



Der Fels in der Brandung.

Württembergische Lebensversicherung AG

(a stock corporation incorporated under the laws of the Federal Republic of Germany)

EUR ■ ■ % Subordinated Fixed to Floating Rate Bearer Notes

Württembergische Lebensversicherung Aktiengesellschaft, Stuttgart (the "Issuer" or "WürttLeben") will issue on 12 May 2014 (the "Issue Date") subordinated fixed to floating rate bearer notes (the "Notes") in an aggregate principal amount of EUR [■] (the "Aggregate Principal Amount") at an issue price of [■] % of their Aggregate Principal Amount.

The Notes will bear interest from and including the Issue Date to but excluding 15 July 2024 (the "First Call Date") at a rate of [■] % *per annum*, payable annually in arrears on 15 July in each year, commencing on 15 July 2015 (each a "Fixed Interest Payment Date"). Thereafter, and unless previously redeemed, the Notes will bear interest at a rate of [■] % *per annum* (the "Margin") above the offered quotation (expressed as a percentage rate *per annum*) for three-months deposits in euro, payable quarterly in arrears on the 15 July, 15 October, 15 January and 15 April in each year (each a "Floating Interest Payment Date"), all as set out in § 3 of the Terms and Conditions.

Under certain circumstances the Issuer is entitled to defer payments of interest on any Interest Payment Date (as defined in the Terms and Conditions). The Issuer may pay such Arrears of Interest (in whole but not in part) at any time upon fulfilment of the Conditions to Settlement and due notice (as set out in § 3(3)(c) of the Terms and Conditions) and it shall pay such Arrears of Interest (in whole, but not in part) under certain other circumstances (as set out in § 3(3)(d) of the Terms and Conditions). Such Arrears of Interest will not bear interest themselves.

Unless previously redeemed, the Notes will be redeemed at their aggregate principal amount together with any interest accrued until such redemption date (exclusive) and any outstanding Arrears of Interest on the Floating Interest Payment Date (as defined in the Terms and Conditions) falling in July 2044 provided that if on or prior to such date the Solvency II Directive has become part of the Applicable Supervisory Regulations (as defined in § 3(3)(b)(bb) of the Terms and Conditions), the Notes will be redeemed on that date only subject to the Conditions to Redemption being fulfilled; otherwise the Notes will be redeemed on the first Floating Interest Payment Date following the Floating Interest Payment Date falling in July 2044 on which the Conditions to Redemption (as defined in § 4(5) of the Terms and Conditions) are fulfilled (the "Maturity Date"). Prior to the Maturity Date, the Notes are redeemable in whole, but not in part, at the option of the Issuer at their aggregate principal amount together with any interest accrued until such redemption date (exclusive) and any Arrears of Interest, if any, on the First Call Date or on any Floating Interest Payment Date thereafter. If either a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event (each as defined in § 4(4) of the Terms and Conditions) occurs until the First Call Date, the Issuer may subject to the Conditions to Redemption being fulfilled, and upon giving irrevocable notice in accordance with the Terms and Conditions, call and redeem the Notes (in whole but not in part) with effect as of the date fixed for redemption in the notice at their aggregate principal amount plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest, all as more particularly described herein.

The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves and subordinated to the Issuer's Senior Ranking Debt (as defined in § 2(1) of the Terms and Conditions). In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the claims of the holders under the Notes will be satisfied after (but only after) the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Holders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

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 Directive 2003/71/EC, as amended, (the "Prospectus Directive"), for its approval of this 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. This Prospectus constitutes a prospectus within the meaning of Article 5.3 of the Prospectus Directive and 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.ww-ag.com). Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit to trading on the regulated market "*Bourse de Luxembourg*", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC, as amended, (the "Regulated Market"). The Notes will be issued in bearer form in denominations of EUR 1,000.

The Issuer has requested the CSSF in its capacity as competent authority under the Luxembourg law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) (the "Luxembourg Law"), which implements the Prospectus Directive into Luxembourg law, to provide the competent authorities in the Federal Republic of Germany, The Netherlands, the Republic of Austria with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Law (each a "Notification"). By approving a prospectus, the Commission shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the issuer.

The Notes have been assigned the following securities codes: ISIN XS1064049767, Common Code 106404976, WKN A11QFG.

The issue price and aggregate principal amount, the rate of interest for the fixed rate interest period, the issue proceeds and the Issue Date, in the case it is postponed, will be included in the Pricing Notice (as defined in "*Subscription, Offer and Sale of the Notes*") which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on the pricing date which is expected to be on or about 6 May 2014.

Sole Bookrunner / Sole Structuring Advisor / Joint Lead Manager

Deutsche Bank

Joint Lead Manager

UniCredit Bank

RESPONSIBILITY STATEMENT

Württembergische Lebensversicherung Aktiengesellschaft with its registered office in Stuttgart ("**WürttLeben**" or the "**Issuer**", together with its consolidated group companies, "**WürttLeben Group**") are 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.

The Issuer has confirmed to the managers set forth on the cover page (each a "**Manager**" and together, the "**Managers**") 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 in 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.

NOTICE

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

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, the Managers or any of them. None of the Managers has independently verified the Prospectus and none of them assumes any responsibility for the accuracy of the information and statements contained in this Prospectus and no representations express or implied are made by the Managers or their 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 the Group since the date of this Prospectus, or, as the case may be, the date on which this Prospectus has been most recently supplemented, or that the information herein is correct at any time since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented.

Neither the Managers 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 Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Managers 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 Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

The language of the Prospectus is English. The German version of the English language Terms and Conditions are shown in the Prospectus for additional information. The English version shall prevail over any part of this Prospectus translated into the German language except for the Terms and Conditions of the Notes in respect of which the German text shall be controlling and legally binding.

The Issuer has undertaken with the Managers to publish a supplement to this Prospectus or to publish a new Prospectus if and when information herein should become materially inaccurate or incomplete or in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes

and, where approval by the CSSF of any such document is required, upon such approval having been given.

This Prospectus and any supplement hereto reflect the status as of their respective dates 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 Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the European Economic Area in general, the United States of America and its territories, the United Kingdom of Great Britain and Northern Ireland and Japan see "*Selling Restrictions*" on pages 108 to 109 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.

Each Manager and/or each further financial intermediary subsequently reselling or finally placing Notes is entitled to use the Prospectus as set out in "*Consent to the Use of the Prospectus*" below.

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.

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

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 WürttLeben Group'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 their present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including WürttLeben Group'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. WürttLeben Group'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 relating to WürttLeben's and WürttLeben Group's Business*", "*Business of WürttLeben and WürttLeben Group*" and "*The Issuer and WürttLeben Group*". These sections include more detailed descriptions of factors that might have an impact on WürttLeben Group'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 Managers 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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SUMMARY

Summaries are made up of disclosure requirements known as "*Elements*". These elements are numbered in Sections A – E (A.1 – E.7).

This summary (the "**Summary**") contains all the Elements required to be included in a summary for this type of Notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary because of the type of Notes and Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the Summary with the mention of "not applicable".

Element	Section A – Introduction and warnings	
A.1	Warnings	<p style="text-align: center;"><u>Warning that:</u></p> <p>§ this Summary should be read as an introduction to the Prospectus;</p> <p>§ any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;</p> <p>§ where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and</p> <p>§ civil liability attaches only to the Issuer which has tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</p>
A.2	Consent to the use of the Prospectus	<p>Each Manager and/or each further financial intermediary subsequently reselling or finally placing the Notes is entitled to use the Prospectus for the subsequent resale or final placement of the Notes during the offer period for the subsequent resale or final placement of the Notes from 6 May 2014 to 12 May 2014, provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Prospectus Law relating to prospectuses for securities (<i>Loi relative aux prospectus pour valeurs mobilières</i>), as amended, which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended).</p> <p>The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of WürttLeben (www.ww-ag.com).</p>

		<p>When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.</p> <p>In the event of an offer being made by a Manager and/or a further financial intermediary, the Manager and/or the further financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.</p>
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Element	Section B – Issuer	
B.1	Legal and commercial name	Württembergische Lebensversicherung Aktiengesellschaft (" WürttLeben ")
B.2	Domicile / Legal form / Legislation / Country of incorporation	WürttLeben is a German stock corporation (<i>Aktiengesellschaft</i>) incorporated under the laws of the Federal Republic of Germany and domiciled in Stuttgart.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Ongoing low interest rates and unsolved financial problems in the euro zone stress the sale of life insurances. On the other hand, there is still a strong demand for pension benefits. Chances for the sale will also arise from a stable economic situation and the further positive development in the German economy which may have a positive effect on the business development of WürttLeben.
B.5	Description of the Group and the Issuer's position within the Group	WürttLeben forms part of the Wüstenrot & Württembergische Group (" W&W Group ") which consists of insurance companies, banks and building societies as well as investment companies. Besides WürttLeben, the two affiliates Karlsruher Lebensversicherung AG (" KLN ") and Allgemeine Rentenanstalt Pensionskasse AG (" ARA PK ") as well as the W&W Group's Württembergische Krankenversicherung Aktiengesellschaft, the subsidiaries in Prague, Wüstenrot životní pojišťovna, a.s., and in Dublin, W&W Europe Life Limited, are contained in the segment of life and health insurance of the W&W Group. Together with its consolidated group companies, WürttLeben forms the " WürttLeben Group ".
B.9	Profit forecast or estimate	Not applicable. The Issuer has chosen not to include a profit forecast or estimate in the Prospectus.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The auditor's opinions regarding the consolidated and unconsolidated financial statements of WürttLeben Group and WürttLeben for the financial years ending on 31 December 2012 and on 31 December 2013 do not include any qualifications.

B.12	<p>Selected historical key financial information (audited consolidated financial statements of WürttLeben Group, IFRS):</p> <p><u>IN €MILLIONS</u></p> <table data-bbox="341 349 1390 539"> <thead> <tr> <th></th> <th><u>31 DECEMBER 2013</u></th> <th><u>31 DECEMBER 2012</u></th> </tr> </thead> <tbody> <tr> <td>Gross written premiums</td> <td>2,220</td> <td>2,323</td> </tr> <tr> <td>Investments under management</td> <td>28,899</td> <td>28,827</td> </tr> <tr> <td>Profit of the year</td> <td>39</td> <td>45</td> </tr> </tbody> </table>		<u>31 DECEMBER 2013</u>	<u>31 DECEMBER 2012</u>	Gross written premiums	2,220	2,323	Investments under management	28,899	28,827	Profit of the year	39	45	
	<u>31 DECEMBER 2013</u>	<u>31 DECEMBER 2012</u>												
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Investments under management	28,899	28,827												
Profit of the year	39	45												
	Material adverse change in the prospects of the Issuer	There has been no material adverse change in the prospects of WürttLeben since 31 December 2013.												
	Significant change in the financial and trading position	Not applicable. There have been no significant changes in the financial and trading position of WürttLeben since 31 December 2013.												
B.13	Recent events	<p>Germany's finance ministry is planning measures to support life insurers to meet guaranteed returns to clients in the face of low interest rates.</p> <p>Problems arise in connection with life insurers' current obligation to pay out half of their valuation reserves to customers whose policies are expiring or who terminate their policy. The legislator is presently discussing ways to solve this matter.</p>												
B.14	Please see Element B.5.													
	Statement of dependency upon other entities within the group	Wüstenrot & Württembergische AG holds 83.42 % of the shares of WürttLeben. Therefore WürttLeben is a dependent company pursuant to the German Stock Corporation Act and the management board has prepared a dependency report. The management board declares therein that WürttLeben has received an appropriate equivalent regarding all legal transactions within the group.												
B.15	Principal activities	The activities of WürttLeben and its subsidiaries engaged in the life insurance business comprise various segments of life insurance and annuity insurance. The insurance products offered by WürttLeben and its subsidiaries include term life insurance, unit-linked life insurance, supplementary occupational disability insurance, supplementary personal-accident insurance, annuity insurance (retirement pension insurance, unit-linked annuity insurance, basic pension and unit-linked basic pension, "Riester" pension insurance) and other additional insurance related products like savings and loan risk insurance as well as products for company pension schemes (<i>betriebliche Altersvorsorge</i>) and occupational disability insurance, supplementary insurance for surviving dependants.												
B.16	Controlling Persons	As of 31 of March 2014, Wüstenrot & Württembergische AG (W&W AG) holds 83.42 % of the shares of WürttLeben; further 1.14 % are held by Wüstenrot Holding AG, the parent company of W&W AG.												

B.17	Credit ratings of the Issuer or its debt securities	Standard & Poor's Credit Market Services Europe Limited (" S&P ") ^{1,2} has assigned the long-term credit rating of A- (outlook stable) ³ to WürttLeben.
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Element	Section C – Securities	
C.1	Class and type of the Securities / Security Identification Number	<p>Class The Securities are unsecured.</p> <p>Type EUR ■ ■ % Subordinated Fixed to Floating Rate Bearer Notes (the "Notes")</p> <p>ISIN XS1064049767</p> <p>Common Code 106404976</p> <p>WKN A11QFG</p>
C.2	Currency	The Securities are issued in euro (" EUR ").
C.5	Restrictions on free Transferability	Not applicable. The Notes are freely transferable.
C.8	Rights attached to the Securities (including limitations to those rights and ranking of the Securities)	<p>Early redemption at the option of the Issuer</p> <p>Subject to the Conditions to Redemption being fulfilled, the Issuer may call and redeem the Notes (in whole but not in part) on 15 July 2024 (the "First Call Date") or on any Floating Interest Payment Date (as defined below) thereafter upon giving irrevocable notice of redemption to the Holders at their aggregate principal amount plus any interest accrued to (but excluding) the First Call Date and any outstanding Arrears of Interest (as defined below).</p> <p>The "Conditions to Redemption" are fulfilled on any day with respect to a scheduled redemption of the Notes, if</p> <p>(a) prior to the Solvency II Directive becoming part of the applicable supervisory regulations in the event of a redemption or the repurchase of the Notes prior to the First Call Date the repaid or repurchased total principal amount of Notes have been replaced by other at least equivalent own funds (<i>Eigenmittel</i>) of at least equal status or if the competent supervisory authority has given its consent to the</p>

¹ Standard & Poor's Ratings Services business operations in the European Union, which are currently conducted through Standard & Poor's Credit Market Services Europe Limited, is registered under 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**").

² The European Securities and Markets Authority publishes on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) 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 update list in the Official Journal of the European Union within 30 days following such update.

³ A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

	<p>redemption or the repurchase; or</p> <p>(b) upon the Solvency II Directive becoming part of the applicable supervisory regulations,</p> <ul style="list-style-type: none"> (i) the payment of the Final Redemption Amount (as defined below) or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event (as defined below); and (ii) no Solvency Capital Event (as defined below) has occurred and is continuing or would be caused by the redemption by the Issuer or the repurchase of the Notes, unless the competent supervisory authority has despite the Solvency Capital Event, given, and not withdrawn by such date, its prior consent to the redemption of the Notes and the payment of the Final Redemption Amount or to the repurchase of the Notes (if under the applicable supervisory regulations such consent is required at the time in order for the Notes to qualify as tier 2 capital of the Issuer or the Group (as defined below)) and (iii) the competent supervisory authority has given, and not withdrawn by such day, its prior consent to the redemption of the Notes and the payment of the Final Redemption Amount or to the repurchase of the Notes (if under the applicable supervisory regulations such consent is required in order for the Notes to be recognised in the determination of the own funds (<i>Eigenmittel</i>) of the Issuer or the Group at least as tier 2 capital under the applicable supervisory regulations (including the transitional provisions), or, in the case of a redemption following a Regulatory Event (as defined below), such consent had been required immediately before such Regulatory Event occurred); and (iv) in the event of a redemption or the repurchase of the Notes prior to the First Call Date the capital has been replaced by other at least equivalent own funds (<i>Eigenmittel</i>) (if such replacement is required in order for the Notes to be recognised in the determination of the own funds (<i>Eigenmittel</i>) of the Issuer or the Group at least as tier 2 capital under the applicable supervisory regulations (including the transitional provisions), or, in the case of a redemption following a Regulatory Event, such replacement had been required immediately before such Regulatory Event occurred). <p>"Final Redemption Amount" in respect of each Note shall be its principal amount.</p> <p>An "Insolvency Event" will have occurred in respect of a payment of interest or Arrears of Interest (as defined below) or principal on the Notes or a repurchase of Notes if the Issuer would become insolvent in accordance with the applicable insolvency regulations as a result thereof.</p> <p>A "Solvency Capital Event" will have occurred</p> <ul style="list-style-type: none"> (i) prior to the Solvency II Directive becoming part of the applicable supervisory regulations, if the Issuer or the Group (as defined below) do not have sufficient funds to cover the required minimum solvency margin (or a comparable term in case of a change in applicable
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		<p>rules) in accordance with applicable supervisory regulations; and</p> <p>(ii) upon the Solvency II Directive becoming part of the applicable supervisory regulations, if the own funds (<i>Eigenmittel</i>) (howsoever described in the course of the implementation of the Solvency II Directive) of the Issuer or the Group is not sufficient to cover the relevant solvency capital requirement pursuant to the applicable supervisory regulations (howsoever described in the course of the implementation of the Solvency II Directive) and a deferral of interest is required or, respectively, a repayment of principal or repurchase is prohibited in the case of such insufficiency in order for the Notes to qualify as tier 2 capital of the Issuer or the Group.</p> <p>"Group" means the regulatory insurance group of which the Issuer is a part of determined in accordance with the Applicable Supervisory Regulations.</p> <p>Upon the Solvency II Directive becoming part of the applicable supervisory regulations a "Regulatory Event" shall occur if it is permitted under the applicable supervisory regulations to use tier 2 capital for regulatory capital purposes of the Issuer or the Group (as defined above), and the competent supervisory authority states in writing to the Issuer that under the applicable supervisory regulations (including the transitional provisions) the Notes (in whole or in part) would not be eligible to qualify for the inclusion in the determination of the own funds (<i>Eigenmittel</i>) at least as tier 2 capital for single solvency purposes of the Issuer or for group solvency purposes of the Group, or that they no longer fulfill such requirements provided that upon implementation of the Solvency II Directive the Notes did fulfill such requirements and that was not reasonably foreseeable by the Issuer on the Issue Date (as defined below) of the Notes, except where this is merely the result of exceeding any applicable limits on the inclusion of the Notes in the tier 2 capital of the Issuer or the Group pursuant to the applicable supervisory regulations.</p> <p>Early redemption upon occurrence of a special event</p> <p>If under certain a special circumstances occurring until the First Call Date the withholding tax, tax, regulatory, accounting or rating agency treatment of the Notes changes, the Issuer may subject to the Conditions to Redemption (as defined above) being fulfilled call and redeem the Notes (in whole but not in part) upon giving irrevocable notice.</p> <p>In the case such notice is given, and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice, the Issuer shall redeem the Notes on the specified redemption date at their aggregate principal amount plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest (as defined below).</p> <p>Interest Deferral and Payment of Arrears of Interest</p> <p>In the event an Interest Payment Date (as determined below) is not a Compulsory Interest Payment Date (as defined below) and no Compulsory Deferral Event (as defined below) has occurred, accrued interest shall not be due and not be payable if the Issuer elects to defer accrued interest in whole or in part. Any interest not paid due to such an election of the</p>
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		<p>Issuer constitutes "Arrears of Interest".</p> <p>Such election not to pay Interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.</p> <p>A "Compulsory Interest Payment Date" shall be deemed to have occurred on an Interest Payment Date, if any of the following events has occurred within a period of twelve months preceding such date (each a "Compulsory Payment Event"): </p> <ul style="list-style-type: none"> (i) the shareholders of the Issuer resolved at the annual general meeting on the proposal by the executive board (<i>Vorstand</i>) of the Issuer to pay a dividend on any class of shares of the Issuer; or (ii) the Issuer redeemed share capital or the Issuer or any of its subsidiaries repurchased or otherwise acquired any of the outstanding shares of the Issuer (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, (ii) as a result of the exchange or conversion of one class of shares for another class, or (iii) in the case the Issuer received shares as consideration for a sale of assets to third parties). <p>A "Compulsory Deferral Event" will have occurred with respect to the date on which any payment of interest or Arrears of Interest is scheduled to be paid under the Notes if</p> <ul style="list-style-type: none"> (i) a corresponding payment would result in, or accelerate, the occurrence of an Insolvency Event; or (ii) there is in effect on such date an order of the competent supervisory authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or (iii) a Solvency Capital Event (as defined above) either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest (as defined above) on the relevant date, unless on or prior to such date the competent supervisory authority has, despite the Solvency Capital Event, given, and not withdrawn by such day, its prior consent to the payment of the relevant interest and Arrears of Interest, respectively (if under the applicable supervisory regulations such consent is required at the time in order for the Notes to qualify as tier 2 capital of the Issuer or the Group). <p>Subject to the Conditions to Settlement (as defined below) being fulfilled, the Issuer may pay outstanding Arrears of Interest (as defined above) (in whole or in part) at any time upon giving of notice.</p> <p>The "Conditions to Settlement" are fulfilled on a day with respect to any payment of Arrears of Interest if</p> <ul style="list-style-type: none"> (i) on such day no Compulsory Deferral Event (as defined above) has occurred and is continuing; and (ii) on or prior to such day the competent supervisory authority has given, and not withdrawn, its consent to the relevant payment, provided that the Solvency II
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		<p>Directive has become part of the applicable supervisory regulations and that under the applicable supervisory regulations such consent is required at the time in order for the Notes to qualify as tier 2 capital of the Issuer or of the Group (as defined above).</p> <p>The Issuer must pay outstanding Arrears of Interest (as defined above) (in whole but not in part) at the earlier of the following dates (the "Compulsory Settlement Date"): <ul style="list-style-type: none"> (i) the date on which a Compulsory Payment Event (as defined above) occurs, provided that the Conditions to Settlement (as defined above) are fulfilled; (ii) the Maturity Date (as defined below); (iii) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer). <p>If on a settlement date the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (<i>fällig</i>) on the relevant settlement date, but will remain outstanding until the next Interest Payment Date on which the Conditions to Settlement are met. The Issuer will give notice to the Holders regarding the non-fulfillment of the Conditions to Settlement. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Events of Default, Cross Default and Negative pledge</p> <p>The Terms and Conditions do neither contain any events of default clause, a cross default clause nor a negative pledge clause.</p> <p>Status of the Notes</p> <p>The obligations under the Notes constitute unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves.</p> <p>The obligations of the Issuer under the Notes rank subordinated to the Issuer's Senior Ranking Debt (as defined below).</p> <p>In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the claims of the Holders under the Notes will be satisfied after (but only after) the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Holders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.</p> <p>"Issuer's Senior Ranking Debt" means all of the Issuer's: <ul style="list-style-type: none"> (a) unsubordinated obligations; and (b) obligations subordinated by operation of law pursuant to § 39 para. 1 of the German Insolvency Code (<i>Insolvenzordnung</i>); and (c) subordinated obligations ranking at least <i>pari passu</i> with </p> </p>
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		<p>the Issuer's obligations subordinated by operation of law pursuant to § 39 para. 1 of the German Insolvency Code (<i>Insolvenzordnung</i>); and</p> <p>(d) subordinated obligations required to be preferred by mandatory provisions of law.</p>
		<p>Prohibition of Set-off</p> <p>No Holder may set off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set off any claims it may have against any Holder against any of its obligations under the Notes</p>
C.9	Please see Element C.8.	
	Interest rate	<p>Unless previously redeemed and subject to any interest deferral, the Notes bear interest on their aggregate principal amount from and including the Issue Date to, but excluding, the First Call Date at a rate of [■] % <i>per annum</i>.</p> <p>Thereafter, unless previously redeemed and subject to any interest deferral, the Notes bear interest on their aggregate principal amount from (and including) the First Call Date to (but excluding) the first Floating Interest Payment Date and thereafter from (and including) each Floating Interest Payment Date to (but excluding) the next following Floating Interest Payment Date at the respective Floating Rate of Interest (as defined below).</p> <p>Each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date is a "Floating Interest Period".</p> <p>The respective "Floating Rate of Interest" for the respective Floating Interest Period (as defined below) will be the offered quotation (expressed as a percentage rate <i>per annum</i>) for three-months deposits in euro for that Floating Interest Period which appears on the Screen Page as of 11:00 a. m. (Brussels time) on the Interest Determination Date plus [■] % <i>per annum</i> (the "Margin").</p> <p>"Interest Determination Date" means the second Business Day prior to the commencement of the relevant Floating Interest Period.</p> <p>"Screen Page" means Reuters screen page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.</p>
	Interest commencement date	12 May 2014 (the " Issue Date ")
	Interest payment dates	<p>15 July in each year (subject to any Interest Deferral) until the First Call Date.</p> <p>15 July, 15 October, 15 January and 15 April in each year (each a "Floating Interest Payment Date") (subject to any Interest Deferral) for Floating Interest Periods.</p>
Underlying on which interest rate is based	<p>Not applicable for the Fixed Rate Interest Periods from and including the Issue Date to but excluding the First Call Date. The rate of interest is not based on an underlying.</p> <p>The three-months EURIBOR for Floating Interest Periods from and including the First Call Date.</p>	

	Maturity date including repayment procedures	<p>Unless previously redeemed, the Notes will be redeemed on the Floating Interest Payment Date falling in July 2044 provided that if on or prior to such date the Solvency II Directive has become part of the applicable supervisory regulations, the Notes will be redeemed on that date only subject to the Conditions to Redemption (as defined above) being fulfilled; otherwise the Notes will be redeemed on the first Floating Interest Payment Date following the Floating Interest Payment Date falling in July 2044 on which the Conditions to Redemption (the "Maturity Date") are fulfilled.</p> <p>Payment of principal in respect of the Notes shall be made to Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euroclear") as well as any successor in such capacity (the "Clearing System") or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p>
	Indication of yield	Not applicable. No yield is calculated.
	Name of representative of the Holders	Not applicable. No representative for all Holders has been appointed.
C.10	Please see Element C.9.	
	Explanation how the value of the investment is affected in the case the Securities have a derivative component in the interest payment	Not applicable. The Notes have no derivative component.
C.11	Admission to listing and to trading on a regulated market or equivalent market	Application has been made for admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange.

Element	Section D - Risks	
D.2	Key information on the key risks that are specific to the Issuer	<ul style="list-style-type: none"> • Interest rate volatility and persisting low interest rates may adversely affect the financial position and results of operations of WürttLeben Group. • The statutory provision for calculating an additional interest reserve (<i>Zinszusatzreserve</i>) could in case of a long lasting low interest rate level or an abrupt increase of the interest rate level adversely affect the results of operations of WürttLeben Group. • Foreign currency risks may result from open net foreign currency positions held in investment funds with global exposure as well as from foreign currency bonds or equities/equity instruments. They may adversely affect the financial position and results of operations of WürttLeben Group. • Risks arising from the loss of debtors by default or the change of their credit rating could adversely affect WürttLeben Group's business. • Actuarial experience and other factors could differ from that assumed in the calculation of life actuarial reserves.

