

Non-binding English Translation of the confirmation letter of the Bavarian State Ministry dated 20.07.2005 in regard to the Refinancing guarantee

(Letterhead of the Bavarian State Ministry of Finance)

Bayerische Landesbodenkreditanstalt
Management Board
PO Box 200537

80005 Munich, Germany

Refinancing guarantee

Dear Sirs,

The Bavarian State Ministry of Finance hereby confirms that the refinancing guarantee for Bayerische Landesbodenkreditbank embodied in Bavarian state law acts as described below:

Pursuant to Art. 22 para 2 of the Law on Bayerische Landesbank as published on 1 February 2003, last amended on 15 June 2005 by way of the Amendment Act on the Law on Bayerische Landesbank, Bayerische Landesbodenkreditanstalt enjoys an explicit refinancing guarantee by the Free State of Bavaria. Consequently, the Free State of Bavaria is directly and fully liable for all loans borrowed by Bayerische Landesbodenkreditanstalt and for all Pfandbriefs, mortgage bonds and any other debt instruments issued by Bayerische Landesbodenkreditanstalt. The Free State of Bavaria furthermore assumes liability for all derivatives, for all rights arising from options, and for all credit extended to third parties insofar as such credit is explicitly guaranteed by Bayerische Landesbodenkreditanstalt.

The refinancing guarantee is unconditional, permanent and irrevocable. It is furthermore payable upon first demand, thereby eliminating the possibility of a delay – however short-term – in payment.

The legal guarantee may only be rescinded, limited or amended by another Bavarian state law. Any such rescindment or amendment, however, would apply only to transactions concluded after such a law came into effect. For all transactions concluded prior to that date, the validity of the guarantee shall remain unchanged and apply to all amounts involved in their entirety.

Sincerely,

Hübner
Assistant Secretary