in some cases, vice versa.

On 24 March 2014, the European Council adopted a directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Savings Directive, to include certain other types of entities and legal arrangements. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

Prospective holders who are in any doubt as to their position should consult their own tax advisers.

Holders who are individuals should note that the Issuer will not pay additional amounts under § 7 of the Terms and Conditions in respect of any withholding tax imposed as a result thereof.

U.S. Foreign Account Tax Compliance Withholding

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**") impose a withholding tax of 30% on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements. In order to avoid becoming subject to this withholding tax, non-U.S. financial institutions must enter into

agreements with the IRS ("**IRS Agreements**") (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law ("**IGA legislation**") intended to implement an intergovernmental agreement entered into pursuant to FATCA ("**IGAs**"), may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation made on or after (i) 1 July 2014 in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce US source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of "foreign passthru payments" and then, for "obligations" that are not treated as equity for U.S. federal income tax purposes, only on such obligations that are issued or materially modified on or after the later (a) 1 July 2014, and (b) in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In particular, a number of jurisdictions have entered into, or have announced their intention to enter into, intergovernmental agreements (or similar mutual understandings) with the United States, which modify the way in which FATCA applies in their jurisdictions. The full impact of such agreements (and the laws implementing such agreements in such jurisdictions) on reporting and withholding responsibilities under FATCA is unclear. The Issuer and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how the United States and the jurisdictions which enter into intergovernmental agreements will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

Whilst the Notes are in global form and held within CBF, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the securities by the Issuer, any paying agent and CBF, given that each of the entities in the payment chain from (but excluding) the Issuer and to (but including) CBF is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

SUBSCRIPTION AND SALE OF THE NOTES

General

Pursuant to the Subscription Agreement entered into on 24 June 2015, the Manager has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes. The Issuer has agreed to pay the Manager a combined management, underwriting and placement commission as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the Manager for certain of its expenses in connection with the issue of the Notes.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Manager to terminate its obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions

General

The Manager has represented and agreed that it will comply with all applicable Notes laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and the Issuer shall not have any responsibility therefor.

United States of America and its Territories

The Manager has acknowledged that the Notes have not been and will not be registered under the United States Notes Act of 1933, as amended (the "**Notes Act**"), and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Notes Act. The Manager has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered or will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Notes Act. Accordingly, the Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**") (or, any successor rules in substantially the same form as the TEFRA D Rules, as applicable, for purposes of Section 4701 of the United States Internal Revenue Code).

- (a) Except to the extent permitted under TEFRA D, the Manager has represented that (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;
- (b) The Manager has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D;

- (c) If it is a United States person, the Manager has represented that it is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the requirements of TEFRA D; and
- (d) With respect to each affiliate that acquires such Notes from the Manager for the purpose of offering or selling such Notes during the restricted period, the Manager has repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf.

Terms used in this subparagraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

United Kingdom of Great Britain and Northern Ireland

The Manager has represented and agreed that,

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**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
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

GENERAL INFORMATION

Subject of this Prospectus

This Prospectus relates to the EUR 50,200,000 Perpetual Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes of 2015 issued by Bremer LB.

Clearing and Settlement

The Notes have been accepted for clearing through Clearstream Banking AG, Frankfurt am Main. The Notes have been assigned the following securities codes:

ISIN DE000BRL00A4, WKN BRL 00A

Listing and Admission to Trading

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the regulated market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange.

Expenses related to Admission to Trading

The Issuer estimates that the amount of expenses related to admission to trading of the Notes will be approximately EUR 10,000.

Yield to Maturity

There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption, the Issuer is not obliged, and under certain circumstances is not permitted, to make interest payments on the Notes at the full stated rate and the rate of interest is floating for the period after 29 June 2020.

Credit Rating

Credit ratings of the Issuer:

1. Long Term Issuer Default Rating: A-, outlook stable (Fitch Ratings Ltd.),
2. Short Term Issuer Default Rating: F1 (Fitch Ratings Ltd.)

Fitch Ratings Ltd. is established in the European Community and is 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**"). The European Securities and Markets Authority publishes on its website (www.esma.europa.eu) 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.

Interests of Natural and Legal Persons involved in the Issue/Offer

The Manager and its affiliates may be customers of, borrowers from or creditors of Bremer LB or its affiliates. In addition, the Manager and its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with, and may perform services for Bremer LB and their affiliates in the ordinary course of business. Furthermore, in the ordinary course of its business activities, the Manager and its 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 or instruments of the Issuer or Issuer's affiliates. The Manager or its 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, the

Manager and its affiliates would hedge such exposure by entering into transactions which consists of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short position could adversely affect the future trading prices of the Notes. The Manager and its affiliates may also make investment recommendations 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 or short positions in such securities and instruments.

Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Managing Board of Bremer LB dated 19 June 2015.

Use of Proceeds

The net proceeds from the issue of the Notes will be used by Bremer LB to strengthen its Tier 1 regulatory capital base and for general corporate purposes.

Documents on Display

Copies of the following documents may be obtained without charge during normal business hours at the head office of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Domshof 26, 28195 Bremen, Federal Republic of Germany:

- (i) any documents incorporated by reference;
- (ii) the articles of association of the Issuer; and
- (iii) a copy of this Prospectus.

For the avoidance of doubt, the content of the websites mentioned in this Prospectus does not form part of the Prospectus (except with respect to the documents incorporated by reference into the Prospectus).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference in, and form part of, this Prospectus:

1. Consolidated Financial Statements IFRS 2014 (English version)

| | |
|--|----------------------|
| Consolidated Balance Sheet | page 95 |
| Consolidated Income Statement | page 93 |
| Notes to the Consolidated Financial Statements | page 98 to page 204 |
| Audit Opinion | page 206 to page 207 |

2. Consolidated Financial Statements IFRS 2013 (English version)

| | |
|--|----------------------|
| Consolidated Balance Sheet | page 97 |
| Consolidated Income Statement | page 95 |
| Notes to the Consolidated Financial Statements | page 100 to page 211 |
| Audit Opinion | page 213 to page 214 |

3. Annual Report German GAAP (HGB) 2014 (English version)

| | |
|-----------------------------------|----------------------|
| Balance Sheet | page 89 to page 91 |
| Income Statement | page 92 |
| Notes to the financial statements | page 93 to page 130 |
| Audit Opinion | page 132 to page 133 |

Any information incorporated by reference that is not included in the above cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 as amended.

The documents incorporated by reference into this Prospectus have been published on the website of the Issuer (www.bremerlandesbank.com/investor-relations/reports/) and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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NAMES AND ADDRESSES

THE ISSUER

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –
Domshof 26
28195 Bremen
Federal Republic of Germany

STRUCTURING ADVISOR AND LEAD MANAGER

Bankhaus Lampe KG
Alter Markt 3
33602 Bielefeld
Federal Republic of Germany

PAYING AGENT

**Bremer Landesbank Kreditanstalt
Oldenburg – Girozentrale –**
Domshof 26
28195 Bremen
Federal Republic of Germany

LEGAL ADVISER

to the Issuer

Hengeler Mueller
Partnerschaft von Rechtsanwälten mbB
Bockenheimer Landstraße 24
60323 Frankfurt am Main
Federal Republic of Germany