		<ul style="list-style-type: none"> • A significant amount of policies cancelled by customers in the near future could adversely affect WürttLeben Group's business. • Risks in the human resources sector could adversely affect WürttLeben Group's business. • IT-risks could adversely affect WürttLeben Group's business. • Changes in tax legislation could adversely affect WürttLeben Group's business. • Statutory rules oblige WürttLeben Group to comply with capital requirements as well as with further supervisory guidelines. Changes in existing, or new, government regulations or amendments to existing and adoption of new legal provisions, including the Solvency II directive in Germany may materially impact WürttLeben Group's business. • Legal risks which may arise on the one hand from court decisions and legislation (changes in legal parameters) and on the other hand from legal disputes and arbitration proceedings in which the Issuer may be involved could materially impact WürttLeben Group's business. • A protracted low interest level may adversely affect WürttLeben Group's business. • If the reputation of WürttLeben Group or brand were damaged, this could adversely affect WürttLeben's business. • The business of WürttLeben is to a certain degree dependent on the credit ratings assigned to WürttLeben the rating agency Standard & Poors (S&P). A downgrade in the ratings assigned to WürttLeben may adversely affect relationships with customers, negatively impact sales of WürttLeben's insurance products and increase WürttLeben's cost of borrowing. • Delays in implementing "W&W 2015" or the failure to implement the planned measures of "W&W 2015" may have a material adverse effect on the financial position and results of operation of WürttLeben Group.
D.3	<p>Key information on the key risks that are specific to the securities</p>	<p><i>An investment in the Notes involves certain risks associated with the characteristics of the Notes which could lead to substantial losses for Holders when holding and/or selling their Notes or with regard to receiving payments of interest under the Notes. These risks include the following:</i></p> <ul style="list-style-type: none"> • The Notes may not be a suitable investment for all investors. • The competent supervisory authority may reject the consent to payment of deferred interest or principal. • In certain cases, interest on the Notes will not be due and payable on the scheduled Interest Payment Date, and the payment of the resulting Arrears of Interest is subject to certain further conditions. • The Notes are long-term notes and their potential maturity date may be postponed.

		<ul style="list-style-type: none"> • The Notes do not provide for express events of default. • The Notes are subject to risks in case of an early redemption. • The obligations under the Notes constitute unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves and subordinated to the Issuer's Senior Ranking Debt. There is a significant risk that Holders of Notes will lose all or some of its investment should the Issuer become insolvent. • Changes in applicable supervisory regulations upon implementation of the Solvency II Directive may lead to, or increase the likelihood of, a deferral of interest payments under the Notes and/or a postponement of the potential maturity date of the Notes and/or an early redemption of the Notes. • There is no limitation on the Issuer to incur additional indebtedness ranking senior or <i>pari passu</i> with the Notes. • An active trading market for the Notes may not develop. • Fixed to Floating Rate Notes have a market risk. • The credit rating of the Notes may not reflect all associated risks. • The market value of the Notes could decrease if the creditworthiness of the Issuer or W&W Group worsens. • The Notes might be subject to a potential U.S. withholding tax after 31 December 2016.
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Element	Section E – Offer	
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	<p>The net proceeds from the issue of the Notes by WürttLeben will be used for the strengthening of the solvency capital of WürttLeben in respect to future regulatory capital requirements and for general corporate purposes.</p> <p>Estimated total expenses of the issue: EUR 355,000</p> <p>Estimated net proceeds of the issue: [■]</p>
E.3	A description of the terms and conditions of the offer	<p>Aggregate Principal Amount: EUR [■]</p> <p>Issue Price: [■] %</p> <p>Offer Period and determination of Pricing Details</p> <p>The Notes will be offered to investors by the Managers during an offer period which will commence on or about 6 May 2014 and will be open until 12 May 2014 subject to shortening or extension. On the basis of the orders received by the Managers the Issue Price, the rate of interest for the Fixed Rate Interest Period, the Aggregate Principal Amount and the Margin will be determined on the pricing date which is expected to be on or about 6 May 2014 and will be communicated to investors. The results of the offer will be included in a notification which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) after the date of pricing and prior</p>

		<p>to the Issue Date (the "Pricing Notice"). Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be published in the same manner as the pricing details.</p> <p>Public Offer</p> <p>The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer will be made in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and Austria.</p> <p>Conditions and technical details of the Offer</p> <p>There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice the Managers will offer the Notes upon request through banking institutions. Subscription rights for the Notes will not be issued. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation relating to the respective allotment of Notes. Before an investor receives a confirmation from the Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.</p> <p>Confirmation in relation to an order and allotments as well as delivery of the Notes</p> <p>Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors delivery and payment of the Notes will be made within five business days after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.</p> <p>Method of determination of the Issue Price, rate of interest for the Fixed Interest Period and the Margin with respect to the Floating Rate of Interest</p> <p>The Issue Price for the Notes, the rate of interest for the Fixed Interest Period and the Margin with respect to the Floating Rate of Interest will be determined at the time of pricing on the basis of a yield which is determined by adding a credit spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders of the investors which are received by the Managers during the offer period.</p>
E.4	Any interest that is material to the issue/offer including conflicting interests	Not applicable. So far as the Issuer is aware, no person involved in the offer of the Notes is subject to any conflict of interest material to the offer.

E.7	Estimated expenses charged to the investor by the issuer or the offeror	Not applicable. No expenses will be charged to investors by the Issuer or the Managers.
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GERMAN TRANSLATION OF THE SUMMARY

DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

Zusammenfassungen sind zusammengesetzt aus Offenlegungspflichten, die als "Punkte" benannt sind. Diese Punkte sind in die Abschnitte A – E (A.1 – E.7) nummeriert.

Diese Zusammenfassung (die "**Zusammenfassung**") enthält alle Punkte, die in eine Zusammenfassung für diese Art von Schuldverschreibungen und die Emittentin aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, kann die Nummerierung Lücken aufweisen.

Auch wenn ein Punkt wegen der Art der Schuldverschreibungen und der Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevante Information gegeben werden kann. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes unter Bezeichnung als "*nicht anwendbar*" enthalten.

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnhinweise	<p style="text-align: center;"><u>Warnhinweis, dass</u></p> <p>§ die Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte;</p> <p>§ sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen sollte;</p> <p>§ ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und</p> <p>§ zivilrechtlich nur die Emittentin haftet, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</p>
A.2	Zustimmung zur Verwendung des Prospektes	<p>Jeder Platzeur und/oder jeder weitere Finanzintermediär, der die emittierten Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen während der Angebotsperiode für den späteren Weiterverkauf oder die endgültige Platzierung vom 6. Mai 2014 bis 12. Mai 2014 zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 des geänderten Luxemburger Wertpapierprospektgesetzes (<i>Loi relative aux prospectus pour valeurs mobilières</i>), welches die geänderte Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 umsetzt, noch gültig ist.</p> <p>Der Prospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Prospekt kann in</p>

	<p>elektronischer Form auf der Internetseite der Wertpapierbörse Luxemburg (www.bourse.lu) und der Internetseite der WürttLeben (www.wv-ag.com) eingesehen werden.</p> <p>Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeweiliger weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.</p> <p>Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der Schuldverschreibungen.</p>
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Punkt	Abschnitt B – Emittentin	
B.1	Gesetzliche und kommerzielle Bezeichnung	Württembergische Lebensversicherung Aktiengesellschaft ("WürttLeben")
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	WürttLeben ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in Stuttgart.
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die anhaltende Niedrigzinsphase und die ungelöste Verschuldungskrise im Euroraum belasten den Verkauf von Lebensversicherungen. Andererseits besteht ein weiterhin hoher Bedarf an Altersvorsorgeprodukten. Chancen für den Verkauf entstehen auch durch die stabile wirtschaftliche Situation in Deutschland und auch die weitere positive Entwicklung der deutschen Wirtschaft könnte eine Steigerung der Nachfrage zur Folge haben.
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	WürttLeben ist ein Teil des Wüstenrot & Württembergische Konzerns (" W&W Konzern "), dem Versicherungen, Banken, Bausparkassen wie auch Investmentgesellschaften angehören. Neben der WürttLeben sind sowohl ihre beiden Tochtergesellschaften Karlsruher Lebensversicherung AG (" KLN ") und die Allgemeine Rentenanstalt Pensionskasse AG (" ARA PK ") als auch die zum W&W Konzern gehörende Württembergische Krankenversicherung Aktiengesellschaft, die Tochtergesellschaften in Prag, Wüstenrot životní pojišťovna, a.s., und in Dublin, W&W Europe Life Limited, im Bereich der Lebens- und Krankenversicherung des W&W Konzerns tätig. Gemeinsam mit ihren konsolidierten Gruppengesellschaften bildet WürttLeben die " WürttLeben Gruppe ".
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Die Emittentin hat entschieden, keine Gewinnprognosen oder -schätzungen in den Prospekt aufzunehmen.
B.10	Art etwaiger Einschränkungen im	Nicht anwendbar. Die Bestätigungsvermerke in Bezug auf die Konzernabschlüsse und Jahresabschlüsse des Konzerns

	Bestätigungsvermerk zu den historischen Finanzinformationen	WürttLeben und der WürttLeben zum 31. Dezember 2012 und zum 31. Dezember 2013 enthalten keine Einschränkungen.
B.12	Ausgewählte wesentliche historische Finanzinformationen (geprüfter Konzernabschluss des Konzerns WürttLeben, IFRS):	
	<u>IN €MILLIONEN</u>	<u>31. DEZEMBER 2013</u> <u>31. DEZEMBER 2012</u>
	Gebuchte Bruttobeiträge	2.220 2.323
	Kapitalanlagen	28.899 28.827
	Konzernüberschuss	39 45
	Wesentliche Verschlechterung der Aussichten des Emittenten	Seit dem 31. Dezember 2013 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der WürttLeben eingetreten.
	Signifikante Veränderungen in der Finanz- bzw. Handelsposition	Nicht anwendbar. Seit dem 31. Dezember 2013 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der WürttLeben eingetreten.
B.13	Letzte Ereignisse	<p>Das Bundesfinanzministerium plant Maßnahmen zur Unterstützung der Lebensversicherer, damit diese den Garantiezins gegenüber den Kunden angesichts der Niedrigzinsphase darstellen können.</p> <p>Probleme bereiten den Versicherern aktuell die hälftige Beteiligung der Versicherungsnehmer an den Bewertungsreserven bei vorzeitiger Kündigung der Policen durch die Policeninhaber oder bei Auslaufen der Verträge. Der Gesetzgeber prüft derzeit Wege, dieses Problem zu lösen.</p>
B.14	Bitte siehe Element B.5.	
	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Wüstenrot & Württembergische AG hält 83,42 % der Aktien der WürttLeben. Demzufolge ist WürttLeben im Sinne des deutschen Aktiengesetzes ein abhängiges Unternehmen und der Vorstand hat einen Abhängigkeitsbericht erstellt. Darin erklärt der Vorstand, dass bei allen Rechtsgeschäften innerhalb des Konzerns WürttLeben eine angemessene Gegenleistung bekommen hat.
B.15	Haupttätigkeiten	Die Geschäftstätigkeit der WürttLeben und ihrer im Lebensversicherungsgeschäft tätigen Tochtergesellschaften umfasst verschiedene Segmente der Lebens- und Rentenversicherung. Die von WürttLeben und ihren Tochtergesellschaften angebotenen Versicherungsprodukte umfassen Risikolebensversicherungen, fondsgebundene Lebensversicherung, Berufsunfähigkeits- und Unfallzusatzversicherungen, Rentenversicherung (klassische Rentenversicherung, fondsgebundene Rentenversicherung, Basis-Rente, fondsgebundene Basis-Rente, Riester-Rente) und weitere versicherungsbezogene Produkte wie Bausparrisikoversicherung sowie auch Produkte für die betriebliche Altersvorsorge und

		Berufsunfähigkeitsversicherung, Waisen- und Hinterbliebenenrentenzusatzversicherungen.
B.16	Hauptanteilseigner	Zum 31. März 2014 ist die Wüstenrot & Württembergische AG (W&W AG) mit 83,42 % am Kapital der WürttLeben beteiligt; weitere 1,14 % werden von der Wüstenrot Holding AG, der Muttergesellschaft der W&W AG, gehalten.
B.17	Kreditratings der Emittentin oder ihrer Schuldtitel	Der WürttLeben wurde von Standard & Poor's Credit Market Services Europe Limited (" S&P ") ^{1,2} das langfristige Kreditrating A- (Ausblick stabil) ³ erteilt.

Punkt	Abschnitt C – Wertpapiere	
C.1	Gattung und Art der Wertpapiere / Wertpapierkennnummer	Gattung Die Wertpapiere sind nicht besichert.
		Art EUR ■ ■ % Nachrangige Fest- zu Variabel verzinsliche Inhaberschuldverschreibungen (die " Schuldverschreibungen ")
		ISIN XS1064049767 Wertpapierkennnummer 106404976 WKN A11QFG
C.2	Währung	Die Wertpapiere sind in Euro begeben (" EUR ").
C.5	Beschränkungen der freien Übertragbarkeit	Nicht anwendbar. Die Wertpapiere sind frei übertragbar.
C.8	Rechte, die mit den Wertpapieren verbunden sind (einschließlich Beschränkungen dieser Rechte und Rang der Wertpapiere)	Vorzeitige Rückzahlung nach Wahl der Emittentin Vorbehaltlich der Erfüllung der Rückzahlungsbedingungen kann die Emittentin die Schuldverschreibungen nach unwiderruflicher Mitteilung an die Anleihegläubiger kündigen und am 15. Juli 2024 (der " Erste Rückzahlungstag ") (insgesamt und nicht teilweise) oder an jedem danach folgenden Variablen Zinszahlungstag (wie nachstehend definiert) zu ihrem Gesamtnennbetrag zuzüglich der bis zu diesem Tag (ausschließlich) aufgelaufenen Zinsen sowie

¹ Die Standard & Poors's Credit Market Services Europe Limited ist gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, in der jeweils geltenden Fassung (die "**Ratingagentur-Verordnung**") für ihre Geschäftstätigkeit als Anbieter von Standard & Poor's Rating Dienstleistungen in der Europäischen Gemeinschaft registriert.

² Die Europäische Wertpapier und Marktaufsichtsbehörde veröffentlicht auf ihrer Webseite (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.

³ Ein Kreditrating ist eine Einschätzung der Kreditwürdigkeit einer Rechtsperson und informiert den Anleger daher über die Wahrscheinlichkeit mit der die Rechtsperson in der Lage ist, angelegtes Kapital zurückzuzahlen. Es ist keine Empfehlung Wertpapiere zu kaufen, zu verkaufen oder zu halten und kann jederzeit durch die Ratingagentur geändert oder zurückgenommen werden.

		<p>aller ausstehender Zinsrückstände (wie nachstehend definiert) zurückzahlen.</p> <p>Die "Rückzahlungsbedingungen" sind an einem Tag in Bezug auf eine vorgesehene Kündigung und Rückzahlung der Schuldverschreibungen erfüllt, wenn</p> <p>(a) bevor die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, im Fall einer Rückzahlung bzw. eines Rückkaufs der Schuldverschreibungen vor dem Ersten Rückzahlungstag der zurück zu erstattende oder zurück zu kaufende gesamte Nennbetrag der Schuldverschreibungen durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die zuständige Aufsichtsbehörde der Rückzahlung bzw. dem Rückkauf zustimmt; oder</p> <p>(b) nachdem die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist,</p> <ul style="list-style-type: none"> (i) die Zahlung des Rückzahlungsbetrages (wie nachstehend definiert) bzw. der Rückkauf nicht zu einem Insolvenzereignis (wie nachstehend definiert) führen oder dessen Eintritt beschleunigen würde; und (ii) kein Solvenzkapitalereignis (wie nachstehend definiert) eingetreten ist und fortdauert oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn, die zuständige Aufsichtsbehörde hat trotz Solvenzkapitalereignis ihre vorherige Zustimmung zur Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen (falls eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe (wie nachstehend definiert) gemäß den anwendbaren aufsichtsrechtlichen Vorschriften erforderlich ist); und (iii) die zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat (falls ein solcher Zustimmungsvorbehalt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder der Gruppe mindestens als Tier 2 Kapital nach den anwendbaren aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist, oder, in dem Fall einer Rückzahlung aufgrund eines Aufsichtsrechtlichen Ereignisses (wie nachstehend definiert), ein solcher Zustimmungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war); und (iv) im Falle einer Rückzahlung bzw. eines Rückkaufs der Schuldverschreibungen vor dem Ersten Rückzahlungstag das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist (falls ein solcher Ersetzungsvorbehalt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder der Gruppe mindestens als Tier 2 Kapital nach den anwendbaren aufsichtsrechtlichen Vorschriften
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		<p>(einschließlich der Übergangsvorschriften) erforderlich ist, oder, in dem Fall einer Rückzahlung aufgrund eines aufsichtsrechtlichen Ereignisses, ein solcher Ersetzungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war).</p> <p>Der "Rückzahlungsbetrag" in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibung.</p> <p>Ein "Insolvenzereignis" ist in Bezug auf eine Zahlung von Zinsen, Zinsrückständen oder Kapital auf die Schuldverschreibungen oder einen Rückkauf von Schuldverschreibungen eingetreten, wenn die Emittentin durch die Zahlung bzw. den Rückkauf nach Maßgabe der anwendbaren insolvenzrechtlichen Vorschriften insolvent würde.</p> <p>Ein "Solvenzkapitalereignis" ist eingetreten</p> <ul style="list-style-type: none"> (i) bevor die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin oder die Gruppe nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügen, wie sie nach den anwendbaren aufsichtsrechtlichen Vorschriften vorgeschrieben sind; und (ii) nachdem die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) der Emittentin oder der Gruppe nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) gemäß den anwendbaren aufsichtsrechtlichen Vorschriften abzudecken, und für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe im Falle einer solchen Unterschreitung eine Aussetzung von Zinszahlungen erforderlich bzw. die Rückzahlung des Kapitals oder der Rückkauf untersagt ist. <p>"Gruppe" bezeichnet die regulatorische Versicherungsgruppe, der die Emittentin nach Maßgabe der anwendbaren aufsichtsrechtlichen Vorschriften angehört.</p> <p>Nachdem die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, liegt ein "Aufsichtsrechtliches Ereignis" vor, wenn es, gemäß den anwendbaren aufsichtsrechtlichen Vorschriften zulässig ist, für Eigenmittelzwecke der Emittentin oder der Gruppe (wie vorstehend definiert) Tier 2 Kapital vorzuhalten, und die zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den anwendbaren aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen (insgesamt oder teilweise) nicht die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel mindestens als Tier 2 Kapital für Zwecke der Ermittlung der Einzelsolvabilität der Emittentin oder der Gruppensolvabilität</p>
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		<p>der Gruppe erfüllen oder sie derartige Anforderungen nicht länger erfüllen, nachdem sie diese Anforderungen nach der Umsetzung der Solvency II Richtlinie zunächst erfüllt hatten und dies am Begebungstag (wie nachstehend definiert) der Schuldverschreibungen für die Emittentin vernünftigerweise nicht vorhersehbar war, es sei denn, dies beruht allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in das Tier 2 Kapital der Emittentin oder der Gruppe aufgrund der anwendbaren aufsichtsrechtlichen Vorschriften.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines speziellen Ereignisses</p> <p>Ändert sich bei Eintritt gewisser spezieller Umstände bis zum Ersten Rückzahlungstag die quellensteuerliche, steuerliche, aufsichtsrechtliche, rechnungslegerische Behandlung der Schuldverschreibungen oder ihre Behandlung durch die Ratingagentur, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen jederzeit berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) durch eine unwiderrufliche Mitteilung an die Anleihegläubiger zu kündigen.</p> <p>Sofern die Rückzahlungsbedingungen (wie vorstehend definiert) an dem in der Mitteilung für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin im Falle einer solchen Kündigung verpflichtet, die Schuldverschreibungen am festgelegten Rückzahlungstermin zum ihrem Gesamtnennbetrag zuzüglich der bis zu diesem Tag (ausschließlich) aufgelaufenen Zinsen sowie aller ausstehender Zinsrückstände (wie nachstehend definiert) zurückzuzahlen.</p> <p>Zinsaufschub und Nachzahlung von Zinsrückständen</p> <p>Handelt es sich bei einem Zinszahlungstag (wie nachstehend bestimmt) nicht um einen Obligatorischen Zinszahlungstag (wie nachstehend definiert) handelt und kein Pflichtaussetzungsereignis (wie nachstehend definiert) vorliegt, sind aufgelaufene Zinsen trotzdem nicht fällig und trotzdem nicht zahlbar, wenn sich die Emittentin für die vollständige oder teilweise Aussetzung aufgelaufener Zinsen entscheidet. Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "Zinsrückstände" dar. Zinsrückstände werden nicht verzinst.</p> <p>Eine solche Nichtzahlung begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.</p> <p>Als "Obligatorischer Zinszahlungstag" gilt ein Zinszahlungstag, wenn während der einem solchen Tag vorausgehenden zwölf Monate eines der folgenden Ereignisse eingetreten ist (jeweils ein "Obligatorisches Zahlungsereignis"):</p> <ul style="list-style-type: none"> (i) die Aktionäre der Emittentin haben über den Vorschlag des Vorstands der Emittentin, eine Dividende auf eine beliebige Aktiengattung der Emittentin zu zahlen, in der ordentlichen Hauptversammlung beschlossen; oder (ii) die Emittentin einen Teil ihres Aktienkapitals zurückgezahlt oder die Emittentin oder eine ihrer
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		<p>Tochtergesellschaften hat ausstehende Aktien der Emittentin zurückgekauft oder diese anderweitig erworben (ausgenommen (i) in Verbindung mit einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten, Führungskräften oder Beratern, (ii) als Ergebnis eines Umtauschs oder einer Wandlung einer Aktiegattung in eine andere oder (iii) falls die Emittentin Aktien als Entgelt für einen Verkauf von Vermögenswerten an Dritte erhalten hat).</p> <p>Ein "Pflichtaussetzungsereignis" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen oder Zinsrückständen unter den Schuldverschreibungen vorgesehen sind, eingetreten, wenn</p> <ul style="list-style-type: none"> (i) eine entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder (ii) am betreffenden Tag eine Anordnung der zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen auf die Schuldverschreibungen zu leisten; oder (iii) an oder vor diesem Tag ein Solvenzkapitalereignis (wie vorstehend definiert) entweder eingetreten ist und am betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin am betreffenden Tag eintreten würde, es sei denn, die zuständige Aufsichtsbehörde hat trotz Solvenzkapitalereignis an oder vor diesem Tag ihre vorherige Zustimmung zur Zahlung der betreffenden Zinsen bzw. Zinsrückstände (wie vorstehend definiert) erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen (falls eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe gemäß den anwendbaren aufsichtsrechtlichen Vorschriften erforderlich ist). <p>Sind die Nachzahlungsvoraussetzungen (wie nachstehend definiert) erfüllt, kann die Emittentin ausstehende Zinsrückstände (wie vorstehend definiert) jederzeit ganz oder teilweise nach Mitteilung an die Anleihegläubiger zahlen.</p> <p>Die "Nachzahlungsvoraussetzungen" sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn</p> <ul style="list-style-type: none"> (i) an diesem Tag kein Pflichtaussetzungsereignis (wie vorstehend definiert) eingetreten ist und fort dauert; und (ii) an oder vor diesem Tag die zuständige Aufsichtsbehörde ihre Zustimmung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass zu diesem Zeitpunkt die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, und dass eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe (wie vorstehend definiert) gemäß den anwendbaren aufsichtsrechtlichen Vorschriften erforderlich ist. <p>Die Emittentin ist verpflichtet, ausstehende Zinsrückstände</p>
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		<p>(wie vorstehend definiert) (vollständig, und nicht teilweise) am früheren der folgenden Tage zu zahlen (der "Pflichtnachzahlungstag"):</p> <ul style="list-style-type: none"> (i) der Tag, an dem ein Obligatorisches Zahlungsereignis (wie vorstehend definiert) eintritt, sofern die Nachzahlungsvoraussetzungen (wie vorstehend definiert) vorliegen; (ii) der Fälligkeitstag (wie nachstehend definiert); (iii) der Tag, an dem eine Verfügung zur Abwicklung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt). <p>Falls die Nachzahlungsvoraussetzungen, soweit erforderlich, an einem Nachzahlungstag nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Nachzahlungstag nicht fällig, sondern bleiben bis zum nächsten Zinszahlungstag, an dem die Nachzahlungsvoraussetzungen erfüllt sind, ausstehend. Die Emittentin wird die Anleihegläubiger über die Nichterfüllung der Nachzahlungsvoraussetzungen informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke</p> <p>Kündigungsgründe (<i>Events of Default</i>), Drittverzug (<i>Cross Default</i>), Negativerklärung</p> <p>Die Anleihebedingungen sehen weder Kündigungsgründe vor, die die Anleihegläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen, noch eine Drittverzugs Klausel oder Negativverpflichtung.</p> <p>Status der Schuldverschreibungen</p> <p>Die Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.</p> <p>Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind nachrangig gegenüber den Vorrangigen Verbindlichkeiten der Emittentin.</p> <p>Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin werden die Ansprüche der Anleihegläubiger aus den Schuldverschreibungen erst nach den Ansprüchen der Inhaber aller Vorrangigen Verbindlichkeiten der Emittentin bedient. In einem solchen Fall werden die Anleihegläubiger keine Zahlungen auf die Schuldverschreibungen erhalten, bis alle Ansprüche aus den Vorrangigen Verbindlichkeiten der Emittentin vollständig bedient sind.</p> <p>"Vorrangige Verbindlichkeiten der Emittentin" bezeichnet:</p> <ul style="list-style-type: none"> (a) alle nicht nachrangigen Verbindlichkeiten der
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		<p>Emittentin; und</p> <p>(b) alle gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung; und</p> <p>(c) alle nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung zumindest gleichrangig sind; und</p> <p>(d) alle nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen vorrangig sind.</p> <p>Aufrechnungsverbot</p> <p>Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern mit den Verpflichtungen aus den Schuldverschreibungen aufzurechnen</p>
C.9	<p>Siehe Element C.8.</p> <p>Zinssatz</p>	<p>Vorbehaltlich einer vorzeitigen Rückzahlung und vorbehaltlich eines Zinsaufschubs werden die Schuldverschreibungen bezogen auf den Gesamtnennbetrag mit [■] % <i>per annum</i> ab dem Begebungstag (einschließlich) bis zum (ausschließlich) Ersten Rückzahlungstag verzinst.</p> <p>Danach, vorbehaltlich einer vorzeitigen Rückzahlung und vorbehaltlich eines Zinsaufschubs werden die Schuldverschreibungen bezogen auf ihren Gesamtnennbetrag ab dem Ersten Rückzahlungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) in Höhe des jeweils anwendbaren Variablen Zinssatzes (wie nachstehend definiert) verzinst.</p> <p>Jeder Zeitraum ab dem Ersten Rückzahlungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich) wird als "Variable Zinsperiode" bezeichnet.</p> <p>Der jeweils anwendbare variable Zinssatz (der "Variable Zinssatz") für die jeweilige Variable Zinsperiode berechnet sich aus dem Angebotssatz (ausgedrückt als jährlicher Prozentsatz) für Dreimonatseinlagen in Euro für diese Variable Zinsperiode der am Zinsfestsetzungstag um 11:00 Uhr vormittags (Brüsseler Ortszeit) auf der Bildschirmseite angegeben wird, zuzüglich [■] % <i>per annum</i> (die "Marge").</p> <p>"Zinsfestsetzungstag" bezeichnet den zweiten Geschäftstag, der dem Beginn der jeweiligen Variablen Zinsperiode vorangeht.</p> <p>"Bildschirmseite" bedeutet Reuters Bildschirmseite EURIBOR01 oder die jeweilige Nachfolgesseite, die vom selben System angezeigt wird oder aber von einem anderen System, das zum Verteiber von Informationen zum Zwecke</p>

		der Anzeigen von Sätzen oder Preisen ernannt wurde, die dem betreffenden Angebotssatz vergleichbar sind.
	Verzinsungsbeginn	12. Mai 2014
	Zinszahlungstage	15. Juli in jedem Jahr (vorbehaltlich eines etwaigen Zinsaufschubs) bis zum Ersten Rückzahlungstag. 15. Juli, 15. Oktober, 15. Januar und 15. April in jedem Jahr (vorbehaltlich eines etwaigen Zinsaufschubs) für Variable Zinsperioden.
	Basiswert auf dem der Zinssatz basiert	Nicht anwendbar für die Festzinsperioden vom Ausgabetag (einschließlich) bis zum Ersten Rückzahlungstag (ausschließlich). Der Zinssatz basiert nicht auf einem Basiswert. Der Dreimonats-EURIBOR für Variable Zinsperioden vom Ersten Rückzahlungstag (einschließlich).
	Fälligkeitstag einschließlich Rückzahlungsverfahren	Soweit nicht zuvor bereits zurückgezahlt, werden die Schuldverschreibungen am in den Juli 2044 fallenden Variablen Zinszahlungstag zurückgezahlt, vorausgesetzt, dass, wenn an oder vor diesem Tag die Solvency II Richtlinie Teil der anwendbaren aufsichtsrechtlichen Vorschriften geworden ist, die Schuldverschreibungen an diesem Tag nur vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie vorstehend definiert) zurückgezahlt werden, ansonsten werden die Schuldverschreibungen am ersten Variablen Zinszahlungstag nach dem in den Juli 2044 fallenden Variablen Zinszahlungstag zurückgezahlt, an dem die Rückzahlungsbedingungen erfüllt sind. Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen an Clearstream Banking S.A., Luxembourg (" CBL ") und Euroclear Bank SA/NV (" Euroclear ") sowie jeden Funktionsnachfolger (das " Clearing System ") oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
	Rendite	Nicht anwendbar. Es wird keine Rendite berechnet.
	Name des Vertreters der Inhaber der Wertpapiere	Nicht anwendbar. Ein gemeinsamer Vertreter für alle Anleihegläubiger wurde nicht bestellt
C.10	Bitte siehe Element C.9.	
	Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Wertpapiere eine derivative Komponente bei der Zinszahlung aufweisen	Nicht anwendbar. Die Schuldverschreibungen weisen keine derivative Komponente auf.
C.11	Einführung in einen regulierten Markt oder einem gleichwertigen Markt	Für die Schuldverschreibungen wurde die Zulassung zum Handel am regulierten Markt der Luxemburger Wertpapierbörse beantragt.

Punkt	Abschnitt D – Risiken	
D.2	<p>Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind</p>	<ul style="list-style-type: none"> • Zinsschwankungen und ein anhaltend niedriges Zinsniveau können sich nachteilig auf die Finanzposition und das Betriebsergebnis des Konzerns WürttLeben auswirken. • Im Falle langanhaltender Niedrigzinsen oder eines schnellen Zinsanstiegs kann sich die gesetzliche Regelung zur Bildung einer Zinszusatzreserve nachteilig auf das Betriebsergebnis des Konzerns WürttLeben auswirken. • Aus offenen Nettodevisenpositionen in global ausgerichteten Investmentfonds sowie aus Fremdwährungsanleihen oder Eigenkapitaliteln können Fremdwährungsrisiken resultieren. Sie können sich nachteilig auf die Finanzposition und das Betriebsergebnis des Konzerns WürttLeben auswirken. • Risiken aus dem Ausfall oder der Bonitätsänderung von Schuldnern können sich nachteilig auf den Konzern WürttLeben auswirken. • Versicherungstechnische Erfahrungswerte und andere Faktoren können von den der Berechnung der Deckungsrückstellung zugrunde liegenden Annahmen abweichen. • Ein erheblicher Umfang an stornierten Versicherungen durch Kunden in naher Zukunft kann sich nachteilig auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Risiken im Personalbereich könnten sich nachteilig auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • IT-Risiken könnten sich nachteilig auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Änderungen der Steuergesetze könnten sich nachteilig auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Gesetzliche Vorschriften verpflichten den Konzern WürttLeben, die Kapitalanforderungen und weitere aufsichtsrechtliche Richtlinien einzuhalten. Änderungen der geltenden bzw. neue behördliche Anordnungen oder Änderungen der geltenden Gesetze bzw. die Einführung neuer Gesetze, einschließlich der Solvency II-Richtlinie in Deutschland könnten sich erheblich auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Rechtliche Risiken, die sich zum einen aus gerichtlichen Entscheidungen und der Gesetzgebung (Änderung der gesetzlichen Parameter) und zum anderen aus Rechtsstreitigkeiten und Schiedsgerichtsentscheidungen, bei denen die Emittentin gegebenenfalls Beteiligte ist, ergeben können, könnten sich erheblich auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Ein Geschäftsrisiko kann durch ein langanhaltendes Niedrigzinsniveau für den Konzern WürttLeben entstehen.

		<ul style="list-style-type: none"> • Würde der Ruf oder die Marke des Unternehmens beschädigt, könnte sich das nachteilig auf die Geschäftstätigkeit des Konzerns WürttLeben auswirken. • Die Geschäftstätigkeit der WürttLeben hängt zu einem gewissen Grad von den Ratings ab, die von der Ratingagentur Standard & Poors (S&P) an die WürttLeben vergeben werden. Eine Verschlechterung des Ratings der WürttLeben kann sich nachteilig auf die Beziehungen zu Kunden und auf den Vertrieb der Versicherungsprodukte der WürttLeben auswirken und zu erhöhten Kreditkosten für die WürttLeben führen. • In Bezug auf das Strategieprogramm "W&W 2015" bestehen die Risiken, dass Verzögerungen bei der Durchführung eintreten oder die Ergebnisziele verfehlt werden können. Dies kann sich nachteilig auf die Finanzposition und das Betriebsergebnis des Konzerns WürttLeben auswirken.
D.3	Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind	<p><i>Eine Investition in die Schuldverschreibungen bringt bestimmte, mit den Eigenschaften der Schuldverschreibungen verbundene Risiken mit sich, durch die den Anleihegläubigern erhebliche Verluste beim Halten und/oder Verkauf ihrer Schuldverschreibungen oder im Hinblick auf den Erhalt von Zinszahlungen auf die Schuldverschreibungen entstehen können. Hierzu gehören die folgenden Risiken:</i></p> <ul style="list-style-type: none"> • Die Schuldverschreibungen können eine nicht für alle Investoren geeignete Anlage sein. • Die zuständige Aufsichtsbehörde könnte die Zustimmung zur Zahlung von aufgeschobenen Zinsen oder von Kapital verweigern. • In bestimmten Fällen werden Zinsen auf Schuldverschreibungen an einem vorgesehenen Zinszahlungstag nicht fällig und zahlbar und die Zahlung daraus resultierender Zinsrückstände steht unter dem Vorbehalt bestimmter weiterer Bedingungen. • Die Schuldverschreibungen sind langfristige Schuldverschreibungen und der potentielle Fälligkeitstag könnte sich verschieben. • Die Schuldverschreibungen sehen keine ausdrücklichen Kündigungsgründe vor, die die Anleihegläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen. • Die Schuldverschreibungen unterliegen bestimmten vorzeitigen Rückzahlungsrisiken. • Verbindlichkeiten unter den Schuldverschreibungen sind unbesicherte Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind und nachrangig gegenüber den Vorrangigen Verbindlichkeiten der Emittentin. Es besteht ein erhebliches Risiko, dass Anleihegläubiger ihre ganze oder Teile ihrer Investition verlieren, sollte die Emittentin insolvent werden. • Änderungen in den anwendbaren aufsichtsrechtlichen Vorschriften nach Umsetzung der Solvency II Richtlinie können zu einem Aufschub von Zinszahlungen auf die

		<p>Schuldverschreibungen und/oder zu einer Verschiebung des potentiellen Fälligkeitstags der Schuldverschreibungen und/oder einer vorzeitigen Rückzahlung der Schuldverschreibungen führen oder die Wahrscheinlichkeit dazu erhöhen.</p> <ul style="list-style-type: none"> • Die Emittentin unterliegt keiner Beschränkung hinsichtlich der Aufnahme weiterer, gegenüber den Schuldverschreibungen vorrangigen oder mit diesen gleichrangigen Verbindlichkeiten. • Für die Schuldverschreibungen wird möglicherweise kein aktiver Sekundärmarkt entstehen. • Fest- zu Variabel verzinsliche Schuldverschreibungen sind einem Marktrisiko ausgesetzt. • Das Kreditrating (<i>credit rating</i>) der Schuldverschreibungen spiegelt gegebenenfalls nicht alle damit verbundenen Risiken wider. • Der Marktwert der Schuldverschreibungen könnte sinken wenn sich die Kreditwürdigkeit der Emittentin oder der W&W Gruppe verschlechtert. • Die Schuldverschreibungen könnten nach dem 31. Dezember 2016 einer potentiellen U.S. Quellensteuer unterliegen.
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Punkt	Abschnitt E – Angebot	
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen	<p>Die Nettoerlöse der Emission der von WürttLeben beigegebenen Schuldverschreibungen werden für die Stärkung des Solvenzkapitals in Bezug auf zukünftige regulatorische Kapitalanforderungen und für allgemeine Unternehmenszwecke verwendet.</p> <p>Geschätzte Gesamtkosten der Emission: EUR 355.000</p> <p>Geschätzter Nettoerlös der Emission: [■]</p>
E.3	Beschreibung der Angebotskonditionen	<p>Gesamtnennbetrag: EUR [■]</p> <p>Ausgabepreis: [■] %</p> <p>Angebotszeitraum und Preisfestsetzung</p> <p>Die Schuldverschreibungen werden den Investoren von den Managern während einer Angebotsperiode, die am, oder um den 6. Mai 2014 beginnt und bis zum 12. Mai 2014 offen ist (vorbehaltlich einer Verkürzung oder Verlängerung), angeboten. Auf der Grundlage dieser Angebote, die die Managern erhalten, wird der Ausgabepreis, der Zinssatz für die Festzinsperiode, der Gesamtnennbetrag sowie die Marge am Preisfindungstag, der voraussichtlich am oder um den 6. Mai 2014 sein wird, und den Investoren mitgeteilt wird, errechnet. Die Ergebnisse der Angebote sind in einer Mitteilung, die bei der CSSF einzureichen und nach dem Preisfindungstag, jedoch vor dem Begebungstag (die "Preismitteilung"), auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen. Sollten die Emittentin und die Manager eine Verkürzung oder Verlängerung des Angebotszeitraumes festlegen, die das</p>

	<p>Ergebnis veränderter Marktbedingungen sein könnte, müssen solche Veränderungen in gleicher Weise wie die Preisdetails veröffentlicht werden.</p> <p>Öffentliches Angebot</p> <p>Die Schuldverschreibungen werden institutionellen und privaten Anlegern in allen Mitgliedstaaten der Europäischen Union, in Übereinstimmung mit den Beschränkungen des öffentlichen Angebots, verkauft. Ein öffentliches Angebot erfolgt in Großherzogtum Luxemburg, der Bundesrepublik Deutschland, den Niederlanden und Österreich.</p> <p>Bedingungen und Einzelheiten des Angebots</p> <p>Es gibt keine Bedingungen, denen das Angebot unterliegt. Jegliche Angebote an Investoren zum Erwerb von Schuldverschreibungen erfolgen durch – und Investoren mögen ihr Angebot zum Erwerb von Schuldverschreibungen dort einreichen – das Informationssystem Bloomberg, oder andere übliche Informationssysteme. Nach Veröffentlichung der Preismitteilung bieten die Manager die Schuldverschreibungen über nachfragende Kreditinstitute an. Bezugsrechte für Schuldverschreibungen werden nicht ausgegeben. Jeder Investor, der einen Auftrag bezüglich von Schuldverschreibungen erteilt hat und dessen Auftrag angenommen wurde, erhält eine Bestätigung, hinsichtlich der jeweiligen Zuteilung der Schuldverschreibungen. Bevor ein Investor eine Bestätigung der Manager dahingehend erhält, dass seine Bestellung für Schuldverschreibungen angenommen wurde, hat der Investor die Möglichkeit, seine Bestellung zu reduzieren oder zu widerrufen. Es gibt keinen Mindest- oder Höchstbetrag beim Kauf von Schuldverschreibungen. Investoren können Kaufangebote für Schuldverschreibungen in jeglicher Höhe abgeben.</p> <p>Angebotsbestätigung und Zuweisung sowie Übertragung der Schuldverschreibungen</p> <p>Nach Preisfestsetzung der Schuldverschreibungen und Bestätigung, welche Angebote und welche Beträge einzelner Investoren akzeptiert und bewilligt wurden, erfolgt die Übertragung und Zahlung der Schuldverschreibungen innerhalb von fünf Geschäftstagen nach dem Tag der Preisfestsetzung der Schuldverschreibungen und Bestätigung der Zuteilung an die Investoren. Die Schuldverschreibungen werden durch Buchungseintrag durch das Clearing System und dessen kontoführenden Kreditinstitute gegen Zahlung des Ausgabepreises übertragen.</p> <p>Feststellungsmethode/Ermittlung des Ausgabepreises, des Zinssatzes für die Festzinsperiode und die Marge bezüglich des Variablen Zinssatzes</p> <p>Der Ausgabepreis der Schuldverschreibungen, der Zinssatz für die Festzinsperiode und die Marge bezüglich des Variablen Zinssatzes werden bei Preisfestsetzung auf der Basis einer Rendite, die durch Aufschlag eines Credit-Spread auf das Niveau eines Midswaps zur Zeit der Preisfestsetzung, errechnet. Die Preisspanne wird durch Zugrundelegung der von den Managern erhaltenen Angebote der Investoren während der Angebotsperiode bestimmt.</p>
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E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen	Nicht anwendbar. Soweit der Emittentin bekannt ist, liegen bei keiner Person, die bei dem Angebot der Schuldverschreibungen beteiligt ist, Interessenkonflikte vor, die einen Einfluss auf die Schuldverschreibungen haben könnten.
E.7	Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden	Nicht anwendbar. Den Anleihegläubigern werden keine Ausgaben von der Emittentin und den Managern in Rechnung gestellt.

RISK FACTORS

The following is a disclosure of risk factors that may affect the ability of the Issuer to fulfil its respective obligations under the Notes and that are material to the Notes in order to assess the market risks associated with the Notes. Prospective investors should consider these risk factors prior to deciding to purchase the Notes.

The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another.

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

RISK FACTORS RELATING TO WÜRTTLEBEN'S AND WÜRTTLEBEN GROUP'S BUSINESS

RISK PROFILE AND SIGNIFICANT RISKS OF WÜRTTLEBEN GROUP

In order to present the risks transparently, similar risks are combined on a group-wide basis in so called risk areas. For WürttLeben Group significant risks exist within the risk areas market risks, credit risks, underwriting risks, operational and strategic risks. They are described as follows.

MARKET RISKS

Württemberg Group defines market risks as possible losses arising from uncertainties regarding the future development of interest rates, share prices, currency exchange rates or real estate prices.

Interest rate volatility and persisting low interest rates may adversely affect the financial position and results of operations of WürttLeben Group (interest rate risk/interest guarantee risk).

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short and long term rates) can affect WürttLeben Group's financial position or results of operations (insurance results). Over the past several years and in particular during the on-going global financial crisis, movements in both short and long-term interest rates have affected the level of gains and losses on securities held by WürttLeben Group in its investment portfolio. As of 31 December 2013 fixed income investments amounted to approximately € 22.5 billion which represented approximately 86 % of WürttLeben's entire investment portfolio. Most of these fixed income investments are denominated in euro. Accordingly, interest rate movement in the euro zone will significantly affect the value of WürttLeben's investment portfolio.

For WürttLeben Group profit risks may arise in case of continuously low interest rate levels because new investments and re-investments can only be made at lower interest rates while, at the same time, prior interest rate commitments towards customers must be fulfilled (interest guarantee risk). In case of a decline in interest rates, the adverse effect on the value of long-term commitments is more significant than the positive effect on the value of interest-rate sensitive investments, which results in a decline in the excess capital.

As the very low interest rate levels are viewed as a critical factor by WürttLeben Group's companies, they have stepped up their risk-mitigating measures:

- § extending the duration of the investments;
- § generating reserves: additional interest reserves for new contracts and strengthening the interest base (*Zinsverstärkung*) for existing contracts and reserves for annuity old stock (*Renten-Altbestand*);
- § monitoring and, if necessary, adapting the profit participation (*Überschussbeteiligung*);
- § developing products: transformation strategy (products with alternative forms of guarantee).

By changing Section 5 of the German Regulation on the Principles Underlying the Calculation of the Actuarial Reserve (Deckungsrückstellungsverordnung, DeckRV), the legislator extended the framework, which is also recognised for tax purposes, for strengthening the actuarial reserve (*Deckungsrückstellung*) by way of recording an additional interest reserve (*Zinszusatzreserve*) for new contracts (*Neubestand*) (i.e. contracts sold after 29 July 1994; the fragmentation of business is due to the deregulation of the German insurance market in 1994). This statutory provision applied for the first time in the 2011 fiscal year. The reference rate, which is calculated on the basis of the 10-year average of historical yields of investment grade rated European government bonds, is relevant for the level of the additional interest rate reserve. The reference rate decreased in 2013 to 3.41 % (previous year: 3.64 %).

In 2013, based on the principles applying to the additional interest rate reserve for new contracts (*Neubestand*), the interest base was strengthened (*Zinsverstärkung*) also for existing contracts (*Altbestand*) (i.e. contracts sold before 29 July 1994). The calculation method is set out in the business plan. The level of strengthening of the interest base is calculated on the basis of a valuation rate (*Bewertungszins*), which amounts to 3.22 % for Württembergische Lebensversicherung AG and Karlsruher Lebensversicherung AG. Within the WürttLeben Group, the additional interest reserve and the interest base were strengthened on this basis by € 322.0 million (previous year: € 163.7 million). It is expected that the interest rates which are relevant for valuation purposes will decrease even further in 2014 triggering a further strengthening of the additional interest reserve and the interest base.

If such measures fail there are two situations that could bear risks with respect to the additional interest reserve. On the one hand, a long lasting, permanent low interest rate level would lead to a continuous increase of the additional interest reserve. On the other hand, in case of an abrupt increase of the interest rate level the valuation reserves would decrease and thus the financing of the additional interest reserve could be difficult. Hence, the additional interest reserve could possibly influence the results of the Issuer in a negative manner.

In addition, the security level of the interest rates used for the calculation of actuarial reserves for certain existing contracts (*Altbestand*) was already increased gradually in 2010 and 2011. In 2013, the interest rate used for the calculation of actuarial reserves was further reduced to the actuarial interest rate (*tariflich*) for those pension insurance contracts for which the actuarial interest rate (*tariflich*) amounts to 3.0 %. Accompanying the interest rate consolidation measures taken in respect of existing contracts (*Altbestand*) with a valuation rate below the reference rate applying to new contracts (*Neubestand*), this is a further component of the process of strengthening reserves (*Reservestärkung Zins*) ahead of schedule.

Foreign currency risks may result from open net foreign currency positions held in investment funds with global exposure as well as from foreign currency bonds or equities/equity instruments. They may adversely affect the financial position and results of operations of WürttLeben Group (foreign currency risk).

Corresponding to the strategic orientation, WürttLeben Group concentrates its foreign currency exposure on US dollar and Danish Crown. As part of individual fund mandates, WürttLeben Group is also exposed to other currencies, but to a lesser extent. The major part of the Group's foreign currency exposure is hedged against currency fluctuations. Additionally the WürttLeben Group is invested in funds that themselves invest in emerging markets bonds. The negative market development in this asset class, which was also due to currency developments, resulted in impairments on these fund certificates amounting to € 10.0 million. Apart from credit and interest rate risks, exchange rate movements will remain a possible cause for unfavourable price movements of emerging market bonds in future. Therefore, increasing negative market developments may have a further impact on the investment in emerging markets bonds, which could in turn have a material adverse effect on the financial position or results of operations of WürttLeben Group.

CREDIT RISKS

WürttLeben Group defines credit risk as the risk of potential losses resulting from the default or deterioration in the ratings of borrowers or debtors.

Risks arising from the loss of default by debtors or the change of their credit rating could adversely affect WürttLeben Group's business (counterparty default risk investments, country risk).

The risk premiums for European financial securities and corporate bonds are declining. The low yield environment motivated large groups of investors to move to credit products, such as corporate bonds, in order to achieve the required minimum rates of return. Concerning financial investments of WürttLeben Group risks may arise resulting from a default of individual or several counterparties. The creditworthiness structure of the annuity portfolio is – in accordance with the strategic position of the WürttLeben Group – conservatively aligned with more than 96.3 % (previous year 96.5 %) of the investments in the investment grade segment. The annuity exposure generally has a good hedging structure, whereby the investments with financial entities are mainly secured through state liability or liens.

In the previous fiscal year, the developments at the European bond markets were characterised by the easing debt crisis in the euro zone. Nevertheless, WürttLeben Group may face risks resulting from a default or change of creditworthiness of European bonds. As at 31 December 2013, the total volume of government bonds of EMU peripheral countries held by WürttLeben Group totaled € 243.8 million (previous year € 93.6 million) in market value. Of this amount, € 130.0 million (previous year € 76.5 million) were attributable to Italy. Compared to the end of 2012, the WürttLeben Group has increased its exposure to EMU peripheral countries by around € 150 million in market value as a result of trading activities in order to seize market opportunities within clearly defined limits. The exposure includes both direct investments and investments held indirectly through investment funds and accounts for less than 1 % of the total investment portfolio. Should the mentioned risks, nevertheless, materialise, this could have a material adverse effect on the financial position and results of operation of WürttLeben Group.

UNDERWRITING RISKS

In life insurance, the underwriting risks mainly derive from biometric risks.

Actuarial experience and other factors could differ from that assumed in the calculation of life actuarial reserves (biometric risk).

WürttLeben Group's biometric risks could result from the deviation of the expected from the actual occurring biometric developments. They are affected by exogenous factors, such as life expectancy, mortality, probability of incapacity and medical progress. The risks arise from both short-term fluctuations and longer-term change trends. The underwriting risks in life insurance are subject to constant actuarial analysis. In order to estimate these risks as precisely as possible, WürttLeben Group also relies on industry recommendations and the guidelines of the German Actuarial Society (*Deutsche Aktuarvereinigung*). The results are taken into account in actuarial models for product and tariff structures within WürttLeben Group. The basis of the calculations includes security premiums, which may offset fluctuating calculation assumptions in respect of biometric, interest and costs. The security margins are strengthened by reserves in the event of long-term change trends. The basis of WürttLeben Group's calculations is registered with the supervisory authority and is constantly monitored by the responsible actuary with regard to appropriateness. However, changes in any such assumptions may lead to changes in the estimates of life insurance reserves, which could in turn have a material adverse effect on the financial position or results of operations of WürttLeben Group.

A significant amount of policies cancelled by customers in the near future could adversely affect WürttLeben Group's business (lapse risk).

For WürttLeben Group increased cancellations by customers can lead to greater losses of liquidity than expected. Such increases could occur, for example, upon a sharp rise in interest rates.

Policyholders therefore could increasingly cancel their policies in order to reinvest their monies at higher interest rates on the capital market. In this case WürttLeben Group could be forced to sell its investments at prices which are below the then prevailing market rates. As WürttLeben Group does not currently expect a sharp rise in interest rates and the changes in the cancellation rates have not been subject to severe fluctuations in the past, this risk is currently categorised as low.

OPERATIONAL RISKS

Württemberg Group defines operational risks as possible losses arising from the inappropriateness or failure of internal procedures, people and systems or from externally driven events. Legal and tax risks are also included.

Risks in the human resources sector could adversely affect WürttLeben Group's business (human resource risk).

Integration projects, internal reorganisation, projects, regulatory innovations in the financial economy connected with WürttLeben Group's ambitious goals demand the best performances from WürttLeben Group's employees and can lead to increased personnel pressure. The main human resources risks are: shortages of qualified personnel, insufficient adaption, demotivation and loss of staff. WürttLeben Group identifies these risks by means of appropriate indicators and metrics and relies on effective personnel management to support the employees. With targeted personnel marketing measures, potential assessment schemes and systematic succession planning, WürttLeben Group aims at countering the risk of shortages in qualified staff. Individual development planning and suitable training offers shall enable the staff to adapt to current market requirements. Modern management tools and adequate monetary and non-monetary incentives shall ensure high motivation. The Issuer's human resources tools as a whole serve to strengthen its staff's ties with WürttLeben Group (and the W&W Group) and consequently to safeguard its business knowledge. Should the before mentioned risks, nevertheless, materialise, this could have a material adverse effect on the financial position and results of operation of WürttLeben Group.

IT-risks could adversely affect WürttLeben Group's business (system risk).

The intensive use of information technology in critical business processes of WürttLeben Group encompasses the risk of unauthorised data access and misuse. In addition, system risks arise from a complete or partial failure of WürttLeben Group's information technology (IT failure risk) and from the inadequacy of internal systems, technical equipment and data processing applications. Despite the successes in system consolidation already achieved, the heterogeneous IT landscape that is characterised by mergers makes it difficult to maintain these systems, to combine and analyze data and to automate processes. The countermeasures have a high priority within WürttLeben Group in an attempt to remedy the lack of cost efficiency and to compensate for information deficits in respect of departmental and inter-company considerations. However, if these risks materialise, this could have a material adverse effect on the financial position and results of operation of WürttLeben Group.

Changes in tax legislation could adversely affect WürttLeben Group's business (tax risk).

Changes to tax laws in Germany or abroad may negatively affect the taxation of WürttLeben Group and/or the attractiveness of certain of WürttLeben Group's products that until recently have received or currently receive favourable tax treatment. If WürttLeben Group fails to adapt to these changes by developing new life insurance products which meet the specific need of potential customers, this could have a material adverse effect on the financial position and results of operation of WürttLeben Group.

Statutory rules oblige the WürttLeben Group to comply with capital requirements as well as with further supervisory guidelines. Changes in existing, or new, government regulations or amendments to existing and adoption of new legal provisions, including the Solvency II directive in Germany may materially impact WürttLeben Group's business (regulatory risk).

Württemberg Group's insurance business is subject to detailed comprehensive regulation and supervision. Changes in existing laws and regulations, or changes in the interpretation of such laws

and regulations by the courts or the competent authorities, may affect the way in which WürttLeben Group conducts its business and the products it may offer. Changes in regulations relating to pensions and employment, social security, financial services including reinsurance business, taxation, securities products and transactions and consumer protection may materially adversely affect WürttLeben Group's insurance business by restructuring its activities, imposing increased costs or otherwise.

Regulatory authorities have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, money laundering, "know your customer" rules, privacy, record keeping, and marketing and selling practices.

Insurance, banking and other financial services laws, regulations and policies currently governing WürttLeben and its subsidiaries may change at any time in ways which have an adverse effect on WürttLeben Group's business, and the timing or form of any future regulatory or enforcement initiatives in respect thereof cannot be predicted.

National and international efforts continue to avoid a repeat of the financial crisis by monitoring financial markets and their institutions more effectively. Regulation and oversight over insurance companies as well as capital requirements may become stricter. On the global level the discussion about systemically important financial institutions and insurance companies might have major consequences. Companies, which are considered to have a systemic impact in case of their failure, would have to bear the burden of additional (quantitative and qualitative) supervisory requirements, in particular regarding capital requirements.

In addition, there remain legal uncertainties and risks for WürttLeben Group, in particular regarding the implementation of Solvency II. The directive requires the specification through measures of the European Commission and implementing measures of the individual member states. Following delays in the enactment of the amendment directive (so-called Omnibus II Directive), the European Commission published a Proposal (dated 16 May 2012) for a Directive (the so-called 'Quick-Fix Directive') amending Solvency II with regard to the dates of its implementation and application and the date of repeal of certain Directives. The proposed date for implementation of Solvency II by Member States in this 'Quick-Fix Directive' was 30 June 2013, while implementation of Solvency II remained targeted for 1 January 2014. The so-called Quick-Fix-II-Directive which has been published in October 2013 adjourned the implementation of Solvency II for 1 January 2016. Therefore, the exact content of the specification and implementing measures is not entirely clear at the date of this Prospectus. However, the implementation of Solvency II will presumably affect the regulatory capital requirements as well as the audit and documentation requirements. WürttLeben Group is keeping a close eye on the changes in the regulatory environment in order to react flexibly and at an early stage. WürttLeben Group aligns itself to the increased regulatory requirements although they bind financial, technical and human resources and thus constitute a cost and income risk. As the crucial technical discussions are still ongoing, its potential future impact can currently not be entirely assessed. Nevertheless, there is the possibility that discussions might lead to a strict set of rules which may negatively affect WürttLeben Group's assets, financial position and net income.

Legal risks which may arise on the one hand from court decisions and legislation (changes in legal parameters) and on the other from legal disputes and arbitration proceedings in which the Issuer may be involved could materially impact WürttLeben Group's business (legal risk).

Apart from supervisory laws and regulations there are many other laws and regulations that have an impact on WürttLeben Group's business operations. Changes in the laws and regulations or their interpretation and application by the courts and public authorities, in particular the laws and regulations governing provisioning for the elderly, labor law, the social security systems, financial services, taxation or securities products and transactions may require restructuring and result in additional expenses for WürttLeben Group. In some countries, changes may also be introduced with retroactive effect. This can have a negative effect on WürttLeben Group's assets, financial position and net income. In terms of legislation and supervision, WürttLeben Group is currently observing increasing European harmonisation and the expansion of creditor and consumer rights, as well as disclosure requirements. The new Federal Data Protection Act also requires additional efforts in order to further optimise the data protection level already reached in WürttLeben Group.

In particular, the following important judgements were rendered which may have an impact on WürttLeben Group's business:

- § On 1 March 2011, the European Court of Justice declared void with effect as of 21 December 2012 the provision of Section 5 (2) of Directive 2004/113/EC, which allowed the national legislator to implement in the applicable laws the possibility to calculate insurance premiums and benefits based on gender. In Germany this rule was implemented in Section 20 of the German Act on Equal Treatment. This provision must now be removed with the result that following 21 December 2012 the calculation of insurance premiums may not be based on different genders. As from this date only so-called "unisex tariffs" may be offered, where the premiums are calculated gender-neutral. Whether the reasoning of the European Court of Justice will be extended to other criteria on which the premium calculation is based, is currently uncertain. Therefore, there may be risks resulting from the new calculation of insurance premiums, switching coverage, increased cancellation quotas and reduced new business.
- § Cash surrender values for life insurance policies in Germany generally increased in the recent past as a result of case law and revisions to the German Act on Insurance Contracts (*Versicherungsvertragsgesetz*). For example, according to case law from the German Federal Court of Justice (*Bundesgerichtshof*), insurers are no longer permitted to use the first premiums paid by the insured party solely to cover policy acquisition costs, and this leads to a quicker build-up of cash surrender values. If the current low level of interest rates continues or interest rates continue to decrease, WürttLeben's investment portfolio might fail to generate sufficient returns to pay cash surrender values without adversely impacting WürttLeben's results of operations and financial condition values. A recent decision of the Federal Court of Justice has also held that certain terms and conditions in relation to cash surrender values for life insurance policies and acquisition costs in insurance contracts concluded between the end of 2001 and the end of 2007 are invalid. Even though WürttLeben was not party to these proceedings, it may be confronted with demands by its policyholders to re-calculate the cash surrender values for life insurance policies concluded in the relevant time period – or possibly other time periods – and compensate policyholders for the difference.
- § Furthermore, in several court proceedings pending in Germany plaintiffs have alleged that the version of Section 5a(2) sentence 4 of the German Act on Insurance Contracts, which was in force until 31 December 2007, violated European law. This version of the section provided that the termination right of an insured party expired at the latest one year after payment of the first premium, even where no clear information about the termination right was provided. A number of appellate courts in Germany have rejected this argument. The European Court of Justice has rendered a judgement on 19 December 2013, whereas the foreclosure in Section 5a(2) sentence 4 of the German Act on Insurance Contracts is a violation of European law, and has remanded the case to the German Federal Court of Justice. In further cases, it has been argued by plaintiffs that the whole Section 5a contradicts European law; a final judgement has not been rendered yet. A large number of insured parties could have in the end the right to subsequently exercise a termination right and, in the worst case, force WürttLeben to unwind the entire inventory of affected insurance contracts.
- § Due to the granting of option rights regarding the change into the new tariff generation 2013 for the whole tariff generation 2012, there is a risk that certain subsidiaries of WürttLeben Group will have to comply with the requirement of strengthening of reserves for old years.
- § Pursuant to Section 153(3) of the German Act on Insurance Contracts (*Versicherungsvertragsgesetz*), insurance companies are required to disburse valuation reserves on investments on contracts which are coming to an end. A large part of life insurance companies grant a so-called "minimum participation in valuation reserves" which is due and payable irrespective of the actual amount of valuation reserves upon termination of the contract. This means that if the actual amount of valuation reserves is comparatively high, policyholders will receive, on top of such minimum participation, a further interest in the valuation reserves. In contrast, if the amount of valuation reserves is low, only the minimum participation will be disbursed. Such practice has been criticised by consumers and consumer protection agencies in the recent past. In addition, there is a proceeding against one insurance company pending, the outcome of which may have extensive effects. A negative outcome of the proceeding may lead to financial losses of WürttLeben Group due to a post-settlement in favour of policyholders.

If any of the risks mentioned above materialises this could negatively affect WürttLeben Group's net assets, financial position and results.

STRATEGIC RISKS

WürttLeben Group defines strategic risks as possible losses which result from management decisions relating to the business strategy or its implementation, or the non-attainment of the strategic goals set. Apart from the general business risk, the dangers from an altered legal, political or social environment, strategic risks include the risks on the sales and procurement markets, cost and income risks and reputational risks.

A protracted low interest level may adversely affect WürttLeben Group's business (business risk).

Risks may also arise from a protracted low interest level in the international financial markets, in particular in the form of a reinvestment risk. In particular, such low interest rate levels make it increasingly difficult for the life insurance companies of WürttLeben Group to generate in the market the guaranteed interest rates (*Höchstrechnungszinsen*). Furthermore, due to the continued low interest rate environment on the capital market, it is to be expected that the guaranteed interest rate (*Höchstrechnungszins*) for life insurance contracts will be further lowered in the next years. In light of this development, the outlook and the attractiveness of traditional life insurance products are uncertain for both intermediaries and customers and thus also for life insurance companies.

If the reputation of WürttLeben Group or brand were damaged, this could adversely affect WürttLeben's business (reputational risk).

As the financial provisions specialist, the companies of the WürttLeben Group rely especially on their reputation among customers and business partners as a sound, secure group of companies. The WürttLeben Group is continuously monitoring its public image and, if critical issues arise, tries to retain its reputation by means of a transparent communication policy. However, if the reputation of WürttLeben or its brand were damaged, there is a risk of losing business volume, either immediately or in the future. As a result, the value of the company could decrease.

The business of WürttLeben is to a certain degree dependent on the credit ratings assigned to WürttLeben by the rating agency Standard & Poors (S&P). A downgrade in the ratings assigned to WürttLeben may adversely affect relationships with customers, negatively impact sales of WürttLeben's insurance products and increase WürttLeben's cost of borrowing (rating risk).

Rating agency Standard & Poor's Credit Market Services Europe Limited ("**S&P**") has assigned ratings regarding the financial strength of WürttLeben. S&P can be expected to continue to monitor the financial strength of WürttLeben, and no assurance can be given that rating downgrades will not occur, whether due to changes in WürttLeben's performance, changes in S&P's industry views or ratings methodology, the occurrence of a change of control at the level of any of WürttLeben's direct or indirect parent companies, or a combination of such, or other factors. Claims paying ability and financial strength rating are a major factor in establishing the competitive position of insurers. A rating downgrade, or the potential for such downgrade, could, therefore, materially adversely affect WürttLeben's ability to compete in its markets, such as the corporate pension schemes business, and thereby negatively impact sales of its insurance products. Any rating downgrade could also materially adversely affect WürttLeben's cost of raising capital, and could, in addition, give rise to additional financial obligations or accelerate existing financial obligations which are dependent on maintaining specified rating levels. This could have a material adverse effect on the financial position or results of operations of WürttLeben.

Delays in implementing "W&W 2015" or the failure to implement the planned measures of "W&W 2015" may have a material adverse effect on the financial position and results of operation of WürttLeben Group.

Historically low capital market interest rates, higher regulation costs and increasing equity requirements represent a great challenge for financial service providers. As a responsibly acting company, the WürttLeben Group reacted to these stricter conditions on time, strategically and sustainably and has implemented them in the next strategic step "W&W 2015". The aim is to secure and continue the previous successes, being lowering costs, increasing profitability and optimising transactions which tie up capital. The ambitious goals of the programme are subject to various strategic risks due to many internal and external factors. Difficulties which may arise during the implementation of the planned measures may, for instance, result from increasing investment requirements, necessary strategic adjustments or events in the business/political environment. If WürttLeben Group fails to implement these measures, this could have a material adverse effect on the financial position and results of operation of WürttLeben Group.

RISK FACTORS REGARDING THE NOTES

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

Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of financial markets and of any financial variable which might have an impact on the return on the Notes; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

prospective purchasers should also consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Competent Supervisory Authority may reject the consent to payment of deferred interest or principal.

The Terms and Conditions of the Notes contain provisions stipulating that payment of deferred interest ("**Arrears of Interest**") or principal is subject to, inter alia, the consent to such payment by the Competent Supervisory Authority (as defined in § 2(1) of the Terms and Conditions). The

Competent Supervisory Authority may reject such consent even though the Issuer complies with the Applicable Supervisory Provisions (as defined in § 3(3)(b)(bb) of the Terms and Conditions).

In certain cases, interest on the Notes will not be due and payable on the scheduled Interest Payment Date, and the payment of the resulting Arrears of Interest is subject to certain further conditions.

Compulsory Interest Deferral

In case a Compulsory Deferral Event has occurred and is continuing on the relevant Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable on that Interest Payment Date.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest or Arrears of Interest is scheduled to be paid under the Terms and Conditions of the Notes if (i) a corresponding payment would result in, or accelerate, the occurrence of an Insolvency Event (as defined in § 3(3)(b)(bb) of the Terms and Conditions); or (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or (iii) a Solvency Capital Event (as defined in § 3(3)(b)(bb) of the Terms and Conditions) either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless on or prior to such date the Competent Supervisory Authority has, despite the Solvency Capital Event, given, and not withdrawn by such day, its prior consent to the payment of the relevant interest and Arrears of Interest, respectively (if under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Group). Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose. Interest deferred will constitute Arrears of Interest. Holders will not receive any additional interest or compensation for the compulsory deferral of payments. In particular, the resulting Arrears of Interest will not bear interest.

The occurrence of a Solvency Capital Event (as defined in § 3(3)(b)(bb) of the Terms and Conditions) is not only dependent upon the solvency capital requirements of the Issuer but also upon the solvency capital requirements of the Group, defined in the Terms and Conditions as the regulatory insurance group determined in accordance with the Applicable Supervisory Regulations (as defined in § 3(3)(b)(bb) of the Terms and Conditions). In addition to WürttLeben Group, the Group also comprises Württembergische Versicherungen and its subsidiaries ("**WV-Group**") as well as W&W AG ("**W&W AG**"), the strategic management holding of the Wuestenrot & Wuerttembergische group and Wüstenrot Holding AG, W&W AG's parent company. W&W AG maintains affiliation agreements (*Unternehmensverträge*) according to §§ 291 ff. of the German Stock Corporation Act (*Aktiengesetz*) with Wüstenrot Bank Aktiengesellschaft Pfandbriefbank, Ludwigsburg and other companies. These agreements include by law (§ 302 of the German Stock Corporation Act (*Aktiengesetz*)) the obligation of W&W AG to compensate any loss shown in the annual financials of the counterparty. Such loss compensation by W&W AG could lead to negative effects on the solvability of the Group, as defined in the Terms and Conditions, since both W&W AG and WürttLeben are part of this Group. The same applies to any negative development on the level of WV-Group which has an adverse effect on the solvency capital requirements of the Group as whole.

Optional Interest Deferral

Even if no Compulsory Deferral Event has occurred, the Issuer may elect in its discretion to defer the payment of accrued interest by giving prior notice to the Holders in accordance with the Terms and Conditions of the Notes. Such interest will not be due and payable on that Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose. Interest deferred will constitute Arrears of Interest. Holders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

Restrictions on payment of Arrears of Interest

The Issuer will only be entitled to pay Arrears of Interest at any time (i) if no Compulsory Deferral Event has occurred and is continuing, and (ii) the Competent Supervisory Authority has given, and not withdrawn, its consent to the relevant payment (provided that the Solvency II Directive has

become part of the Applicable Supervisory Regulations and that under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or of the Group (as defined in § 3(3)(b)(bb) of the Terms and Conditions)). These restrictions also apply in the case of a mandatory payment of Arrears of Interest, as further set out in the Terms and Conditions.

The Notes are long-term notes and their potential maturity date may be postponed.

The Notes will be redeemed at par on the Floating Interest Payment Date falling in July 2044 provided that (i) on or prior to such date the Solvency II Directive has not become part of the Applicable Supervisory Regulations, or (ii) if on or prior to such date the Solvency II Directive has become part of the Applicable Supervisory Regulations, the Conditions to Redemption (as defined in §4(5) of the Terms and Conditions) are fulfilled on the Floating Interest Payment Date falling in July 2044. The Issuer is under no obligation to redeem the Notes at any time before this date, and the Holders have no right to call for their redemption. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for a very long period.

If on or prior to the Floating Interest Payment Date falling in July 2044 the Solvency II Directive has become part of the Applicable Supervisory Regulations, and on that date the Conditions to Redemption (as defined in §4(5) of the Terms and Conditions) are not fulfilled; the Notes will only be redeemed on the first Floating Interest Payment Date following the Floating Interest Payment Date falling in July 2044 on which the Conditions to Redemption are fulfilled. Therefore, Holders may receive their investment back at a later point in time than initially expected.

If the Notes are not redeemed on the Floating Interest Payment Date falling in July 2044 due to the reasons set out above, Holders will – subject to any compulsory or optional deferral– continue to receive interest but will not receive any additional compensation for the postponement of the redemption.

The Notes do not provide for express events of default.

Holders should be aware that the Terms and Conditions of the Notes do not contain any express events of default provision that would allow Holders to accelerate the Notes in case of the occurrence of an event of default.

The Notes are subject to risks in case of an early redemption.

If either a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event (each as defined in § 4(4) of the Terms and Conditions) occurs until 15 July 2024 (the "**First Call Date**"), the Issuer may subject to the Conditions to Redemption (as defined in §4(5) of the Terms and Conditions) being fulfilled, and upon giving irrevocable notice in accordance with the Terms and Conditions, call and redeem the Notes (in whole but not in part) with effect as of the date fixed for redemption in the notice at their principal amount plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest.

The Notes may also be redeemed at the option of the Issuer and subject to the Conditions to Redemption (as defined in §4(5) of the Terms and Conditions) at their principal plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest on the First Call Date or on any Floating Interest Payment Date thereafter.

If Notes are redeemed prior to maturity, a Holder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption.

The obligations under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves and subordinated to the Issuer's Senior Ranking Debt. There is a significant risk that Holders of Notes will lose all or some of its investment should the Issuer become insolvent.

The Terms and Conditions provide that the obligations of the Issuer under the Notes rank subordinated to the Issuer's Senior Ranking Debt (as defined in § 2(1) of the Terms and Conditions), which means all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated by

operation of law pursuant to § 39 para. 1 of the German Insolvency Code (*Insolvenzordnung*), (iii) subordinated obligations ranking at least *pari passu* with the Issuer's legally subordinated obligations pursuant to § 39 para. 1 of the German Insolvency Code (*Insolvenzordnung*), and (iv) subordinated obligations required to be preferred by mandatory provisions of law. In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the claims of the Holders under the Notes will be satisfied only after the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Holders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

Holders must accept that, in the circumstances described above, (i) the Issuer will make payments in respect of the Notes only in accordance with the subordination described above, and (ii) the rights of the Holders under the Notes will be subject to the provisions of the insolvency laws applicable to the Issuer from time to time

There is a significant risk that Holders of Notes will lose all or some of its investment should the Issuer become insolvent.

Changes in Applicable Supervisory Regulations upon implementation of the Solvency II Directive may lead to, or increase the likelihood of, a deferral of interest payments under the Notes and/or a postponement of the potential maturity date of the Notes and/or an early redemption of the Notes.

The Terms and Conditions of the Notes provide that interest payments must be deferred and the scheduled maturity date must be postponed (in each case subject to limited exceptions further described in the Terms and Conditions), inter alia, if under the Applicable Supervisory Regulations a Solvency Capital Event has occurred and is continuing (please also see sub-section "*Compulsory Interest Deferral*" above).

In addition, the Issuer may call the Notes for redemption prior to the Maturity Date, inter alia, if, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations the Notes would not be eligible to qualify for the inclusion in the determination of the Tier 2 Capital for single solvency purposes of the Issuer or group solvency purposes of the Group (as defined in § 3(3)(b)(bb) of the Terms and Conditions).

Although the Solvency II Directive has been adopted by the European Parliament and the Council of the European Union and published in the Official Journal of the European Union on 17 December 2009, the implementation guidelines in general and the exact requirements for instruments eligible as Tier 2 Capital in particular have not been finalised yet.

Therefore, it is currently difficult to predict the exact effect the implementation of the Solvency II Directive will have on the Issuer and the Group (as defined in § 3(3)(b)(bb) of the Terms and Conditions) as well as on the eligibility of the Notes as Tier 2 Capital.

Accordingly, Holders should be aware that the final implementation guidelines for the Solvency II Directive may lead to, or increase the likelihood of, a deferral of interest payments under the Notes and/or a postponement of the scheduled maturity date of the Notes and/or an early redemption of the Notes.

There is no limitation on the Issuer to incur additional indebtedness ranking senior or *pari passu* with the Notes.

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood that payments of the principal amount or interest under the Notes will be mandatorily deferred or, in the case of payments of interest, may be deferred at the option of the Issuer and/or may reduce the amount recoverable by Holders in the event of insolvency or liquidation of the Issuer.

An active trading market for the Notes may not develop.

The Notes constitute a new issue of securities. Prior to this offering, there has been no public market

for the Notes. Although application has been made for the Notes to be listed on the official list of and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, there can be no assurance that an active public market for the Notes will develop. Even if such a market were to develop, the Managers are under no obligation to maintain such a market. 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. Further, there can be no assurance that a market for the Notes will not be subject to disruptions. Any such disruptions may have an adverse effect on the Holders.

Fixed to Floating Rate Notes have a market risk.

The Notes bear interest at a fixed rate to but excluding the First Call Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or, in the case of the Notes, during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the price of the Notes and can lead to losses for the Holders if they sell Notes during the period in which the market interest rate exceeds the fixed interest rate of the Notes.

From and including the First Call Date to but excluding the date of redemption of the Notes, the Notes bear interest at a floating rate. Holders should be aware that the floating rate interest income on the Notes cannot be anticipated. Due to varying interest income, Holders are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, Holders are exposed to the reinvestment risk if market interest rates decline. That is, Holders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

The credit rating of the Notes may not reflect all associated risks.

The credit rating assigned to the Notes may not reflect the potential impact of all risks related to their structure, market, the factors discussed above and other circumstances that may affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the relevant rating agency at any time.

The market value of the Notes could decrease if the creditworthiness of the Issuer or W&W Group worsens.

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due, for example, because of the materialisation of any of the risks regarding the Issuer or W&W Group, the market value of the Notes will fall. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Furthermore, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change. If any of these risks materialises, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes will decrease.

The Notes might be subject to a potential U.S. withholding tax after 31 December 2016

Under certain provisions of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**"), WürttLeben and its non-U.S. subsidiaries will become subject to a 30 % withholding tax on certain payments they receive. However, on 31 May 2013 the United States and the Federal Republic of Germany concluded an intergovernmental agreement to "Improve International Tax Compliance and with respect to the United States Information and Reporting Provisions Commonly Known as the

Foreign Account Tax Compliance Act" (the "**German IGA**"). Under the German IGA, the United States and the Federal Republic of Germany have agreed to implement FATCA through domestic reporting duties for financial institutions, an automatic exchange of account information between the public authorities of the two countries and on the basis of existing bilateral tax treaties. Pursuant to Article 4 of the German IGA, WürttLeben and its German subsidiaries that fall within the scope of FATCA are treated as FATCA compliant provided that they comply with the requirements under the German IGA ("**deemed-compliant FFI**"). In order to retain their status as deemed compliant FFI, WürttLeben and its German subsidiaries have to report to the German tax authorities (and thus, indirectly, to the U.S. Internal Revenue Service (the "**IRS**")) accountholders that are U.S. persons for purposes of U.S. federal income taxation. In addition, WürttLeben (or if payments on the Notes are made through an intermediary such as a clearing system or broker that is a deemed-compliant FFI pursuant to an applicable IGA or that has entered into a FATCA-agreement with the IRS, such FFI) may be required, pursuant to the German IGA (or if payments on the Notes are made through an intermediary pursuant to the intermediary's FATCA agreement or an applicable intergovernmental agreement), to apply a 30 % withholding tax (a "**FATCA Withholding**") to any "*foreign passthru payment*" made on the Notes (i) to a foreign financial institution that is not a participating or deemed compliant FFI, (ii) to accountholders who have not identified themselves as not being U.S. persons for purposes of U.S. federal income taxation or (iii) to accountholders who have not consented, where necessary, to have their information disclosed to the IRS. Under current guidance, the term "*foreign passthru payment*" is not defined (although conceptually the term refers to the portion of each payment made by a participating or deemed-compliant FFI in the same ratio that such participating FFI's U.S.-source income bears to its overall income). This guidance is subject to change and it is not yet clear whether or to what extent payments by WürttLeben (including payments on the Notes) will be treated as foreign passthru payments.

However, provided the Notes are not treated as equity for U.S. federal income tax purposes, and unless the Notes are materially modified on or after the later of 1 July 2014 and the date that is six months after the date of publication of final U.S. Treasury regulations defining the term "*foreign passthru payment*", no payment on a Note issued before that date will be subject to FATCA Withholding. With respect to Notes that are treated as equity for U.S. federal income tax purposes or are issued, or materially modified, on or after the later of 1 July 2014 and the date that is six months after the date of publication of final U.S. Treasury regulations defining the term "*foreign passthru payment*" ("**non-grandfathered Notes**"), payment in respect of the Notes may become subject to FATCA Withholding. Nevertheless, no FATCA Withholding will be required on non-grandfathered Notes before the later of 1 January 2017 and the date of publication of final U.S. Treasury regulations defining the term "*foreign passthru payment*."

The U.S. Treasury Department and the IRS recently issued final regulations that implement certain provisions of FATCA. The Treasury Department and the IRS may issue additional guidance and regulations that may alter the application of FATCA to WürttLeben and the Notes. Further, it is not yet clear whether or to what extent payments on non-grandfathered Notes will be subject to FATCA under the rules in the German IGA.

Pursuant to the terms and conditions of the Notes, holders of the Notes will not receive any gross-up payments in compensation of FATCA Withholdings. Holders of the Notes should consult their tax advisers regarding the application of FATCA to an investment in the Notes and their ability to obtain a refund of any amounts withheld under FATCA.

TERMS AND CONDITIONS OF THE NOTES

Anleihebedingungen

der
 EUR ■ ■ %
 Nachrangigen Fest- zu Variabel verzinslichen
 Inhaberschuldverschreibungen
 der
 Württembergische Lebensversicherung AG
 (Stuttgart, Bundesrepublik Deutschland)

§ 1 (Verbriefung und Nennbetrag)

(1) *Währung, Nennbetrag und Form.*

Die Württembergische Lebensversicherung AG, Gutenbergstraße 30, 70176 Stuttgart, Bundesrepublik Deutschland (die "**Emittentin**") begibt am 12. Mai 2014 (der "**Begebungstag**") in Euro ("**EUR**") (die "**festgelegte Währung**") [■] auf den Inhaber lautende, nachrangige, fest- bis variabel verzinsliche Schuldverschreibungen (die "**Schuldverschreibungen**") im Nennbetrag von je EUR 1.000 (der "**Nennbetrag**") und im Gesamtnennbetrag von EUR [■] (der "**Gesamtnennbetrag**").

(2) *Globalurkunden und Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**"; die Vorläufige Globalurkunde und die Dauerglobalurkunde zusammen die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Die Globalurkunden tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle 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 Begebungstag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen

Terms and Conditions

of the
 EUR ■ ■ %
 Subordinated Fixed to Floating Rate Bearer
 Notes
 issued by
 Württembergische Lebensversicherung AG,
 (Stuttgart, Federal Republic of Germany)

§ 1 (Form and Principal Amount)

(1) *Currency, Principal Amount and Form.*

Württembergische Lebensversicherung AG, Gutenbergstraße 30, 70176 Stuttgart, Federal Republic of Germany (the "**Issuer**") issues on 12 May 2014 (the "**Issue Date**") in euro ("**EUR**") (the "**Specified Currency**") [■] subordinated fixed to floating rate bearer notes (the "**Notes**") in a principal amount of EUR 1,000 each (the "**Principal Amount**") in the aggregate principal amount of EUR [■] (the "**Aggregate Principal Amount**").

(2) *Global Notes and Exchange.*

(a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note shall be exchangeable for a permanent global note (the "**Permanent Global Note**"; the Permanent Global Note and the Temporary Global Note together the "**Global Notes**") without interest coupons. The Global Notes shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons shall not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note (the "**Exchange Date**") from a date 40 days after the Issue Date of the Notes represented by 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 is not a U.S. person (other than certain

Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Falls Zinsen auf durch eine Vorläufige Globalurkunde verbrieften Schuldverschreibungen bevorstehen, erfolgen sie erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem Absatz § 1(2)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

"Vereinigte Staaten" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

(3) Clearingsystem.

Die Globalurkunde, die die Schuldverschreibungen verbrieft, wird solange von Deutsche Bank Aktiengesellschaft, Trust & Securities Services, Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Bundesrepublik Deutschland als gemeinsame Verwahrstelle für das Clearingsystem verwahrt und darf nicht übertragen werden, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** meint Clearstream Banking S.A., Luxembourg (**"CBL"**) und Euroclear Bank SA/NV (**"Euroclear"**) sowie jeden Funktionsnachfolger.

(4) Anleihegläubiger, Übertragbarkeit.

"Anleihegläubiger" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest, if any, 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 Issue Date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this subparagraph § 1(2)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

"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).

(3) Clearing System.

The Global Note representing the Notes shall be kept in custody by Deutsche Bank Aktiengesellschaft, Trust & Securities Services, Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Bundesrepublik Deutschland, Federal Republic of Germany as common depositary for the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means Clearstream Banking S.A., Luxembourg (**"CBL"**) and Euroclear Bank SA/NV (**"Euroclear"**) as well as any successor in such capacity.

(4) Holder, Transferability.

"Holder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which are transferable in accordance with applicable law and applicable rules of the Clearing System.

§ 2
(Status, Aufrechnungsverbot)

(1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.

Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind nachrangig gegenüber den Vorrangigen Verbindlichkeiten der Emittentin.

Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin werden die Ansprüche der Anleihegläubiger aus den Schuldverschreibungen erst nach den Ansprüchen der Inhaber aller Vorrangigen Verbindlichkeiten der Emittentin bedient. In einem solchen Fall werden die Anleihegläubiger keine Zahlungen auf die Schuldverschreibungen erhalten, bis alle Ansprüche aus den Vorrangigen Verbindlichkeiten der Emittentin vollständig bedient sind.

Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern mit den Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

"Vorrangige Verbindlichkeiten der Emittentin" bezeichnet:

(a) alle nicht nachrangigen Verbindlichkeiten der Emittentin; und

(b) alle gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung; und

§ 2
(Status, Prohibition of Set-off)

(1) Status of the Notes.

The obligations under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves.

The obligations of the Issuer under the Notes rank subordinated to the Issuer's Senior Ranking Debt.

In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the claims of the Holders under the Notes will be satisfied after (but only after) the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Holders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

No security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Holders under the Notes.

No Holder may set off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set off any claims it may have against any Holder against any of its obligations under the Notes.

"Issuer's Senior Ranking Debt" means all of the Issuer's:

(a) unsubordinated obligations; and

(b) obligations subordinated by operation of law pursuant to § 39 para. 1 of the German Insolvency Code (*Insolvenzordnung*); and

(c) alle nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung zumindest gleichrangig sind; und

(d) alle nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen vorrangig sind.

(2) Hinweis nach § 53c Absatz 3b Satz 4 Versicherungsaufsichtsgesetz (VAG).

Nachträglich können weder der Nachrang gemäß diesem § 2 beschränkt, noch die Laufzeit der Schuldverschreibungen oder die jeweiligen Kündigungsfristen verkürzt werden. Eine vorzeitige Rückerstattung ist der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurück zu gewähren, soweit die Emittentin nicht aufgelöst wurde, und sofern nicht der Betrag durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückzahlung zugestimmt hat.

"Zuständige Aufsichtsbehörde" ist die Bundesanstalt für Finanzdienstleistungsaufsicht bzw. jede Behörde, die ihr Funktionsnachfolger wird.

**§ 3
(Zinsen, Zinsaufschub)**

(1) Festzinsperiode.

Vorbehaltlich einer vorzeitigen Rückzahlung gemäß diesen Anleihebedingungen und der weiteren Bestimmungen dieses § 3 (insbesondere § 3(3)) werden die Schuldverschreibungen bezogen auf den Gesamtnennbetrag mit [■] % *per annum* ab dem Begebungstag (einschließlich) bis 15. Juli 2024 (ausschließlich) (der "**Erste Rückzahlungstag**") verzinst. Zinsen sind nachträglich am 15. Juli eines jeden Jahres fällig, erstmals am 15. Juli 2015 (jeweils ein "**Festzinszahlungstag**"). Der Zinsbetrag für die Festzinsperiode vom Begebungstag (einschließlich) bis 15. Juli 2015 (ausschließlich) beläuft sich auf [■] je Nennbetrag.

"Festzinsperiode" bezeichnet jeden Zeitraum

(c) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39 para. 1 of the German Insolvency Code (*Insolvenzordnung*); and

(d) subordinated obligations required to be preferred by mandatory provisions of law.

(2) Notification pursuant to § 53c (3b) sentence 4 of the German Insurance Supervisory Act (VAG).

No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or shorten any applicable notice period (Kündigungsfrist) in respect of the Notes. If the Notes are redeemed prematurely (vorzeitige Rückerstattung) the amounts redeemed must be returned to the Issuer irrespective of any agreement to the contrary unless the Issuer has been dissolved and such amounts have been replaced by other, at least equivalent own funds (Eigenmittel) or the Competent Supervisory Authority has given its consent to the redemption.

"Competent Supervisory Authority" means the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or any authority which becomes its successor in such capacity.

**§ 3
(Interest, Interest Deferral)**

(1) Fixed Interest Period.

Unless previously redeemed in accordance with these Terms and Conditions and subject to the further provisions of this § 3 (in particular, but not limited to § 3(3)) the Notes bear interest on their Aggregate Principal Amount at the rate of [■] % *per annum* from and including the Issue Date to but excluding 15 July 2024 (the "**First Call Date**"). Interest shall be payable annually in arrears on 15 July of each year commencing on 15 July 2015 (each a "**Fixed Interest Payment Date**"). The interest amount for the Fixed Rate Interest Period from and including the Issue Date to but excluding 15 July 2015 will amount to [■] per Principal Amount.

"Fixed Rate Interest Period" means each pe-

ab dem Begebungstag (einschließlich) bis zum ersten Festzinszahlungstag (ausschließlich) und nachfolgend ab jedem Festzinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Festzinszahlungstag (ausschließlich).

Die Berechnung von Zinsen für einen Zeitraum, der kürzer als ein Jahr ist, erfolgt auf der Grundlage der tatsächlichen Anzahl von Tagen in diesem Zeitraum dividiert durch die tatsächliche Anzahl von Tagen (365 oder 366) im jeweiligen Jahr.

(2) Variable Zinsperiode.

(a) Variable Verzinsung.

Vorbehaltlich einer vorzeitigen Rückzahlung gemäß diesen Anleihebedingungen und der weiteren Bestimmungen dieses § 3 (insbesondere § 3(3)) werden die Schuldverschreibungen bezogen auf ihren Gesamtnennbetrag ab dem Ersten Rückzahlungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) in Höhe des jeweils anwendbaren Variablen Zinssatzes (wie nachstehend definiert) verzinst. Zinsen auf die Schuldverschreibungen sind nachträglich an jedem Variablen Zinszahlungstag in jedem Jahr zahlbar, erstmals am 15. Juli 2024.

(b) Variable Zinszahlungstage und Variable Zinsperioden.

"**Variabler Zinszahlungstag**" bedeutet jeder 15. Juli, 15. Oktober, 15. Januar und 15. April eines jeden Jahres. Falls ein Variabler Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, fällt, wird dieser Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

"**Geschäftstag**" bezeichnet einen Tag, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") offen sind, um Zahlungen abzuwickeln.

Jeder Zeitraum ab dem Ersten Rückzahlungstag

riod from and including the Issue Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

If interest is to be calculated for a period of less than one year, it shall be calculated on the basis of the actual number of days in such period divided by the actual number of days (365 or 366) in the respective year.

(2) Floating Interest Period.

(a) Floating Rate Interest.

Unless previously redeemed in accordance with these Terms and Conditions and subject to the further provisions of this § 3 (in particular, but not limited to § 3(3)) the Notes bear interest on their Aggregate Principal Amount from (and including) the First Call Date to (but excluding) the first Floating Interest Payment Date and thereafter from (and including) each Floating Interest Payment Date to (but excluding) the next following Floating Interest Payment Date at the respective Floating Rate of Interest (as defined below) payable in arrears on each Floating Interest Payment Date of each year, commencing on 15 July 2024.

(b) Floating Interest Payment Dates and Floating Interest Periods.

"**Floating Interest Payment Date**" means each 15 July, 15 October, 15 January and 15 April in each year. If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be the immediately preceding Business Day.

"**Business Day**" means a day on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") are open to effect payments.

Each period from and including the First Call

(einschließlich) bis zum ersten Variablen Zinszahlungstag und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich) wird als "**Variable Zinsperiode**" bezeichnet.

(c) Variabler Zinssatz.

Der jeweils anwendbare variable Zinssatz (der "**Variable Zinssatz**") für die jeweilige Variable Zinsperiode berechnet sich aus dem Angebotssatz (ausgedrückt als jährlicher Prozentsatz) für Dreimonatseinlagen in Euro für diese Variable Zinsperiode, der am Zinsfestsetzungstag um 11:00 Uhr vormittags (Brüsseler Ortszeit) auf der Bildschirmseite angegeben wird, zuzüglich [■] % *per annum* (die "**Marge**"). Der jeweils anwendbare Variable Zinssatz wird durch die Berechnungsstelle ermittelt.

"**Zinsfestsetzungstag**" bezeichnet den zweiten Geschäftstag, der dem Beginn der jeweiligen Variablen Zinsperiode vorangeht.

"**Bildschirmseite**" bedeutet Reuters Bildschirmseite EURIBOR01 oder die jeweilige Nachfolgesseite, die vom selben System angezeigt wird oder aber von einem anderen System, das zum Vertreiber von Informationen zum Zwecke der Anzeigen von Sätzen oder Preisen ernannt wurde, die dem betreffenden Angebotssatz vergleichbar sind.

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 Euro für die betreffende Variable Zinsperiode und über einen repräsentativen Betrag 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 Variable Zinssatz für die betreffende Variable 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 Festlegungen durch die Berechnungsstelle erfolgen.

Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date is a "**Floating Interest Period**".

(c) Floating Rate of Interest.

The respective floating rate of interest (the "**Floating Rate of Interest**") for the respective Floating Interest Period will be the offered quotation (expressed as a percentage rate *per annum*) for three-months deposits in euro for that Floating Interest Period which appears on the Screen Page as of 11:00 a. m. (Brussels time) on the Interest Determination Date plus [■] % *per annum* (the "**Margin**"). The respective Floating Rate of Interest shall be determined by the Calculation Agent.

"**Interest Determination Date**" means the second Business Day prior to the commencement of the relevant Floating Interest Period.

"**Screen Page**" means Reuters screen page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.

If the Screen Page is not available or 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 euro for the relevant Floating Interest Period and in a representative amount to prime 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 Floating Rate of Interest for such Floating 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 Calculation Agent.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Variable Zinssatz für die betreffende Variable 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 von der Berechnungsstelle in angemessener Sorgfalt ausgewählte Großbanken im Interbanken-Markt in der Euro-Zone der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um ca. 11:00 Uhr (Brüsseler Ortszeit) am betreffenden Zinsfestlegungstag Darlehen in Euro für die betreffende Variable Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Europäischen Banken anbieten zuzüglich der Marge.

"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.

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

In diesem Absatz bezeichnen **"Referenzbanken"** vier Großbanken im Interbanken-Markt in der Euro-Zone.

Falls der Variable Zinssatz nicht gemäß der oben definierten Bestimmungen ermittelt werden kann, ist der Zinssatz der Angebotssatz bzw. das arithmetischen Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden, zuzüglich der Marge.

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 Floating Rate of Interest for the relevant Floating 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 major banks in the interbank market in the Euro-Zone, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, loans in euro for the relevant Floating Interest Period and in a representative amount to leading European banks plus the Margin.

"Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on 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.

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

As used herein, **"Reference Banks"** means means four major banks in the interbank market in the Euro-Zone.

If the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions, the Floating Rate of Interest shall be the offered quotation or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were displayed, plus the Margin.

(d) Variabler Zinsbetrag.

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Variable Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen fälligen Variablen Zinsbetrag (der "**Variable Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Der Variable Zinsbetrag wird ermittelt, indem der jeweilige Variable Zinssatz und der Zinstagequotient auf den Nennbetrag einer Schuldverschreibung angewendet werden, wobei der resultierende Betrag auf den nächstliegenden Cent auf- oder abgerundet wird (wobei 0,5 solcher Einheiten aufgerundet werden). "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung des Variablen Zinsbetrages für eine beliebige Variable Zinsperiode oder einen Teil davon (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.

(e) Mitteilung von Variablem Zinssatz und Variablem Zinsbetrag.

Die Berechnungsstelle wird veranlassen, dass der jeweilige Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und, sofern dies von der Luxemburger Wertpapierbörse oder einer anderen Wertpapierbörse, an der die Schuldverschreibungen notiert sind, vorgesehen ist, der Luxemburger Wertpapierbörse und einer solchen anderen Wertpapierbörse sowie den Anleihegläubigern durch Mitteilung gemäß § 10 baldmöglichst nach ihrer Feststellung, aber keinesfalls später als am ersten Tag der jeweiligen Variablen Zinsperiode, bekannt gemacht wird. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode kann der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Wertpapierbörsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 10 bekannt gemacht.

Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3

(d) Floating Rate Interest Amount.

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, calculate the floating rate amount of interest (the "**Floating Rate Interest Amount**") payable on the Notes for the relevant Floating Interest Period. The Floating Rate Interest Amount shall be calculated by applying the respective Floating Rate of Interest and the Day Count Fraction to the Principal Amount of a Note and rounding the resultant figure to the nearest cent, with 0.5 or more of a cent being rounded upwards. "**Day Count Fraction**" means, in respect of the calculation of the Floating Rate Interest Amount for any Floating Interest Period or part thereof (the "**Calculation Period**"), the actual number of days in the Calculation Period divided by 360.

(e) Notification of Floating Rate of Interest and Floating Rate Interest Amount.

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

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by

gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Hauptzahlstelle, etwaige Zahlstellen und die Anleihegläubiger bindend.

(3) Zinsaufschub.

Soweit es sich bei einem Zinszahlungstag nicht um einen Obligatorischen Zinszahlungstag handelt und kein Pflichtaussetzungsereignis vorliegt, sind aufgelaufene Zinsen trotzdem nicht fällig und trotzdem nicht zahlbar, wenn sich die Emittentin für die vollständige oder teilweise Aussetzung aufgelaufener Zinsen entscheidet. Eine solche Nichtzahlung begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet, an einem Zinszahlungstag Zinsen nicht zu zahlen, hat sie dies den Anleihegläubigern gemäß § 10 unter Einhaltung einer Frist von mindestens zehn und höchstens fünfzehn Geschäftstagen vor dem jeweiligen Zinszahlungstag bekannt zu machen.

Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "Zinsrückstände" dar. Zinsrückstände werden nicht verzinst.

(a) Obligatorischer Zinszahlungstag.

Als "Obligatorischer Zinszahlungstag" gilt ein Zinszahlungstag, wenn während der einem solchen Tag vorausgehenden zwölf Monate eines der folgenden Ereignisse eingetreten ist (jeweils ein "Obligatorisches Zahlungseignis"):

- (i) die Aktionäre der Emittentin haben über den Vorschlag des Vorstands der Emittentin, eine Dividende auf eine beliebige Aktiegattung der Emittentin zu zahlen, in der ordentlichen Hauptversammlung beschlossen; oder
- (ii) die Emittentin einen Teil ihres Aktienkapitals zurückgezahlt oder die Emittentin oder eine ihrer Tochtergesellschaften hat ausstehende Aktien der Emittentin zurückgekauft oder diese anderweitig erworben (ausgenommen (i) in Verbindung mit

the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, any Paying Agent and the Holders.

(3) Interest Deferral.

To the extent, an Interest Payment Date is not a Compulsory Interest Payment Date and no Compulsory Deferral Event will have occurred, accrued Interest shall not be due and not be payable if the Issuer elects to defer accrued interest in whole or in part. Such election not to pay Interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides to not pay the interest on an Interest Payment Date, the Issuer shall notify the Holders in accordance with § 10 not less than ten and not more than fifteen Business Days prior to the relevant Interest Payment Date.

Any interest not paid due to such an election of the Issuer shall constitute "Arrears of Interest". Arrears of Interest shall not bear interest themselves.

(a) Compulsory Interest Payment Date.

A "Compulsory Interest Payment Date" shall be deemed to have occurred on an Interest Payment Date, if any of the following events has occurred within a period of twelve months preceding such date (each a "Compulsory Payment Event"):

- (i) the shareholders of the Issuer resolved at the annual general meeting on the proposal by the executive board (*Vorstand*) of the Issuer to pay a dividend on any class of shares of the Issuer; or
- (ii) the Issuer redeemed share capital or the Issuer or any of its subsidiaries repurchased or otherwise acquired any of the outstanding shares of the Issuer (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of

einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten, Führungskräften oder Beratern, (ii) als Ergebnis eines Umtauschs oder einer Wandlung einer Aktiegattung in eine andere oder (iii) falls die Emittentin Aktien als Entgelt für einen Verkauf von Vermögenswerten an Dritte erhalten hat).

employees, officers, directors or consultants, (ii) as a result of the exchange or conversion of one class of shares for another class, or (iii) in the case the Issuer received shares as consideration for a sale of assets to third parties).

(b) Pflichtaussetzungseignis.

(aa) Ein "**Pflichtaussetzungseignis**" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen oder Zinsrückständen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) eine entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder
- (ii) am betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen auf die Schuldverschreibungen zu leisten; oder
- (iii) an oder vor diesem Tag ein Solvenzkapitalereignis eingetreten ist und am betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin am betreffenden Tag eintreten würde, es sei denn, die Zuständige Aufsichtsbehörde hat trotz Solvenzkapitalereignis an oder vor diesem Tag ihre vorherige Zustimmung zur Zahlung der betreffenden Zinsen bzw. Zinsrückstände erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen (falls eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist).

(bb) Definitionen.

Ein "**Insolvenzereignis**" ist in Bezug auf eine

(b) Compulsory Deferral Event.

(aa) A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest or Arrears of Interest is scheduled to be paid under these Terms and Conditions if

- (i) a corresponding payment would result in, or accelerate, the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or
- (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless on or prior to such date the Competent Supervisory Authority has, despite the Solvency Capital Event, given, and not withdrawn by such day, its prior consent to the payment of the relevant interest and Arrears of Interest, respectively (if under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Group).

(bb) Definitions.

An "**Insolvency Event**" will have occurred in

Zahlung von Zinsen, Zinsrückständen oder Kapital auf die Schuldverschreibungen oder einen Rückkauf von Schuldverschreibungen eingetreten, wenn die Emittentin durch die Zahlung bzw. den Rückkauf nach Maßgabe der Anwendbaren Insolvenzrechtlichen Vorschriften insolvent würde.

"Anwendbare Insolvenzrechtliche Vorschriften" bezeichnet die Vorschriften des maßgeblichen Insolvenzrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Gerichtspraxis oder einschlägiger Gerichtsentscheidungen), die jeweils in Bezug auf die Emittentin anwendbar sind.

"Gruppe" bezeichnet die regulatorische Versicherungsgruppe, der die Emittentin nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Vorschriften angehört.

Ein **"Solvenzkapitalereignis"** ist eingetreten

- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin oder die Gruppe nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügen, wie sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften vorgeschrieben sind; und
- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) der Emittentin oder der Gruppe nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften abzudecken, und für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe im Falle einer solchen Unterschreitung eine Aussetzung von Zinszahlungen erforderlich bzw. die Rückzahlung des Kapitals oder der

respect of a payment of interest or Arrears of Interest or principal on the Notes or a repurchase of Notes if the Issuer would become insolvent in accordance with the Applicable Insolvency Regulations as a result thereof.

"Applicable Insolvency Regulations" means the provisions of the relevant insolvency laws and any rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time.

"Group" means the regulatory insurance group of which the Issuer is a part of determined in accordance with the Applicable Supervisory Regulations.

A **"Solvency Capital Event"** will have occurred

- (i) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the Issuer or the Group do not have sufficient funds to cover the required minimum solvency margin (or a comparable term in case of a change in applicable rules) in accordance with Applicable Supervisory Regulations; and
- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the own funds (*Eigenmittel*) (howsoever described in the course of the implementation of the Solvency II Directive) of the Issuer or the Group is not sufficient to cover the relevant solvency capital requirement pursuant to the Applicable Supervisory Regulations (howsoever described in the course of the implementation of the Solvency II Directive) and a deferral of interest is required or, respectively, a repayment of principal or repurchase is prohibited in the case of such insufficiency in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Group.

Rückkauf untersagt ist.

"Solvency II Richtlinie" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und der Kommission vom 25. November 2009 in der jeweils geltenden Fassung und die darauf bezogenen Umsetzungsmaßnahmen der Europäischen Kommission und der EU Mitgliedsstaaten.

"Solvency II Directive" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time and the implementing measures by the European Commission thereunder and the EU member states.

"Anwendbare Aufsichtsrechtliche Vorschriften" bezeichnet die Vorschriften des Versicherungsaufsichtsrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Leitlinien und Empfehlungen der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung, der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen), die hinsichtlich der Einzelsolvabilität der Emittentin und der Gruppensolvabilität der Gruppe anwendbar sind.

"Applicable Supervisory Regulations" means the provisions of insurance supervisory laws and any rules and regulations thereunder (including the guidelines and recommendations of the European Insurance and Occupational Pensions Authority, the administrative practice of the Competent Supervisory Authority and any applicable decision of a court) for the single solvency of the Issuer and the Group solvency purposes.

"Tier 1 Kapital" bezeichnet, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, aufsichtsrechtliches Tier 1 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung).

"Tier 1 Capital" means, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, tier 1 regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive).

"Tier 2 Kapital" bezeichnet, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, aufsichtsrechtliches Tier 2 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung).

"Tier 2 Capital" means, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, tier 2 regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive).

"Zinsperiode" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"Interest Period" means each Fixed Interest Period and each Floating Interest Period.

"Zinszahlungstag" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.

"Interest Payment Date" means each Fixed Interest Payment Date and each Floating Interest Payment Date.

(c) Fakultative Zahlung von Zinsrückständen.

(c) Optional Payment of Arrears of Interest.

Die Emittentin kann ausstehende Zinsrückstände jederzeit ganz oder teilweise nach Mitteilung an die Anleihegläubiger gemäß § 10 bei Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in

The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time on giving not less than 10 nor more than 15 Business Days' notice to the Holders in accordance with § 10 (which notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in that notice (the **"Optional Settlement Date"**)) if the

dieser Mitteilung genannten Zahlungstag (der "**Freiwillige Nachzahlungstag**") zu zahlen) wenn die Nachzahlungsvoraussetzungen vorliegen.

Conditions to Settlement are fulfilled.

Die "**Nachzahlungsvoraussetzungen**" sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn

The "**Conditions to Settlement**" are fulfilled on a day with respect to any payment of Arrears of Interest if

- (i) an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fort dauert; und
- (ii) an oder vor diesem Tag die Zuständige Aufsichtsbehörde ihre Zustimmung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass zu diesem Zeitpunkt die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, und dass eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist.

- (i) on such day no Compulsory Deferral Event has occurred and is continuing; and
- (ii) on or prior to such day the Competent Supervisory Authority has given, and not withdrawn, its consent to the relevant payment, provided that the Solvency II Directive has become part of the Applicable Supervisory Regulations and that under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or of the Group.

(d) Obligatorische Zahlung von Zinsrückständen.

(d) Mandatory Payment of Arrears of Interest.

Die Emittentin ist verpflichtet, ausstehende Zinsrückstände (vollständig, und nicht teilweise) am früheren der folgenden Tage zu zahlen (der "**Pflichtnachzahlungstag**"):

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) at the earlier of the following dates (the "**Compulsory Settlement Date**"):

- (i) der Tag, an dem ein Obligatorisches Zahlungsereignis eintritt, sofern die Nachzahlungsvoraussetzungen vorliegen;
- (ii) der Fälligkeitstag;
- (iii) der Tag, an dem eine Verfügung zur Abwicklung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen

- (i) the date on which a Compulsory Payment Event occurs, provided that the Conditions to Settlement are fulfilled;
- (ii) the Maturity Date;
- (iii) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

der Emittentin übernimmt).

(e) Nachzahlungsvoraussetzungen nicht erfüllt.

Falls an einem Freiwilligen Nachzahlungstag oder einem Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag nicht fällig, sondern bleiben bis zum nächsten Zinszahlungstag, an dem die Nachzahlungsvoraussetzungen erfüllt sind, ausstehend. Die Emittentin wird die Anleihegläubiger gemäß § 10 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(4) Ende der Verzinsung und Verzugszinsen.

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden, oder, sollte die Emittentin eine Zahlung aus diesen Schuldverschreibungen bei Fälligkeit nicht leisten, mit Beginn des Tages der tatsächlichen Zahlung. Der jeweils anzuwendende Zinssatz wird gemäß diesem § 3 bestimmt.

§ 4

(Rückzahlung und Rückkauf)

(1) Rückzahlung bei Endfälligkeit.

Soweit nicht zuvor bereits zurückgezahlt, werden die Schuldverschreibungen am Fälligkeitstag zu ihrem Rückzahlungsbetrag nebst bis zum Fälligkeitstag (ausschließlich) aufgelaufener Zinsen sowie etwaiger ausstehender Zinsrückstände zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibung.

"**Fälligkeitstag**" bezeichnet,

(e) Conditions to Settlement not fulfilled.

If on an Optional Settlement Date or a Compulsory Settlement Date the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Compulsory Settlement Date, as the case may be, but will remain outstanding until the next Interest Payment Date on which the Conditions to Settlement are met. The Issuer will give notice to the Holders regarding the non-fulfillment of the Conditions to Settlement in accordance with § 10 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Compulsory Settlement Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(4) End of interest bearing period and default interest.

The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. The respective rate of interest shall be determined pursuant to this § 3.

§ 4

(Redemption and Purchase)

(1) Redemption at Maturity.

Unless previously redeemed, the Notes shall be redeemed on the Maturity Date at their Final Redemption Amount plus any interest accrued to the Maturity Date (excluding) and any outstanding Arrears of Interest. The "**Final Redemption Amount**" in respect of each Note shall be its principal amount.

"**Maturity Date**" means

(a) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, den in den Juli 2044 fallenden Variablen Zinszahlungstag;

(b) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist

(i) und die Rückzahlungsbedingungen vorliegen, den in den Juli 2044 fallenden Variablen Zinszahlungstag;

(ii) andernfalls den ersten Variablen Zinszahlungstag nach dem in den Juli 2044 fallenden Variablen Zinszahlungstag, an dem die Rückzahlungsbedingungen erfüllt sind.

(2) Rückkauf.

(a) Vorbehaltlich der Erfüllung der Rückzahlungsbedingungen können die Emittentin, die Muttergesellschaft der Emittentin oder jede ihrer jeweiligen Tochtergesellschaften unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

(b) Rückzahlungsbedingungen müssen im Fall von Rückkäufen, soweit Tochterunternehmen der Emittentin oder der Muttergesellschaft der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Sondervermögen (im Sinne des § 1 Absatz 10 Kapitalanlagegesetzbuch) erwerben, nicht erfüllt sein, es sei denn (i) die Schuldverschreibungen werden durch das jeweilige Tochterunternehmen für Rechnung der Emittentin oder einer anderen Tochtergesellschaft der Emittentin bzw. der Muttergesellschaft der Emittentin erworben oder (ii) die Anteile an dem Sondervermögen werden mehrheitlich von der Emittentin oder einer ihrer Tochtergesellschaften bzw. einer Tochtergesellschaften der Muttergesellschaft der Emittentin gehalten.

(3) *Kündigungsrecht und Vorzeitige Rückzahlung nach Wahl der Emittentin am Ersten Rückzahlungstag oder an jedem danach folgenden Variablen Zinszahlungstag.*

(a) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Floating Interest Payment Date falling in July 2044;

(b) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations,

(i) and the Conditions to Redemption being fulfilled on the Floating Interest Payment Date falling in July 2044;

(ii) otherwise the first Floating Interest Payment Date following the Floating Interest Payment Date falling in July 2044 on which the Conditions to Redemption are fulfilled.

(2) Repurchase.

(a) Subject to the Conditions to Redemption being fulfilled, the Issuer, the ultimate parent company of the Issuer or any of their respective subsidiaries, may in compliance with applicable laws at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

(b) The Conditions to Redemption do not have to be fulfilled for purchases made by subsidiaries of the Issuer or of the ultimate parent company of the Issuer for the account of a third party or funds (as defined in § 1 para. 10 Capital Investment Act (*Kapitalanlagegesetzbuch*)), unless (i) such subsidiary purchases the Notes for the account of the Issuer or one of the other subsidiaries of the Issuer or, as the case may be, the ultimate parent company of the Issuer, or (ii) the majority of the shares in the relevant fund are held by the Issuer or one of its subsidiaries or, as the case may be, one of the subsidiaries of the ultimate parent company of the Issuer.

(3) *Issuer Call Right and Early Redemption at the Option of the Issuer on the First Call Date or on any Floating Interest Payment Date thereafter.*

Die Emittentin kann die Schuldverschreibungen vorbehaltlich der Erfüllung der Rückzahlungsbedingungen nach unwiderruflicher Kündigungsmitteilung an die Anleihegläubiger gemäß § 10 unter Einhaltung einer Frist von mindestens 30 und höchstens 60 Tagen kündigen und am Ersten Rückzahlungstag (insgesamt und nicht teilweise) oder an jedem danach folgenden Variablen Zinszahlungstag zum Rückzahlungsbetrag zuzüglich der bis zu diesem Tag (ausschließlich) aufgelaufenen Zinsen sowie aller ausstehender Zinsrückstände zurückzahlen.

(4) Vorzeitige Rückzahlung nach Eintritt eines Quellensteuerereignisses, eines Steuerereignisses, Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses.

(a) Bei Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses bis zum Ersten Rückzahlungstag ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen jederzeit berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) durch eine unwiderrufliche Mitteilung gemäß § 10 unter Einhaltung einer Frist von mindestens 30 und höchstens 60 Tage mit Wirkung zu dem in der Mitteilung für die Rückzahlung festgelegten Tag zu kündigen und zurückzahlen.

Sofern die Rückzahlungsbedingungen an dem in der Mitteilung für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin im Falle einer solchen Kündigung verpflichtet, die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Rückzahlungsbetrag zuzüglich der bis zu diesem Tag (ausschließlich) aufgelaufenen Zinsen sowie aller ausstehender Zinsrückstände zurückzuzahlen.

(b) Im Fall eines Quellensteuerereignisses kann eine Kündigungsmitteilung nicht früher als 90 Tage vor dem ersten Tag gemacht werden, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen zusätzlichen Beträge (wie in § 6 beschrieben) in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen.

Im Fall des Eintritts eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses ist die Emittentin nicht zur Kündigung berechtigt,

The Issuer may subject to the Conditions to Redemption being fulfilled upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Holders in accordance with § 10 call and redeem the Notes (in whole but not in part) on the First Call Date and on any Floating Interest Payment Date thereafter at their Final Redemption Amount plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest.

(4) Early Redemption following a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event.

(a) If either a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event occurs until the First Call Date, the Issuer may subject to the Conditions to Redemption being fulfilled, and upon giving of not less than 30 and not more than 60 days' irrevocable notice in accordance with § 10, call and redeem the Notes (in whole but not in part) with effect as of the date fixed for redemption in the notice.

In the case such notice is given, and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice, the Issuer shall redeem the Notes on the specified redemption date at their Final Redemption Amount plus any interest accrued until such date (exclusive) and any outstanding Arrears of Interest.

(b) In the case of a Gross-up Event no notice of redemption may be given earlier than 90 days prior to the earliest day on which the Issuer would be for the first time obliged to pay the Additional Amounts (as described in § 6) in question on payments due in respect of the Notes.

In the case of an Accounting Event or a Rating Agency Event, there shall be no right of the Issuer to call the Notes for redemption if the

wenn die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist und ein solches Kündigungsrecht die Einbeziehung der Schuldverschreibung in die Berechnung der Eigenmittel der Emittentin oder der Gruppe mindestens als Tier 2 Kapital oder deren Qualifikation als Tier 2 Kapital nach den Anwendbaren Aufsichtsrechtlichen Vorschriften verhindert.

Solvency II Directive has become part of the Applicable Supervisory Regulations and such call right would prevent the inclusion of the Notes in the determination of the own funds (*Eigenmittel*) of the Issuer or the Group at least as Tier 2 Capital or their qualification as Tier 2 Capital under the Applicable Supervisory Regulations.

Im Fall eines Ratingagenturereignisses kann eine Kündigungsmitteilung nur zeitgleich mit oder nach einer Mitteilung der Emittentin über den Eintritt eines Ratingagenturereignisses nach Maßgabe von § 10 gemacht werden.

In the case of a Rating Agency Event a notice of redemption may only be given simultaneously with or after a notification by the Issuer in accordance with § 10 that a Rating Agency Event has occurred.

(c) Quellensteuerereignisereignis.

Ein "**Quellensteuerereignis**" liegt vor, wenn der Emittentin ein Gutachten eines angesehenen externen Rechtsberaters vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon übermittelt bzw. deren Übermittlung veranlasst hat), aus dem hervorgeht, dass die Emittentin aufgrund einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Begebungstag wirksam wird und die Emittentin diese Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

(c) Gross-up Event.

A "**Gross-up Event**" will have occurred if an opinion of an external legal adviser of recognised standing has been delivered to the Issuer (and the Issuer has delivered or procured that there is delivered to the Principal Paying Agent a copy thereof) stating that the Issuer as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereof, or therein, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), has or will become obliged to pay Additional Amounts pursuant to § 6 provided that the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

(d) Steuerereignis.

Ein "**Steuerereignis**" liegt vor, wenn der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Begebungstag als Folge:

- (i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen

(d) Tax Event.

A "**Tax Event**" shall occur if an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of

oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Begebungstag erlassen, verkündet oder anderweitig wirksam wird; oder

(ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Begebungstag erlassen, verkündet oder anderweitig wirksam wird; oder

(iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Begebungstag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht;

Germany or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date;

Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin nicht mehr für die Zwecke der deutschen Körperschaftsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for German corporate income tax purposes and such risk cannot be avoided by the Issuer taking reasonable measures available to it.

(e) Aufsichtsrechtliches Ereignisses.

Ein "Aufsichtsrechtliches Ereignis" liegt vor, wenn

(i) an oder nach dem Tag der Begebung der Schuldverschreibungen, und bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften die Schuldverschreibungen (insgesamt oder teilweise) nicht länger die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel für

(e) Regulatory Event.

A "Regulatory Event" shall occur if

(i) on or after the date of issue of the Notes, and prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Competent Supervisory Authority states in writing to the Issuer that under Applicable Supervisory Regulations the Notes (in whole or in part) no longer fulfill the requirements for the inclusion in the determination of the own funds (*Eigenmittel*) for single solvency of the Issuer or group solvency purposes of the Group and that was not reasonably

Zwecke der Ermittlung der Einzel solvabilität der Emittentin oder der Gruppensolvabilität der Gruppe erfüllen und dies am Begebungstag der Schuldverschreibungen für die Emittentin vernünftigerweise nicht vorhersehbar war, es sei denn, dies beruht auf Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in die Eigenmittel aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften; dies gilt nur, wenn die Schuldverschreibungen diese Anforderungen vor dieser Feststellung erfüllt hatten; oder

- (ii) es, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zulässig ist, für Eigenmittelzwecke der Emittentin oder der Gruppe Tier 2 Kapital vorzuhalten, und die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen (insgesamt oder teilweise) nicht die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel mindestens als Tier 2 Kapital für Zwecke der Ermittlung der Einzel solvabilität der Emittentin oder der Gruppensolvabilität der Gruppe erfüllen oder sie derartige Anforderungen nicht länger erfüllen, nachdem sie diese Anforderungen nach der Umsetzung der Solvency II Richtlinie zunächst erfüllt hatten und dies am Begebungstag der Schuldverschreibungen für die Emittentin vernünftigerweise nicht vorhersehbar war, es sei denn, dies beruht allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in das Tier 2 Kapital der Emittentin oder der Gruppe aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften.

foreseeable by the Issuer on the Issue Date of the Notes, except where this is the result of exceeding any applicable limits on the inclusion of the Notes in the own funds (*Eigenmittel*) pursuant to the Applicable Supervisory Regulations; this applies only if prior to such statement the Notes did fulfill such requirements; or

- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, it is permitted under the Applicable Supervisory Regulations to use Tier 2 Capital for regulatory capital purposes of the Issuer or the Group, and the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations (including the transitional provisions) the Notes (in whole or in part) would not be eligible to qualify for the inclusion in the determination of the own funds (*Eigenmittel*) at least as Tier 2 Capital for single solvency purposes of the Issuer or for group solvency purposes of the Group, or that they no longer fulfill such requirements provided that upon implementation of the Solvency II Directive the Notes did fulfill such requirements and that was not reasonably foreseeable by the Issuer on the Issue Date of the Notes, except where this is merely the result of exceeding any applicable limits on the inclusion of the Notes in the Tier 2 Capital of the Issuer or the Group pursuant to the Applicable Supervisory Regulations.

(f) Rechnungslegungereignis.

Ein "Rechnungslegungereignis" tritt ein, wenn der Emittent ein Gutachten einer anerkannten unabhängigen Wirtschaftsprüfungsgesellschaft vorliegt (und die Emittent der Hauptzahlstelle eine Kopie davon übermittelt bzw. deren Übermittlung veranlasst hat), aus dem hervorgeht, dass die Emittent aufgrund einer an oder nach dem Begebungstag der Schuldverschreibungen in Kraft tretenden Änderung der Anwendbaren Rechnungslegungsvorschriften die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Jahresabschluss bzw. Konzernabschluss der Emittent oder Konzernabschluss der Muttergesellschaft der Emittent nicht bzw. nicht mehr als Verbindlichkeiten in der Bilanz ausweisen kann und die Emittent dies nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

"Anwendbare Rechnungslegungsvorschriften" bezeichnet die Vorschriften gemäß Handelsgesetzbuch (HGB) sowie die International Financial Reporting Standards (IFRS) wie sie zu den jeweiligen Stichtagen und für die jeweiligen Rechnungslegungsperioden anwendbar sind, oder andere, von der Emittent bzw. der Muttergesellschaft der Emittent anzuwendende, in der Bundesrepublik Deutschland allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft ersetzen.

(g) Ratingagenturereignis.

Ein "Ratingagenturereignis" tritt ein, wenn sich aufgrund einer an oder nach dem Begebungstag der Schuldverschreibungen in Kraft tretenden Änderung der Rating-Methodologie (oder deren Auslegung) die Behandlung der Schuldverschreibungen für die Bemessung der Kapitalisierung der Emittent oder der Gruppe durch eine Ratingagentur von Standard & Poor's Rating Services, eine Abteilung der The McGraw Hill Companies, Inc. (oder eine jeweiligen Nachfolgerin), nach begründeter Auffassung der Emittent erheblich verschlechtert.

(5) Rückzahlungsbedingungen.

Die "Rückzahlungsbedingungen" sind an einem Tag in Bezug auf eine vorgesehene

(f) Accounting Event.

An "Accounting Event" will occur if an opinion of a recognised independent accounting firm has been delivered to the Issuer and the Issuer has delivered or procured that there is delivered to the Principal Paying Agent a copy thereof stating that as a result of any change in or amendment to the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Notes, the Issuer must not or must no longer record the obligations under the Notes for the payment of principal as liabilities on the balance sheet prepared in accordance with Applicable Accounting Standards for purposes of the Issuer's published annual financial statements or, as the case may be, the Issuer's published consolidated annual financial statement or published consolidated annual financial statement of the ultimate parent company of the Issuer and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate:

"Applicable Accounting Standards" means the provisions of the German Commercial Code (*Handelsgesetzbuch – HGB*) and the International Financial Reporting Standards (IFRS) as applicable at the relevant dates and for the relevant periods, or other accounting principles generally accepted in the Federal Republic of Germany and applied by the Issuer or the ultimate parent company of the Issuer, as the case may be, which subsequently supersede them.

(g) Rating Agency Event.

A "Rating Agency Event" will occur if, as a consequence of a change in the rating methodology (or the interpretation thereof) of a rating agency of Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., or any respective successor, which change or amendment becomes effective on or after the Issue Date of the Notes, the capital treatment of the Notes for the Issuer or the Group worsens in the reasonable opinion of the Issuer materially unfavorable.

(5) Conditions to Redemption.

The "Conditions to Redemption" are fulfilled on any day with respect to a scheduled

Kündigung und Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn

(a) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, im Fall einer Rückzahlung bzw. eines Rückkaufs der Schuldverschreibungen vor dem Ersten Rückzahlungstag der zurück zu erstattende oder zurück zu kaufende gesamte Nennbetrag der Schuldverschreibungen durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückzahlung bzw. dem Rückkauf zustimmt; oder

(b) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist,

(i) die Zahlung des Rückzahlungsbetrages bzw. der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(ii) kein Solvenzkapitalereignis eingetreten ist und fort dauert oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn, die Zuständige Aufsichtsbehörde hat trotz Solvenzkapitalereignis ihre vorherige Zustimmung zur Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen (falls eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist); und

(iii) die Zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat (falls ein solcher Zustimmungsvorbehalt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder der Gruppe mindestens als Tier 2 Kapital nach den

redemption or a planned repurchase of the Notes, if

(a) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations in the event of a redemption or the repurchase of the Notes prior to the First Call Date the repaid or repurchased total principal amount of Notes have been replaced by other at least equivalent own funds (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority has given its consent to the redemption or the repurchase; or

(b) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations,

(i) the payment of the Final Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption by the Issuer or the repurchase of the Notes, unless the Competent Supervisory Authority has despite the Solvency Capital Event, given, and not withdrawn by such date, its prior consent to the redemption of the Notes and the payment of the Final Redemption Amount or to the repurchase of the Notes (if under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Group) and

(iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Notes and the payment of the Final Redemption Amount or to the repurchase of the Notes (if under the Applicable Supervisory Regulations such consent is required in order for the Notes to be recognised in the determination of the own funds (*Eigenmittel*) of the Issuer or the Group at least as Tier 2 Capital

Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist, oder, in dem Fall einer Rückzahlung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Zustimmungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war); und

- (iv) im Falle einer Rückzahlung bzw. eines Rückkaufs der Schuldverschreibungen vor dem Ersten Rückzahlungstag das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist (falls ein solcher Ersetzungsvorbehalt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder der Gruppe mindestens als Tier 2 Kapital nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist, oder, in dem Fall einer Rückzahlung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Ersetzungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war).

under the Applicable Supervisory Regulations (including the transitional provisions), or, in the case of a redemption following a Regulatory Event, such consent had been required immediately before such Regulatory Event occurred); and

- (iv) in the event of a redemption or the repurchase of the Notes prior to the First Call Date the capital has been replaced by other at least equivalent own funds (*Eigenmittel*) (if such replacement is required in order for the Notes to be recognised in the determination of the own funds (*Eigenmittel*) of the Issuer or the Group at least as Tier 2 Capital under the Applicable Supervisory Regulations (including the transitional provisions), or, in the case of a redemption following a Regulatory Event, such replacement had been required immediately before such Regulatory Event occurred).

(6) Keine Rückzahlung nach Wahl des Anleihegläubigers.

Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.

(6) No early redemption at the option of a Holder.

The Holders shall not be entitled to put the Notes for early redemption at any time.

**§ 5
(Zahlungen)**

(1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber und im Fall von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 1(2)(b). Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin

**§ 5
(Payments)**

(1) The Issuer undertakes to pay, as and when due, principal and interest as well as all other amounts payable on the Notes in euro. Payment of principal and interest on the Notes shall be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective accountholders and, in the case of payments of interest on Notes represented by the Temporary Global Note, upon due certification as provided in § 1(2)(b). Payments to the Clearing System or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes.

in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.

(2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag (außer im Fall von § 3(2)(b)); die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

(3) Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.

Unbeschadet der übrigen Bestimmungen in diesen Anleihebedingungen erfolgen die Lieferung oder Kapitalrückzahlungen oder Zinszahlungen bezüglich der Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten.

**§ 6
(Besteuerung)**

(1) Zusätzliche Beträge.

Sämtliche auf die Wertpapiere zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art durch die Emittentin zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person zu zahlen oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin bei den von ihr zu leistenden

(2) If the due date for any payment of principal and/or interest is not a Business Day, payment shall be effected only on the next Business Day (except as provided in § 3(2)(b)). The Holders shall have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

(3) No Delivery or Payment Except outside United States.

Notwithstanding any other provision of these Terms and Conditions, no delivery or payment of principal or interest in respect of the Notes, whether in cash or otherwise, shall be made unless such payment is made outside the United States.

**§ 6
(Taxation)**

(1) Additional Amounts.

All amounts payable in respect of the Notes shall be made by the Issuer 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. In such event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction. No such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest

Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder made by it, or

(b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or

(c) als unmittelbare oder mittelbare Folge (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

(c) are deducted or withheld as a direct or indirect consequence of (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding.

(2) Andere Steuerrechtsordnung.

Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 6 auf die Rechtsordnung der Emittentin als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

(2) Other Tax Jurisdiction.

If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 6 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).

(3) Bezugnahmen.

Jede Bezugnahme in diesen Anleihebedingungen auf "*Kapital*" und/oder "*Zinsen*" im Hinblick auf die Schuldverschreibungen bezieht sich auch auf die Zusätzlichen Beträge, die nach diesem § 6 zu zahlen sind. Soweit sich aus dem Zusammenhang nichts anderes ergibt, beinhalten die Bezugnahmen in diesen Anleihebedingungen auf "*Kapital*" jeden Rückzahlungsbetrag und alle anderen Beträge, die nach diesen Anleihebedingungen ihrer Natur gemäß als Kapital anzusehen sind. Die Bezugnahmen auf "*Zinsen*" beinhalten alle Beträge, die gemäß § 3 zu zahlen sind und alle anderen Beträge, die nach diesen Anleihebedingungen ihrer Natur gemäß Zinsen sind.

(3) References.

Any reference in these Terms and Conditions to "*principal*" and/or "*interest*" in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this § 6. Unless the context otherwise requires, any reference in these Conditions of Issue to "*principal*" shall include any redemption amount and any other amounts in the nature of principal payable pursuant to these Conditions of Issue and "*interest*" shall include all amounts payable pursuant to § 3 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

**§ 7
(Vorlegungsfrist)**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert.

**§ 7
(Presentation Period)**

The period for presentation of the Notes will be reduced to ten years.

**§ 8
(Zahlstellen und Berechnungsstellen)**

(1) Bestellung.

Die Emittentin hat die Deutsche Bank Aktiengesellschaft, Trust & Securities Services, Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Bundesrepublik Deutschland, als Hauptzahlstelle und Berechnungsstelle (die "**Hauptzahlstelle**" oder "**Berechnungsstelle**") bestellt.

(2) Änderung oder Beendigung der Bestellung.

Die Emittentin behält sich das Recht vor, jederzeit eine weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") oder eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu beenden und zusätzliche oder Nachfolge-Zahlstellen bzw. Berechnungsstellen zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebene Geschäftsstellen oder die Berechnungsstelle unverzüglich gemäß § 10 mitgeteilt.

(3) Status der beauftragten Stellen.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

**§ 8
(Paying Agents and Calculation Agents)**

(1) Appointment.

The Issuer has appointed Deutsche Bank Aktiengesellschaft, Trust & Securities Services, Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Trust & Securities Services, Federal Republic of Germany, as principal paying agent and calculation agent (the "**Principal Paying Agent**" or "**Calculation Agent**").

(2) Variation or Termination of Appointment.

The Issuer reserves the right at any time to appoint an additional paying agent (together with the Principal Paying Agent, the "**Paying Agents**", and each a "**Paying Agent**") or to vary or terminate the appointment of any Paying Agent or Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent. Notice of any change in the Paying Agents or Calculation Agent or in the specified office of any Paying Agent or in the Calculation Agent will be given without undue delay to the Holders pursuant to § 10.

(3) Status of the Agents.

The Paying Agents and Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Holders.

**§ 9
(Aufstockung)**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (oder mit abweichender Ausstattung, sofern sich diese Abweichung nur auf die erste Zinszahlung und/oder den Ausgabepreis bezieht) wie diese Schuldverschreibungen begeben, so dass die neu begebenen Schuldverschreibungen mit diesen eine einheitliche Serie bilden.

**§ 10
(Mitteilungen)**

(1) Bekanntmachungen.

Solange die Schuldverschreibungen auf der offiziellen Liste der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, erfolgen alle die Schuldverschreibungen betreffenden Mitteilungen durch elektronische Publikation auf der Internetseite der Luxemburger Börse (www.bourse.lu). Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) Mitteilungen an das Clearingsystem.

Zusätzlich wird die Emittentin alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

**§ 11
(Schlussbestimmungen)**

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

(2) Gerichtsstand. Nicht-ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ist Frankfurt am Main.

(3) Erfüllungsort.

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

**§ 9
(Increase)**

The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest and the issue price, if any) so as to form a single series with the Notes.

**§ 10
(Notices)**

(1) Publications.

For as long as Notes are listed on the official list of and admitted to trading on the regulated market of the Luxembourg Stock Exchange, all notices concerning the Notes shall be made by means of electronic publication on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given to the Holders on third day following the date of such publication.

(2) Notification to Clearing System.

In addition the Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day following the day on which the said notice was given to the Clearing System.

**§ 11
(Final Provisions)**

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

(2) Submission to Jurisdiction. The place of non-exclusive jurisdiction for any action or other legal proceedings or in connection with the Notes shall be Frankfurt am Main.

(3) Place of Performance.

Place of performance shall be Frankfurt am Main, Federal Republic of Germany.

(4) Geltendmachung von Rechten.

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

**§ 12
(Sprache)**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

(4) Enforcement.

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

**§ 12
(Language)**

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

§ 13

(Definitionen und Auslegung)

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

"**Anleihegläubiger**" hat die in § 1(4) festgelegte Bedeutung.

"**Anwendbare Aufsichtsrechtliche Vorschriften**" hat die in § 3(3)(b)(bb) festgelegte Bedeutung.

"**Anwendbare Insolvenzrechtliche Vorschriften**" hat die in § 3(3)(b)(bb) festgelegte Bedeutung.

"**Anwendbare Rechnungslegungsvorschriften**" hat die in § 4(4)(f) festgelegte Bedeutung.

"**Aufsichtsrechtliches Ereignis**" hat die in § 4(4)(e) festgelegte Bedeutung.

"**Austauschtag**" hat die in § 1(2)(b) festgelegte Bedeutung.

"**Begebungstag**" hat die in § 1(1) festgelegte Bedeutung.

"**Berechnungsstelle**" hat die in § 8(1) festgelegte Bedeutung.

"**Bildschirmseite**" hat die in § 3(2)(c) festgelegte Bedeutung.

"**CBL**" hat die in § 1(3) festgelegte Bedeutung.

"**Clearingsystem**" hat die in § 1(3) festgelegte Bedeutung.

"**Dauerglobalurkunde**" hat die in § 1(2)(a) festgelegte Bedeutung.

"**Depotbank**" hat die in § 11(4) festgelegte Bedeutung.

"**Emittentin**" hat die in § 1(1) festgelegte Bedeutung.

"**Erster Rückzahlungstag**" hat die in § 3(1) festgelegte Bedeutung.

"**EUR**" hat die in § 1(1) festgelegte Bedeutung.

§ 13

(Definitions and Interpretation)

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

"**Holder**" has the meaning specified in § 1(4).

"**Applicable Supervisory Regulations**" has the meaning specified in § 3(3)(b)(bb).

"**Applicable Insolvency Regulations**" has the meaning specified in § 3(3)(b)(bb).

"**Applicable Accounting Standards**" has the meaning specified in § 4(4)(f).

"**Regulatory Event**" has the meaning specified in § 4(4)(e).

"**Exchange Date**" has the meaning specified in § 1(2)(b).

"**Issue Date**" has the meaning specified in § 1(1).

"**Calculation Agent**" has the meaning specified in § 8(1).

"**Screen Page**" has the meaning specified in § 3(2)(c).

"**CBL**" has the meaning specified in § 1(3).

"**Clearing System**" has the meaning specified in § 1(3).

"**Permanent Global Note**" has the meaning specified in § 1(2)(a).

"**Custodian**" has the meaning specified in § 11(4).

"**Issuer**" has the meaning specified in § 1(1).

"**First Call Date**" has the meaning specified in § 3(1).

"**EUR**" has the meaning specified in § 1(1).

"Euroclear" hat die in § 1(3) festgelegte Bedeutung.	"Euroclear" has the meaning specified in § 1(3).
"Euro-Zone" hat die in § 3(2)(c) festgelegte Bedeutung.	"Euro-Zone" has the meaning specified in § 3(2)(c).
"Fälligkeitstag" hat die in § 4(1) festgelegte Bedeutung.	"Maturity Date" has the meaning specified in § 4(1).
"festgelegte Währung" hat die in § 1(1) festgelegte Bedeutung.	"Specified Currency" has the meaning specified in § 1(1).
"Festzinsperiode" hat die in § 3(1) festgelegte Bedeutung.	"Fixed Rate Interest Period" has the meaning specified in § 3(1).
"Festzinszahlungstag" hat die in § 3(1) festgelegte Bedeutung.	"Fixed Interest Payment Date" has the meaning specified in § 3(1).
"Freiwilliger Nachzahlungstag" hat die in § 3(3)(c) festgelegte Bedeutung.	"Optional Settlement Date" has the meaning specified in § 3(3)(c).
"Gesamtnennbetrag" hat die in § 1(1) festgelegte Bedeutung.	"Aggregate Principal Amount" has the meaning specified in § 1(1).
"Geschäftstag" hat die in § 3(2)(b) festgelegte Bedeutung.	"Business Day" has the meaning specified in § 3(2)(b).
"Gleichrangige Wertpapiere" hat die in § 2(1) festgelegte Bedeutung.	"Parity Securities" has the meaning specified in § 2(1).
"Globalurkunden" hat die in § 1(2)(a) festgelegte Bedeutung.	"Global Notes" has the meaning specified in § 1(2)(a).
"Gruppe" hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	"Group" has the meaning specified in § 3(3)(b)(bb).
"Hauptzahlstelle" hat die in § 8(1) festgelegte Bedeutung.	"Principal Paying Agent" has the meaning specified in § 8(1).
"Insolvenzereignis" hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	"Insolvency Event" has the meaning specified in § 3(3)(b)(bb).
"Marge" hat die in § 3(2)(c) festgelegte Bedeutung.	"Margin" has the meaning specified in § 3(2)(c).
"Nachzahlungsvoraussetzungen" hat die in § 3(3)(c) festgelegte Bedeutung.	"Conditions to Settlement" has the meaning specified in § 3(3)(c).
"Nennbetrag" hat die in § 1(1) festgelegte Bedeutung.	"Principal Amount" has the meaning specified in § 1(1).
"Obligatorischer Zinszahlungstag" hat die in § 3(3)(a) festgelegte Bedeutung.	"Compulsory Interest Payment Date" has the meaning specified in § 3(3)(a).
"Obligatorisches Zahlungsereignis" hat die in § 3(3)(a) festgelegte Bedeutung.	"Compulsory Payment Event" has the meaning specified in § 3(3)(a).
"Pflichtaussetzungsereignis" hat die in § 3(3)(b)(aa) festgelegte Bedeutung.	"Compulsory Deferral Event" has the meaning specified in § 3(3)(b).

" Pflichtnachzahlungstag " hat die in § 3(3)(d) festgelegte Bedeutung.	" Compulsory Settlement Date " has the meaning specified in § 3(3)(d).
" Quellensteuerereignis " hat die in § 4(4)(c) festgelegte Bedeutung.	" Gross-Up-Event " has the meaning specified in § 4(4)(c).
" Ratingagenturereignis " hat die in § 4(4)(g) festgelegte Bedeutung.	" Rating Agency Event " has the meaning specified in § 4(4)(g).
" Rechnungslegungsergebnis " hat die in § 4(4)(f) festgelegte Bedeutung.	" Accounting Event " has the meaning specified in § 4(4)(f).
" repräsentativer Betrag " hat die in § 3(2)(c) festgelegte Bedeutung.	" representative amount " has the meaning specified in § 3(2)(c).
" Rückzahlungsbedingungen " hat die in § 4(5) festgelegte Bedeutung.	" Conditions to Redemption " has the meaning specified in § 4(5).
" Rückzahlungsbetrag " hat die in § 4(1) festgelegte Bedeutung.	" Final Redemption Amount " has the meaning specified in § 4(1).
" Schuldverschreibungen " hat die in § 1(1) festgelegte Bedeutung.	" Notes " has the meaning specified in § 1(1).
" Solvency II Richtlinie " hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	" Solvency II Directive " has the meaning specified in § 3(3)(b)(bb).
" Solvvenzkapitalereignis " hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	" Solvency Capital Event " has the meaning specified in § 3(3)(b)(bb).
" Steuerereignis " hat die in § 4(4)(d) festgelegte Bedeutung.	" Tax Event " has the meaning specified in § 4(4)(d).
" TARGET " hat die in § 3(2)(b) festgelegte Bedeutung.	" TARGET " has the meaning specified in § 3(2)(b).
" Tier 1 Kapital " hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	" Tier 1 Capital " has the meaning specified in § 3(3)(b)(bb).
" Tier 2 Kapital " hat die in § 3(3)(b)(bb) festgelegte Bedeutung.	" Tier 2 Capital " has the meaning specified in § 3(3)(b)(bb).
" Variable Zinsperiode " hat die in § 3(2)(b) festgelegte Bedeutung.	" Floating Interest Period " has the meaning specified in § 3(2)(b).
" Variabler Zinsbetrag " hat die in § 3(2)(d) festgelegte Bedeutung.	" Floating Rate Interest Amount " has the meaning specified in § 3(2)(d).
" Variabler Zinssatz " hat die in § 3(2)(c) festgelegte Bedeutung.	" Floating Rate of Interest " has the meaning specified in § 3(2)(c).
" Variabler Zinszahlungstag " hat die in § 3(2)(b) festgelegte Bedeutung.	" Floating Interest Payment Date " has the meaning specified in § 3(2)(b).
" Vereinigte Staaten " hat die in § 1(2)(a) festgelegte Bedeutung.	" United States " has the meaning specified in § 1(2)(a).
" Vorrangige Verbindlichkeiten der Emittentin "	" Issuer's Senior Ranking Debt " has the

hat die in § 2(1) festgelegte Bedeutung.

meaning specified in § 2(1).

"**Vorläufige Globalurkunde**" hat die in § 1(2)(a) festgelegte Bedeutung.

"**Temporary Global Note**" has the meaning specified in § 1(2)(a).

"**Zahlstelle**" hat die in § 8(2) festgelegte Bedeutung.

"**Paying Agent**" has the meaning specified in § 8(2).

"**Zahlstellen**" hat die in § 8(2) festgelegte Bedeutung.

"**Paying Agents**" has the meaning specified in § 8(2).

"**Zinsberechnungszeitraum**" hat die in § 3(2)(d) festgelegte Bedeutung.

"**Calculation Period**" has the meaning specified in § 3(2)(d).

"**Zinsfestsetzungstag**" hat die in § 3(2)(c) festgelegte Bedeutung.

"**Interest Determination Date**" has the meaning specified in § 3(2)(c).

"**Zinsperiode**" hat die in § 3(3)(b)(bb) festgelegte Bedeutung.

"**Interest Period**" has the meaning specified in § 3(3)(b)(bb).

"**Zinsrückstände**" hat die in § 3(3) festgelegte Bedeutung.

"**Arrears of Interest**" has the meaning specified in § 3(3).

"**Zinstagequotient**" hat die in § 3(2)(d) festgelegte Bedeutung.

"**Day Count Fraction**" has the meaning specified in § 3(2)(d).

"**Zinszahlungstag**" has the meaning specified in § 3(3)(b)(bb).

"**Interest Payment Date**" has the meaning specified in § 3(3)(b)(bb).

"**Zusätzliche Beträge**" hat die in § 6(1) festgelegte Bedeutung.

"**Additional Amounts**" has the meaning specified in § 6(1).

"**Zuständige Aufsichtsbehörde**" hat die in § 2(2) festgelegte Bedeutung.

"**Competent Supervisory Authority**" has the meaning specified in § 2(2).

CONSENT TO THE USE OF THE PROSPECTUS

Each Manager and/or further financial intermediary subsequently reselling or finally placing the Notes is entitled to use the Prospectus in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and the Republic of Austria for the subsequent resale or final placement of the Notes during the period from 6 May 2014 to 12 May 2014 during which subsequent resale or final placement of the Notes can be made, provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Act which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus will be available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

When using the Prospectus, each Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a Manager and/or further financial intermediary, the Manager and/or further financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.

Any Manager and/or further financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with the consent of the Issuer and the conditions attached to this consent.

THE ISSUER AND WÜRTTLEBEN GROUP

Incorporation

Württembergische Lebensversicherung AG ("**WürttLeben**" or the "**Issuer**") is a stock corporation organised under the laws of Germany and is recorded in the commercial register of the local court of Stuttgart under HRB 280. The roots of WürttLeben go back to the year 1833 when Allgemeine Rentenanstalt zu Stuttgart ("**ARA**") was founded and, as the first company in Germany, was allowed to engage in the annuity insurance business. After the First World War, ARA concentrated on the life assurance business. On 27 October 1923, ARA was transformed into a stock corporation under the name Allgemeine Rentenanstalt Lebens- und Rentenversicherungs-AG. As a result of the creation of *Württembergische Insurance Group* in 1991, Allgemeine Rentenanstalt Lebens- und Rentenversicherungs-AG was renamed in Württembergische Lebensversicherung AG.

Corporate Seat and Duration

The Issuer has its corporate seat in Stuttgart and its office address at Gutenbergstraße 30, 70176 Stuttgart, Germany, telephone number: +49 (711) 662-0. The duration of the Issuer is for an indefinite period of time.

Corporate Purpose

According to its articles of association (*Satzung*), the corporate purpose of the Issuer is:

- conducting of all types of life insurance, annuity insurance (*Rentenversicherung*) and retirement pension insurance (*Pensionsversicherung*);
- conducting of re-insurance in all of the aforementioned sectors;
- conducting of capitalisation measures;
- procurement of insurances in sectors in which the Issuer is not directly engaged;
- conducting of activities to manage insurance institutions;
- conducting of all other activities which are directly connected with the insurance business;

be it in Germany or abroad.

Share Capital, Shares, Dividends and Dividend Policy, Shareholders' Meeting, Major Shareholders

Share Capital

The Issuer has an issued share capital (*Grundkapital*) of € 32,027,929.60. It is divided into 40,000 non-par value shares in bearer form, and 12,137,920 non-par value shares in registered form. All shares are fully paid-up. In case of a capital increase non-par value shares in registered form will be issued. WürttLeben may issue global share certificates; the claim to have single share certificates issued shall be excluded.

Shares

The non-par value shares are admitted to trading on the regulated market segment (*regulierter Markt*) of the Stuttgart Stock Exchange as well as on the open market segment (*Freiverkehr*) of the Frankfurt and the Düsseldorf Stock exchange and within Xetra.

Dividends and Dividend Policy

The Issuer's balance sheet profit will be distributed to the shareholders as dividend payments, unless the shareholders' meeting decides otherwise.

The following table provides an overview of the Issuer's profit for the year (*Jahresüberschuss*), earnings per share and annual dividends paid out per fully paid-up share for the fiscal years 2012 and 2013 (in each case calculated in accordance with the German Commercial Code ("**HGB**").

in EUR	2012	2013
Profit for the year	35,000,000.00	45,000,000.00
Earnings per Share	2.87	3.70
Annual Dividends	0.11	0.11

Future dividend payments will typically depend on the Issuer's earnings, its financial condition, its cash needs, the general business condition of the markets in which it operates, and on the overall legal, tax and other environment. Although the Issuer expects to make annual dividend payments, no prediction can be made with respect to the amount of such dividends.

Shareholders' Meeting

A general shareholders' meeting of WürttLeben may be convened by the Management Board and, if so stipulated by law, by the Supervisory Board, or by shareholders whose aggregate shareholdings equal at least 5 % of WürttLeben's share capital. The annual shareholders' meeting which, among other things, formally resolves on the approval of the activities of the members of the Management Board and the Supervisory Board in the preceding fiscal year, the allocation of net profits, and the election of members of the Supervisory Board, must be held during the first eight months of each fiscal year. When convening the shareholders' meeting the place at which it shall be held will be indicated. According to the articles of association, the shareholders' meetings are being held at the registered office of WürttLeben in Stuttgart, in Ludwigsburg or at the seat of a German stock exchange. In the last ten years, the shareholders' meetings were held in Stuttgart. Each (non-par value) share confers the right to one vote at a shareholders' meeting.

Unless otherwise required by mandatory statutory provisions or by the Issuer's articles of association, shareholders' resolutions are passed pursuant to the Issuer's articles of association by a simple majority of votes cast and, if the majority of the share capital represented is required, by a simple majority of the share capital represented. Shareholders may grant proxies in text form. Specific statutory provisions of the Stock Corporation Act govern the exercise of proxies e.g. granted to banks.

Major Shareholders

The major shareholder as of 31 March 2014 of WürttLeben is Wüstenrot & Württembergische AG, Stuttgart ("**W&W AG**"), which held 83.42 % of the shares. Further 1.14 % are held by Wüstenrot Holding AG, the parent company of W&W AG. 15.44 % of the shares are dispersed among small shareholders (free float).

Capitalisation and Indebtedness

The following tables set out the capitalisation and indebtedness of the Issuer as of 31 December 2012 and 31 December 2013 (as derived from the audited unconsolidated and consolidated financial statements of the Issuer and WürttLeben Group as of and for the fiscal years ended 31 December 2012 and 31 December 2013):

WürttLeben – unconsolidated:

In million Euro	Subscribed capital	Capital reserve	Revenue reserves		Sub-Total	Net income/ Balance sheet profit	Equity	Subordinated liabilities	Total
			Statutory reserve	Other revenue reserves					
31 December 2012	32.0	58.2	0.2	158.3	248.7	17.5	266.2	130	396.2
31 December 2013	32.0	58.2	0.2	197.0	287.4	22.5	309.9	130	439,9

Württemberg Group – consolidated:

In million Euro	Subscribed capital	Capital reserve	Revenue reserves		Sub-Total	Net income/ Balance sheet profit	Equity	Subordinated liabilities	Total
			Statutory reserve	Other revenue reserves including non-controlling interests					
31 December 2012	32.0	58.2	0.6	167.4	258.2	44.6	302.8	133.8	436.5
31 December 2013	32.0	58.2	0.6	166.6	257.4	39.4	296.8	133.9	430.7

No Significant Change in Financial or Trading Position

There has been no significant change in the capitalisation and indebtedness and financial or trading position of the Issuer since 31 December 2013.

Corporate Bodies**Supervisory Board**

The supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**") of the Issuer consists of 12 members. At present, it is made up as follows:

Name	Principal outside activity
Dr. Alexander Erdland	Chairman of the Management Board of Wüstenrot & Württembergische AG, Stuttgart

Name	Principal outside activity
Dr. Jan Martin Wicke (Deputy Chairman)	Member of the Management Board of Wüstenrot & Württembergische AG, Stuttgart (will leave WürttLeben by 30 April 2014)
Prof. Dr. Peter Albrecht	Lecturer for business studies, risk theory, portfolio management and insurance industry at university of Mannheim
Peter Becker (**)	Insurance salesman (<i>Versicherungskaufmann</i>), Member of Works Council of Württembergische Versicherung AG/Württembergische Lebensversicherung AG, Standort Karlsruhe
Herwig Cetto (**)	Certified Insurance Agent (<i>Versicherungsfachwirt</i>)
Christian Hörtkorn	Managing Director (<i>Geschäftsführer</i>) of Dr. Friedrich E. Hörtkorn Versicherungsmakler GmbH, Heilbronn
Dr. Ursula Lipowsky	Member of the Management Board of Swiss Re Germany AG
Prof. Dr. Wolfgang Müller	Chairman of the Management Board of BBBank eG
Rosemarie Schröder (**)	Business administrator in the field of insurance (<i>Versicherungsbetriebswirtin</i>), Member of Works Council of Württembergische Versicherung AG/Württembergische Lebensversicherung AG, Standort Karlsruhe
Frank Weber	Chairman of Works Council of Württembergische Versicherung AG/Württembergische Lebensversicherung AG, Standort Karlsruhe
Dr. Heiko Winkler	Past Chairman of the Management Board of Westfälische Provinzial Versicherung AG, Westfälische Provinzial Lebensversicherung AG, Provinzial NordWest Holding AG
HRH Friedrich Duke von Württemberg (*)	Member of the "Direktion der Hofkammer des Hauses Württemberg"

(*) Will resign as of the shareholders' meeting 2014

(**) Employees' representative.

The members of the Supervisory Board may be contacted at Issuer's business address at Gutenbergstraße 30, 70163 Stuttgart. There are no conflicting interests of the persons listed above between any duties to the Issuer and their private interests and/or other duties.

Management Board

The current members of the management board (*Vorstand*) (the "**Management Board**") of the Issuer are:

Norbert Heinen (Chairman)
 Dr. Michael Gutjahr
 Dr. Wolfgang Breuer
 Jens Carsten Wieland

The following table sets forth the current principal activities of the members of the Management

Board currently performed by them outside the Issuer:

Norbert Heinen	<ul style="list-style-type: none"> - Chairman of the Management Board of Württembergische Versicherung AG - Chairman of the Management Board of Württembergische Krankenversicherung AG - Chairman of the Supervisory Board of Allgemeine Rentenanstalt Pensionskasse AG - Member of the Supervisory Board of Karlsruher Lebensversicherung AG - Chairman of the Supervisory Board of Pensionskasse der Württembergischen VVaG - Member of the Supervisory Board of BWK GmbH Unternehmensbeteiligungsgesellschaft
Dr. Wolfgang Breuer	<ul style="list-style-type: none"> - Member of the Management Board of Württembergische Versicherung AG
Dr. Michael Gutjahr	<ul style="list-style-type: none"> - Member of the Management Board of Wüstenrot & Württembergische AG - Member of the Management Board of Württembergische Versicherung AG - Member of the Management Board of Wüstenrot Bausparkasse AG - Member of the Board of Directors of Antares Holdings Ltd. - Member of the Board of Directors of Antares Reinsurance Ltd. - Chairman of the Supervisory Board of W&W Informatik GmbH - Member of the Advisory Board of Auto-Staiger Verwaltungs-GmbH
Jens Carsten Wieland	<ul style="list-style-type: none"> - Member of the Management Board of Wüstenrot & Württembergische AG - Member of the Management Board of Württembergische Versicherung AG - Member of the Management Board of W&W Informatik GmbH - Member of the Management Board of W&W Service GmbH

Members of the Management Board may be contacted at the Issuer's business address at Gutenbergstraße 30, 70163 Stuttgart. There are no conflicting interests of the persons listed above between any duties to the Issuer and their private interests and/or other duties

Board Practices

Corporate Governance

Under Article 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of WürttLeben are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" ("**Code**") as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (*Bundesanzeiger*) or to advise of any recommendations that have not been, or are not being, applied. On 24 March 2014 the Management Board and the Supervisory Board of WürttLeben declared that the recommendations of the Code in the version of 13 May 2013 published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (*Bundesanzeiger*) on 10 June 2013 have been and will be conformed with, except for the following recommendations:

- According to Item 3.8 para. 2 and 3 of the Code, in the event that the company has a D&O insurance for the supervisory board, a retention of at least 10 % of the loss and up to one and a half times the fixed annual remuneration should be agreed. WürttLeben does not

comply with this because a high level of self-retention, which can only be uniform because of the principle of equality which has to be observed, would affect the members of the Supervisory Board to very different extents, depending on their private income and assets. In a serious case, a less wealthy member of the Supervisory Board could find him/herself in existential difficulties, which may not be considered fair in view of the same duties.

- According to Item 5.3.3 of the Code, the supervisory board should form a nomination committee which is entirely composed of representatives of the shareholders and suggests suitable candidates to the supervisory board for its election proposals for the annual general meeting. WürttLeben does not comply with this. In view of the shareholder structure, no need is seen for such an additional body.
- According to Item 5.3.2 sent. 3 of the Code, the chair of the audit committee should be independent. WürttLeben does not comply with this. Dr. Jan Martin Wicke, CFO of Wüstenrot & Württembergische AG, chairs the audit committee of the Supervisory Board of WürttLeben and the audit committees of all German subsidiaries of Wüstenrot & Württembergische AG, which have established an audit committee. This multiple appointment of the audit committee chairman ensures an effective and efficient monitoring of the topics assigned to the audit committees in the interests of the Group.

Apart from the aforementioned recommendations WürttLeben has complied with the recommendations of the Code besides the following further exception:

- According to Item 5.4.1 of the Code, the supervisory board has to name for its constitution tangible aims, including the number of independent supervisory board members in accordance with Item 5.4.2. The Supervisory Board has named the goals mentioned in Item 5.4.1 and declared them in the Declaration of Conformity. However, the Supervisory Board has confirmed by a resolution dated 24 March 2014 that the Supervisory Board should have at least four independent members. One independent member, HRH Duke Friedrich von Württemberg, will resign before the general meeting on 15 May 2014. Mr Jürgen Pfalzer, who is suggested to be elected for the Supervisory Board for the remaining term on the general meeting on 15 May 2014, is not independent in the sense of the German Corporate Governance Codex therefore the Supervisory Board will consist of three independent shareholders. This number of independent shareholders is considered appropriate in accordance with the shareholder structure in this limited time frame.

Audit Committee

The Issuer maintains a so-called "Audit Committee" (*Prüfungsausschuss*).

The Audit Committee is a permanent committee of the Supervisory Board. The current members of the Audit Committee are:

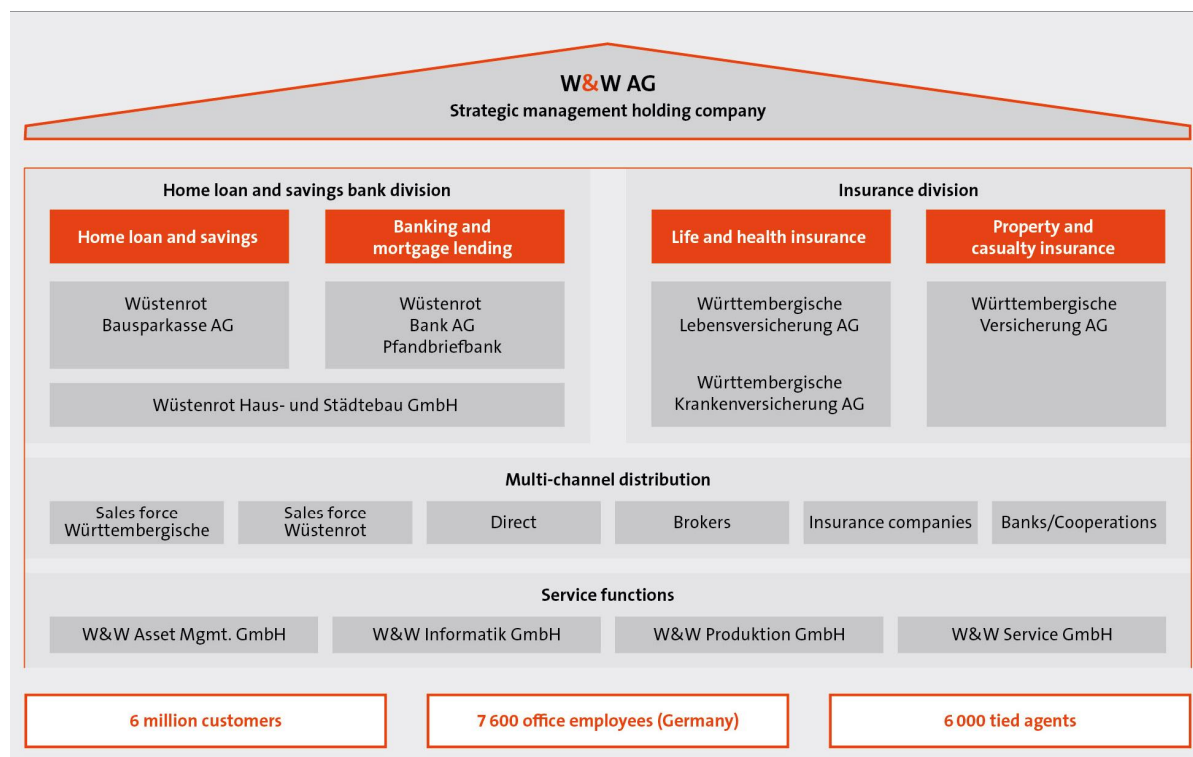
- Dr. Jan Martin Wicke (will leave WürttLeben by 30 April 2014),
- Dr. Ursula Lipowsky, and
- Prof. Dr. Peter Albrecht, as an independent financial expert (*unabhängiger Finanzexperte*)

The Audit Committee meets at least twice a year to prepare the balance sheet and operative planning meetings (*Bilanz- und Planungssitzungen*) of the Supervisory Board. The half-yearly-finance reports are discussed with the Management Board via telephone conferences. The Audit Committee prepares the decisions for the Supervisory Board concerning the approval of the annual accounts. It supervises the asset allocation of the Management Board, controls the efficiency of the internal control system, the risk management system and the internal auditing systems. It deals with questions of compliance and the business and risk strategy.

Organisational structure

The Issuer is the specialist for life insurance and retirement provisions within the Wüstenrot & Württembergische Group ("**W&W Group**"). W&W Group is an independent financial service provider and combines both business fields of consumer banking/housing loans BausparBank and insurance as equal parts and provides provision solutions out of one hand for private and commercial customers. No other financial service provider in Germany has combined both of those business fields as equal parts like W&W Group has. On the consumer/housing loans business field Wüstenrot Bausparkasse AG is one of the big three German savings and loan associations (*Bausparkasse*).

The Issuer and its subsidiaries are positioned within W&W-Group in the insurance field as the provision specialist with regard to life insurance, retirement insurance and occupational disability insurance.



Participations of WürttLeben

The companies in which the Issuer held directly or indirectly 10 % or more of the shares or interests as of 31 December 2013 are listed in the table below:

Name and seat of company	Share Capital (in %)	Direct participation	Indirect participation
Germany/Deutschland			
Adveq Europe II GmbH, Frankfurt am Main	16.77	16.77	
Adveq Opportunity II Zweite GmbH, Frankfurt am Main	25.86	25.86	
Adveq Technology III GmbH, Frankfurt am Main	18.84	18.84	
Adveq Technology V GmbH, Frankfurt am Main	14.56	14.56	
Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart	100.00	100.00	
Asendorfer Kippe ASK GmbH & Co. KG, Stuttgart	100.00		100.00
Berlin Leipziger Platz Grundbesitz GmbH, Stuttgart	100.00	94.00	6.00
Beteiligungs-GmbH der Württembergischen, Stuttgart	100.00	100.00	
BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart	17.50	17.50	
City Immobilien GmbH & Co. KG der Württembergischen, Stuttgart	100.00	100.00	
Coller German Investors GmbH & Co. KG, München	10.00	10.00	
Deutscher Solarfonds "Stabilität 2010" GmbH & Co. KG, Frankfurt am Main	17.77	13.33	4.44

DBAG Fund VI Feeder, GmbH & Co. KG, Frankfurt am Main	26.56	26.56	
Eschborn Grundstücksgesellschaft mbH & Co. KG, Stuttgart	51.00	51.00	
Ganzer GmbH & Co. KG, Harrislee	100.00		100.00
Gerber GmbH & Co. KG, Stuttgart	100.00	100.00	
Gestorf GmbH & Co. KG, Stuttgart	100.00		100.00
Hinterbliebenenfürsorge der Deutschen Beamtenbanken GmbH, Karlsruhe	100.00		100.00
IVB - Institut für Vorsorgeberatung Risiko- und Finanzanalyse GmbH, Karlsruhe	100.00	100.00	
IVZ Immobilien Verwaltungs GmbH & Co. Finanzanlagen KG, München	10.00	10.00	
IVZ Immobilien Verwaltungs GmbH & Co. Südeuropa KG, München	10.00	10.00	
Karlsruher Lebensversicherung AG, Karlsruhe	82.76	82.33	0.43
Karlsruher Rendite Immobilien GmbH, Karlsruhe	100.00	100.00	
KLV BAKO Dienstleistungs-GmbH, Karlsruhe	92.50	89.80	2.70
KLV BAKO Vermittlungs-GmbH, Karlsruhe	75.90	74.10	1.80
LP 1 Beteiligungs-GmbH & Co. KG, Stuttgart	100.00	100.00	
Odewald & Compagnie GmbH & Co. KG für Vermögensanlagen in Portfoliounternehmen, Berlin	13.52	13.52	
PWR Holding GmbH, München	33.33	33.33	
Schulenburg GmbH & Co. KG, Stuttgart	100.00		100.00
Stuttgarter Baugesellschaft von 1872 AG, Stuttgart	100.00	100.00	
Tertianum Besitzgesellschaft Berlin Passauer Str. 5-7 mbH, München	25.00	25.00	
Tertianum Besitzgesellschaft Konstanz Marktstätte 2-6 u. Sigismundstr. 5-9 mbH, München	25.00	25.00	
Tertianum Besitzgesellschaft München Jahnstr. 45 mbH, München	33.33	33.33	
Tertianum Seniorenresidenz Betriebsgesellschaft München mbH, München	33.33	33.33	
Tertianum Seniorenresidenzen Betriebsgesellschaft mbH, Konstanz	25.00	25.00	
VV Immobilien GmbH & Co. US City KG, München	23.10	23.10	
Windpark Golzow GmbH & Co. KG, Rheine	100.00		100.00
WL Erneuerbare Energien Verwaltungs GmbH, Stuttgart	100.00	100.00	
WL Renewable Energy GmbH & Co. KG, Stuttgart	100.00	100.00	
WL Wind GmbH & Co. KG, Stuttgart	100.00		100.00
Wohnimmobilien GmbH & Co. KG der Württembergischen, Stuttgart	100.00	100.00	
Württembergische Logistik I GmbH & Co. KG, Stuttgart	94.00	94.00	
Württembergische Logistik II GmbH & Co. KG, Stuttgart	94.89	94.89	
Württembergische Verwaltungsgesellschaft mbH, Stuttgart	100.00	100.00	
Luxembourg/Luxembourg			
IKAV SICAV-FIS SCA - ecoprime TK I, Luxemburg	23.90	23.90	

IKAV SICAV-FIS SCA - Global Energy (Ecoprime III), Luxemburg	11.11		11.11
IKAV SICAV-FIS SCA - Global PV Investments, Luxemburg	46.25	46.25	
United Kingdom of Great Britain and Northern Ireland/Vereinigtes Königreich Großbritannien und Nordirland			
BlackRock Private Equity Partners III (Feeder No. 1) L.P., London	88.24	88.24	
Capital Dynamics Clean Energy and Infrastructure Feeder L.P., Edinburgh	19.77	19.77	
Capital Dynamics US Solar Energy Feeder, L.P., London	52.24	52.24	
Glenmont Clean Energy Fund Europe 1 'A' L.P., London	11.80	7.08	4.72
HgCapital Renewable Power Partners 2 LP, London	25.31	21.09	4.22
Partners Group Emerging Markets 2007, L.P., Edinburgh	10.92	10.92	

Auditors

The Issuer's statutory auditor for the fiscal years 2013 and 2012 had been KPMG AG Wirtschaftsprüfungsgesellschaft, Theodor-Heuss-Straße 5, 70174 Stuttgart ("**KPMG**"). KPMG has audited the Issuer's annual unconsolidated financial statements for the years ended on 31 December 2012 and 31 December 2013, each prepared in accordance with HGB, providing an unqualified auditor's opinion in each case.

In addition, KPMG has audited WürttLeben Group's annual consolidated financial statements for the years ended on 31 December 2012 and 31 December 2013, each prepared in accordance with the International Financing Reporting Standards ("**IFRS**"), providing an unqualified auditor's opinion in each case.

KPMG is a member of the Institut der Wirtschaftsprüfer in Deutschland e.V. (institute of public auditors in Germany) and the Wirtschaftsprüfungskammer (German certified public accountants association).

Fiscal Year

The Issuer's fiscal year is the calendar year.

Business of WürttLeben and WürttLeben Group

The Issuer within the Wüstenrot & Württembergische Group

The Issuer WürttLeben forms part of the W&W Group which was formed by way of a merger between the *Wüstenrot Group* and the *Württembergische Group* with legal effect as of the beginning of 1999. The W&W Group consists of insurance companies, banks and building societies as well as investment companies, which are primarily engaged in the business areas of life and health insurance, general and personal-accident insurance, building savings, private housing finance and investment products.

Besides the Issuer, the two affiliates Karlsruher Lebensversicherung AG ("**KLN**") and Allgemeine Rentenanstalt Pensionskasse AG ("**ARA PK**") (both Stuttgart) as well as the W&W Group's Württembergische Krankenversicherung Aktiengesellschaft ("**WK**"), the subsidiaries in Prague, Wüstenrot životní pojišťovna, a.s., and in Dublin, W&W Europe Life Limited, are contained in the segment of life and health insurance of the W&W Group. The general and personal-accident insurance of W&W Group primarily comprises Württembergische Versicherung AG (Stuttgart) ("**WürttVers**") as well as the W&W Group's subsidiary in Prague, Wüstenrot pojišťovna, a.s.

As of 31 December 2013, measured by gross written premiums (*gebuchte Bruttobeiträge*), WürttLeben was one of the 13 largest life insurance companies in Germany¹.

The parent company of the Issuer, W&W AG, holds (as of 31 December 2013) 10,158,619 shares, which corresponds to 83.42 % of the issued share capital of WürttLeben. Further 1.14 % are held by Wüstenrot Holding AG, the parent company of W&W AG. 15.44 % of the shares are dispersed among small shareholders (free float) (see also "THE ISSUER AND WÜRTTLEBEN GROUP – Share Capital").

The activities of WürttLeben and its subsidiaries engaged in the insurance business comprise *various segments* of life insurance and annuity insurance. The insurance products offered by WürttLeben and its subsidiaries include term life insurance, unit-linked life insurance, supplementary occupational disability insurance, supplementary personal-accident insurance, annuity insurance (old-age pension insurance, unit-linked annuity insurance, basic pension and unit-linked basic pension) and other additional insurance related products like savings and loan risk insurance. While WürttLeben is primarily engaged in the life insurance and annuity insurance business, WürttLeben's subsidiary ARA PK offers only products for company pension schemes (*betriebliche Altersvorsorge*). Its subsidiary KLN is, the same as the Issuer itself, primarily engaged in the annuity insurance business working with the label "Karlsruher" mainly for the banking sales partners. The further life insurance companies of the W&W Group in Prague offer life insurance and annuity life insurance products for the local markets, the Dublin life company is offering special products for the German market authorised by the Irish supervisory authorities. The financial market crisis and the low capital market interest rates still have an impact on WürttLeben's consumers' decisions who are investing restrictive in long term payments. In 2013, new business premiums (*Neubeitrag*) amounted to € 678.3 million which corresponds to a decrease by 11.3 % compared to €764.5 million in 2012. However, despite the continuous low interest rate situation the (net) results on investment increased compared to the preceding year, again in 2013. The net investment result increased from € 1,383.3 million in 2012 by 12.1 % to € 1,550.1 million.

Key financial data of WürttLeben Group

The following table sets out certain key financial data which have been extracted from the audited consolidated financial statements of WürttLeben Group and the audited financial statements of WürttLeben AG (stand alone) as and for the financial years ended December 31, 2012 and 2013, prepared in accordance with IFRS or HGB (local GAAP):

	2013		2012
	in million EUR	Change in %	in million EUR
Premium Income	2,220.3	-4.4	2,322.5
New business Premiums	678.3	-11.3	764.5
Claim and benefit expenses (gross)	3,297.8	-0.5	3,313.9
Of which			
Claims and benefits paid (<i>ausgezählte Leistungen</i>)	2,524.0	10.1	2,293.1
Increase in technical reserves	773.8	-24.2	1,020.8
Current investment income (excluding unit-linked life insurance)	1,374.7	7.1	1,284.0
Investments	28,898.7	0.2	28,827.3
Allocation to provision for premium refunds	247.3	26.0	196.3
Provision for premium refunds after allocation	1,461.1	-25.4	1,958.3
Income before tax	63.0	-18.5	77.3

¹ Zeitschrift für Versicherungswesen 07/2014 page174.

Income after tax	39.4	-11.7	44.6
Capital and reserves	296.8	-2.0	302.8

Financial ratios

	2013		2012
	in million EUR	Change in %	in million EUR
Net interest return in % (WürttLeben AG - solo - according to local GAAP)	5.1	13.3	4.5
Net interest return on the last 3 years in % (WürttLeben AG - solo - according to local GAAP)	4.5	7.1	4.2
Administration costs rate in %	2.9	7.4	2.7
Acquisition costs rate in %	5.8	7.4	5.4
Cancellation rate in %	2.4	-4.0	2.5
Employees (in the average)	921	-1.1	931

Ratings

Standard & Poor's Credit Market Services Europe Limited ("**S&P**") has assigned ratings regarding the financial strength of WürttLeben. In 2012 WürttLeben received an upgrade and finished the fiscal year with a long-term counterparty credit rating and an insurer financial strength (IFS) rating of "A-" (from "BBB+"). In 2013 S&P affirmed the ratings of WürttLeben based on new insurance criteria. The ratings reflect S&P's view of the W&W Group's strong business risk profile and moderately strong financial risk profile, based on its diverse business and moderately strong capital and earnings. The outlook was confirmed with "stable". Again, in 2013 Fitch Ratings Limited ("**Fitch**") assigned a long-term issuer default rating of "BBB+" and an IFS rating of "A-" (outlook "stable") to WürttLeben, the same as in 2012. In December 2013, the W&W Group terminated their ratings contract with Fitch resulting in Fitch affirming and withdrawing all ratings of the W&W Group with a stable outlook.

Description of Business Segments and Products

Württemberg offers a comprehensive range of life insurance and life insurance-related products for both private as well as corporate clients.

Life Insurance and Private Pension Provision

The main insurance classes which WürttLeben offers to its customers are the following:

Life insurance, comprising:

- term life insurance (*Risikolebensversicherung*)
- unit-linked life insurance (*fondsgebundene Lebensversicherung*)
- supplementary occupational disability insurance (*Berufsunfähigkeits-Zusatzversicherung*)
- supplementary personal-accident insurance (*Unfall-Zusatzversicherung*)
- savings and loan risk insurance (*Bausparrisikoversicherung*)

Annuity insurance (*Rentenversicherung*), comprising:

- old-age pension insurance (*Alters-Rentenversicherung*)
- unit-linked annuity assurance (*fondsgebundene Rentenversicherung*), especially products of the Genius product group (Genius is a dynamic hybrid product)
- "Riester" pension insurance (in accordance with the law governing provisions for retirement (Altersvermögensgesetz – AvmG))

- unit-linked "Riester" pension insurance (in accordance with AvmG), especially products of the Genius product group (Genius is a dynamic hybrid product)
- basic pension (in accordance with the Retirement Income Act (Alterseinkünftegesetz – AltEinkG))
- unit-linked basic pension (in accordance with AltEinkG), especially products of the Genius product group (Genius is a dynamic hybrid product)
- occupational disability insurance (*Berufsunfähigkeitsversicherung*)
- supplementary occupational disability insurance (*Berufsunfähigkeits-Zusatzversicherung*)
- supplementary insurance for surviving dependants (*Hinterbliebenenrenten-Zusatzversicherung*)

In the area of private pension provision, the products offered by WürttLeben include tailor made and market-g geared standard annuity policies, a range of unit-linked policies, attractive term policies and supplementary occupational disability insurance.

Company Pension Schemes

WürttLeben offers the following employee benefit options:

- direct insurance (employer-purchased life insurance) (*Direktversicherung*)
- pension trust (*Pensionskasse*)
- pension commitment (*rückgedeckte Pensionszusage*)

This flexible range of products enables WürttLeben to offer clients a company-specific customised pension scheme as well as its management by WürttLeben. The activities as pension trust are conducted through WürttLeben's wholly owned subsidiary ARA PK subject to the specific provisions of the Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) applicable to pension trusts (*Pensionskassen*).

Vision

The vision of WürttLeben is to position itself as a service insurer. Taking into account efficiency, effectiveness and innovation, WürttLeben seeks to further continue on its sustainable course as one of the top German life insurance companies on the market.

As a central part of the W&W Group, WürttLeben seeks its positioning as "The Pension Specialist – We offer (financial) provision for the future that suits your individual needs". The central elements of such vision are:

- Market differentiation
 - "We are different from the market through our one-stop provision of pension products."
- Securing independence
 - "We secure our independence and our entrepreneurial freedom by our own efforts."

Business Strategy

The basis of WürttLeben's business strategy as a service insurer is the clear orientation towards the needs of its customers. Increase in profitability by optimising existing business, an attractive and innovative range of products as well as maintenance of WürttLeben's distribution power are important elements for a successful positioning in the market.

An improved risk-bearing capacity as well as an optimised cost position are key factors for a sustainable competitiveness also in view of a changed interest rate environment and increasing regulatory requirements.

On the product side, WürttLeben positions itself through its transformation strategy "Leben" (Transformation Strategy Life).

The package of measures under the Transformation Strategy Life comprises three large sub-areas: existing business, new business and accompanying measures.

Based on measures in the fields of its capital investment policy, its dividend policy and its declaration policy, WürtttLeben stabilises the risk-bearing capacity and thus meets the Solvency II requirements.

The measures regarding new business support this approach and reflect WürtttLeben's product-strategic orientation. The transformation of the new business mix is focused on biometric products and on products that are strongly related to the capital market, as well as on asset- and real value-oriented product solutions. The product portfolio mix is managed via value-oriented financial figures.

In its distribution activities, WürtttLeben continues to use the potentials of its Exclusive Organisation (AO) (and co-operations) in combination with a value-oriented control.

Central issues in this respect are to increase its efficiency in internal operations, to further develop the Exclusive Organisation structure of Württembergische and to optimise the broker channel. An additional goal is to further develop the value-oriented distribution management and to access new distribution segments.

The aim is to achieve a sustainable improvement of cost-efficiency in distribution and to strengthen the competitive position while maintaining financial capacity.

A further adjustment of the cost structure and exploitation of efficiency and service potentials is sought by systematically implementing the platform strategy "Life" and the target operating model.

Core issues of the strategic measure platform strategy "Life" are the concentration of the new business on one platform and the reduction of the number of existing business systems. The goal of this measure is to counter risks from head monopolies as well as to reduce the number of systems (currently existing). This is to serve a faster attending in the implementation and a higher cost-efficiency.

The processing in the functional target operating model distinguishes between operational and organisational principles. Central issues are the conception of organisational and technical measures in order to enhance efficiency. An improvement of the service quality through optimised operational processes as well as the optimisation of interfaces to clients, distributors and between the (various) divisions are also comprised in this target model.

The central strategic measures will be bundled in the program W&W 2015 and described and implemented in detail therein and/or in the line activity of the specialist divisions.

Business Development in 2013

The financial information contained in this section is derived from the audited unconsolidated and consolidated financial statements of WürtttLeben and WürtttLeben Group as of and for the financial year ended 31 December 2013 prepared in accordance with IFRS or HGB (local GAAP).

Development of Investment Income of WürtttLeben Group

Despite the continuous low interest rate situation, the (net) results on investment increased compared to the preceding year again in 2013. The net investment result increased from € 1,383.3 million in 2012 by 12.1 % to € 1,550.1 million. The main reason for this increase was the realisation of hidden reserves to comply and improve technical provisions.

Development of Total Premium Income of WürtttLeben Group

In 2013, the total amount of premiums paid by clients decreased by 4.4 % to € 2,220.3 million (compared to € 2,322.5 million in 2012). This is mainly caused by the decrease of the income from single premiums, which in 2013 fell to € 544.6 million (compared to € 613.1 million in 2012) while revolving premium income decreased by 2 % to € 1,675.6 million.

The decrease in total premium income can be attributed to a high degree of maturities as well as the decreasing new business that is mainly due to the continuing low interest rate phase.

Development of New Business Premiums (Neugeschäftsbeiträge)

The transformation of new business is part of WürtttLeben Group's business strategy. According to the strategy, the management of new business is executed with so-called WONS ("wertorientierte Nettobewertungssumme"). The WONS are determined by the premium sum of new business

weighted by value-oriented factors.

In the following table the development of the new business product mix is shown for 2012 and 2013:

	31.12.2013		31.12.2012	
<i>new business premium</i>	678,3		764,5	
<i>total WONS¹</i>	2.704,1		3.137,5	
		portion of total WONS		portion of total WONS
WONS for unit linked insurance	809,8	29,9%	750,2	23,9%
WONS for annuity / endowment assurance	1.108,2	41,0%	1.453,5	46,3%
WONS for term life insurance	155,2	5,7%	155,7	5,0%
WONS for occupational disability insurance	630,9	23,3%	778,1	24,8%

¹WONS: premium sum of new business in different product groups weighted by value-oriented factors.

Especially the portion of unit linked insurance increased significantly from 23.9 % in 2012 to 29.9 % in 2013. This is due to the risk-oriented transformation strategy of WürttLeben Group. Furthermore, the absolute value of new business premium for this product group increased in 2013. WürttLeben Group's customers embrace the concept of the innovative products. New business premium for policies forming part of the Genius product group (including "Genius-Riester" and "Genius-policies" in company pension schemes) increased significantly from approximately € 44.0 million in 2012 by 146.8 % to approximately € 108.5 million in 2013. Contrarily the new business premium of classical annuity policies decreased from approximately € 676.7 million by 11.4 % to € 599.2 million in 2013.

The decrease is due to the fact that the rollout of Unisex tariffs at the end of 2012 led to a high demand at the end of 2012 and – for certain product groups – to a lower demand in 2013. However, the financial market crisis and the low capital market interest rates still have an impact on the decisions of WürttLeben Group's consumers. The total new business premium income from WürttLeben Group's insurance business in 2013 fell to approximately € 678.3 million which corresponds to a decrease by 11.3 % compared to a new business premium income of € 764.5 million in 2012. Overall, WürttLeben Group sold 96,033 new insurance policies in 2013, accounting for a decrease as compared to 2012 (120,291 new insurance policies sold).

In 2013 the new business aggregate premium income of WürttLeben Group from *company pension schemes* decreased by 23.2 % from approximately € 134.7 million in 2012 to approximately € 103.4 million in 2013. This decrease can be attributed to the difficult market situation.

Development of Administration and Underwriting Expenses of WürttLeben Group

In 2013, the acquisition costs related to premium income from new business decreased by 6.6 % from € 219.3 million in 2012 to € 204.7 million in 2013. Nonetheless, the *acquisition cost ratio* of WürttLeben Group increased by 0.4 percentage points from 5.4 % to 5.8 % of the total premium income from new business. This was due to the decreased new business premium income in 2013.

In 2013, the total administrative costs increased only slightly from € 63.8 million in 2012 by 0.1 % to € 63.9 million in 2013. The *administrative cost ratio* (expressing the administrative costs in relation to the booked premium income) increased by 0.2 percentage points from 2.7 % (in 2012) to 2.9 % (in 2013). This was due to the decrease of the gross premium income in 2013.

Development of Benefit Expenditure and Surrenders of WürttLeben Group

The benefit expenditure (gross of reinsurance) consists of benefits for insurance claims, of changes in provisions and of changes in premium refunds. In 2013, the total benefit expenditure decreased by 0.5 % to € 3,297.8 million as compared to € 3,313.9 million in the previous year. This reduction is primarily due to the reduced changes in provisions and the reduced expenses for premium refunds.

In 2013, the traditionally low lapse rate of WürttLeben Group decreased by 0.1 percentage points from 2.5 % (in 2012) to 2.4 % (in 2013) in relation to the number of policies, while the current market

average was 3.3 %¹.

Development of Surplus Bonuses for Policyholders

Together, according to HGB (local GAAP) the three companies of WürtttLeben Group registered a surplus (*Rohüberschuss*) of € 337.9 million in 2013. This surplus comprises profits generated in excess of the guaranteed minimum return on participating policyholders' funds and before deduction of any direct credits. This is a significant increase compared to 2012 when the surplus (before deduction of any direct credits) amounted to €275.2 million. This significant increase can be primarily attributed to extraordinary investment returns in 2013.

Out of the registered surplus, a partial amount of € 42.6 million (as compared to € 41 million in 2012) was directly credited to the policyholders.

Out of the remaining surplus (according to HGB (local GAAP) after the deduction of such direct credits) in the amount of €295.3 million (2012: €234.2 million) a partial amount of € 247.3 million was credited to the provision of premium refunds (*Rückstellung für Beitragsrückerstattung*) for the three companies of WürtttLeben Group.

Provision for Premium Refunds (local GAAP)

After allocation and withdrawal of funds, the provision for premium refunds (*Rückstellung für Beitragsrückerstattung*) totalled approximately € 1,514.3 million as of 31 December 2013 (2012: € 1,552.3 million) for the three companies of WürtttLeben Group. The provision for premium refunds includes the fixed amounts set for surplus bonuses to policyholders for 2014 as well as a provision for terminal bonuses (*Schlussgewinnanteile*) after 2014. The latter is used to finance commitments relating to the term of the policies and is calculated in accordance with principles set out in the business plan.

Capital Management in WürtttLeben Group

Risk capital is reserved in WürtttLeben Group and is to be used to cover losses in case that risks taken materialise. The risk management controls and monitors the ratio of risk capital to required risk capital, which is based on potential losses from risks taken (risk-bearing capability). In case of the supervisory risk-bearing capability the ratio of regulatory available capital to regulatory solvency requirements is reviewed. For this purpose, the regulations of the insurance supervisory law (*Versicherungsaufsichtsgesetz, VAG*) must be applied.

The primary objective of the risk management in WürtttLeben Group is to fulfil the regulatory minimum capital requirements at any time. The capital requirements are based on the supervisory regulations. The following table shows the supervisory equity figures of the companies within WürtttLeben Group.

SUPERVISORY SOLVENCY	Regulatory available capital in accordance with VAG		Regulatory solvency requirements in accordance with VAG		Solvency ratio	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
	in million €					
Württembergische Lebensversicherung AG	1,576.3	1,599.5	1,104.5	1,044.5	142.7 %	153.1 %
Allgemeine Rentenanstalt Pensionskasse AG	56.8	52.5	26.0	22.7	218.7 %	231.2 %

¹ GDV e.V.

Karlsruher Lebensversicherung AG	61.3	39.6	31.7	29.1	193.8 %	135.9 %
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In the reporting year 2013 as well as in the previous year, all companies of WürttLeben Group, which are subject to supervision, fulfilled the regulatory minimum capital requirements of 100 %. Internal calculations that are based on the plans for 2014 and 2015 show that the companies' regulatory minimum capital requirements are also expected to be met in the planning period.

Also the requirements of group solvency (W&W) are fulfilled:

in million €	12/31/2013	12/31/2012
Regulatory available capital in accordance to SolBerV	1,956.3	2,630.2
Regulatory solvency requirements in accordance to SolBerV	834.9	1,114.7
Solvency ratio	234.3 %	235.9 %

In accordance to § 15 No.1 SolBerV, WürttLeben itself is released from an own calculation but included into W&W.

Distribution

The sale of insurance products to customers of WürttLeben Group is effected through various distribution channels, in particular:

- the sales organisation of Württembergische
- the sales organisation of Wüstenrot
- independent intermediaries (brokers and multiple agents)
- co-operation partners and banks.

The focus is on the two separate and independent *sales organisations*, of which one – the Württembergische Exclusive Organisation – operates under the name "Württembergische", and the other – Wüstenrot Exclusive Organisation – under the name "Wüstenrot". Both sales organisations consist of mobile field staff with over 6,000 self-employed. The representatives primarily sell W&W products ("**Exclusive Organisation**") for various companies of W&W Group regardless of the name under which they operate. Legally, the mobile field staff of Württembergische Exclusive Organisation is a part of WürttVers under the name "Württembergische" and Wüstenrot Exclusive Organisation is part of Wüstenrot Bausparkasse Aktiengesellschaft under the name "Wüstenrot". Regionally, both exclusive organisations operate primarily in the south of Germany, especially Baden-Württemberg, but also Bavaria. Both sales organisations have offices throughout Germany which support the sales staff and in addition enable customers to directly contact the companies offering such products.

The sales organisation of *Württembergische* accounted for about 50.8 % of WürttLeben Group's new business premium in 2013, whereas *Wüstenrot* contributed approximately 17.9 % of this new business premium measured in WONS (The WONS are determined by the premium sum of new business weighted by value-oriented factors.).

A further distribution channel is provided by *independent intermediaries*, comprising brokers (*Handelsmakler*) and multiple agents (*Agenten*). Independent intermediaries accounted for approximately 7.4 % of WürttLeben Group's new business premium in 2013 measured in WONS.

Finally, *co-operation partners and banks* are important sales agents which provided another 23.9 % of WürttLeben Group's new business premium in 2013 measured in WONS. The Württembergische Group has a cooperation with Baden-Württembergische Bank, BB-Bank, Volksbank Frankfurt and other banking partners.

Employees

In 2013, WürtttLeben had an average of 921 employees (including employees with part time arrangements) compared to 931 in 2012. For the permanent employed staff of WürtttLeben Group a total personal expenditure of € 59.1 million (2012 € 58.6 million) was paid out in 2013, including provisions for retirement.

At the level of *Württembergische Insurance Group* (then comprising WürtttLeben, WürtttVers, WK and ARA PK), the total number of employees decreased from 4,612 in 2012 to 4,437 in 2013. This decrease was largely due to the strengthening program W&W 2015. From a legal perspective, more than approximately 80 % of these employees are employed with WürtttVers. However, according to the law on management of labour relations (*Betriebsverfassungsgesetz*) the companies of Württembergische Insurance Group form a *common enterprise* (*Gemeinschaftsbetrieb*).

Relations with Affiliated Companies

General

Württembergische and its subsidiaries maintain a variety of relationships with affiliated companies within W&W Group. WürtttLeben and its subsidiaries, for example, use the services rendered by the legal department, tax department and the public relations departments at W&W AG based on an outsourcing and services agreement (*Funktionsausgliederungs- und Dienstleistungsvertrag*); on the basis of such outsourcing and services agreement also other members of W&W Group render certain services to WürtttLeben (or its subsidiaries). Conversely, WürtttLeben or its subsidiary ARA PK render certain services to other companies of W&W Group. The Management Board of WürtttLeben has stated in its report on relations with affiliated companies (*Abhängigkeitsbericht*) pursuant to § 312 of the German Stock Corporation Act (*Aktiengesetz*) for the fiscal years ended 31 December 2012 and 2013 that, under the circumstances known at the time at which WürtttLeben entered into a transaction with an affiliated company, WürtttLeben received a fair and reasonable consideration under such transaction.

Assumption of Pension Commitments by W&W AG

Pursuant to an agreement dated July 1991, as amended from time to time, W&W AG has assumed pension commitments for the active and retired staff and executives of WürtttLeben (as well as of certain other companies of W&W Group). WürtttLeben remains jointly liable for such pension commitments vis-à-vis the persons entitled to the pensions. As of 31 December 2013, such pension commitments of WürtttLeben amounted to approximately € 71.2 million, as determined in accordance with the accounting provisions of the HGB. Such pension commitments were reflected in the notes to WürtttLeben's financial statements for 2013 as contingent liabilities. In addition, WürtttLeben is jointly but subsidiarily liable for pension commitments of the company pension fund "Pensionskasse der Württembergischen VVaG". This pension fund was closed for employees who have joined WürtttLeben after 31 December 2002. Such employees, however, are eligible for a company pension scheme offered by ARA PK, based on fixed contributions by both the respective employee and the Issuer.

Investments

In 2014, WürtttLeben already invested approximately € 1.11 billion, thereof € 810 million in fixed income investments and approximately € 300 million in corporates. Around 50 % of the corporate investments were made in the hybrid segment.

Württembergische already signed real estate purchase contracts of over € 94 million as at the end of March 2014.

The majority of the invested amount was originated from sales transactions in order to fulfill the regulatory requirements concerning the additional interest reserve (*Zinszusatzreserve*) for the year 2014 early.

Litigation and Arbitration Proceedings

Württembergische and its subsidiaries are involved in legal, regulatory and arbitration proceedings in Germany involving claims by and against them, which arise in the ordinary course of their businesses, including in connection with their activities as insurers, employers, investors and

taxpayers. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings, the management of WürttLeben does not believe that the outcome of these proceedings will have a material adverse effect on the financial position or results of operations of WürttLeben. See also "RISK FACTORS – Risk Factors Relating to WürttLeben's Group Business – Legal risks which may arise on the one hand from court decisions and legislation (changes in legal parameters) and on the other from legal disputes and arbitration proceedings in which the Issuer may be involved could materially impact WürttLeben Group's business (legal risk)".

Recent Events

Germany's finance ministry is planning measures to support life insurers to meet guaranteed returns to clients in the face of low interest rates. These could potentially include capping agent commissions, allowing greater flexibility on base rates and even reduction of the guaranteed interest that insurers pay on policies. The proposal could also introduce a requirement for companies to forgo dividend payments to help cover the terms of life-insurance policies.

Life insurers currently have to pay out half of their valuation reserves to customers whose policies are expiring or who terminate their policy. This has become a problem as their high-yielding bonds trade at higher market values, while lower yielding new bonds are far less attractive. Insurers would have to sell their high-yield bonds before they mature to realise the higher market value which is not in their interest and not in the interest of all other policy holders whose contracts run longer. The proposal would stop the legal necessity to participate the customers with half of the proportional valuation reserves in respect to fixed-income bonds, while the participation in valuation reserves for share investments would remain unchanged.

Trend Information

There has been no material adverse change in the prospects of the Issuer since 31 December 2013.

Outlook

For 2014, experts expect an increase of the growth rates of the German gross domestic product (GDP) of up to 1.7 %.

On the capital markets, WürttLeben expects a limited increase of interest rates. Nevertheless, WürttLeben expects the short term rates to stay on a low level. WürttLeben expects rising prices for 2014 but the level of inflation is not expected to cause any burden on the capital markets. Rising private income, the expected increase of the growth rate of the GDP and the stabilisation of the political situation in the European common market are arguments for rising share prices. Because of the still high level of share prices, a positive but not too dynamic development is expected.

The life insurance market of Germany will still be influenced by difficult surrounding conditions. The ongoing low interest rates are still a big challenge for the industry and will continue to have a negative effect. In addition, regulatory requirements also represent a challenge to the financial institutions with rising equity demands.

In light of these challenges, WürttLeben Group has implemented its strengthening program "W&W 2015" to strengthen its competitive ability. WürttLeben Group expects a slight increase of its new business premium for 2014 whereby major contributions are expected to be performed by unit-linked life and disability insurance.

Because of the implementation of Solvency II, WürttLeben aims to build up the available solvency margin. For 2014, WürttLeben expects a small increase of the Solvability I margin.

TAXATION

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF THE FEDERAL REPUBLIC OF GERMANY, THE NETHERLANDS, THE GRAND DUCHY OF LUXEMBOURG, THE REPUBLIC OF AUSTRIA AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

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

1. Federal Republic of Germany

Withholding Tax

The Issuer has been advised that withholding tax (*Kapitalertragsteuer*) and solidarity surcharge thereon should not have to be withheld by the Issuer on payments of interest on the Notes. This is based upon the consideration that the Notes should, in particular, not qualify as profit participating loans (*partiarische Darlehen*) within the meaning of § 20 para. 1 No. 4 EStG. Pursuant to the Terms and Conditions of the Notes, payment of interest on the Notes is not contingent on the Issuer's profits. The Notes merely entitle the Holders to a certain coupon; the applicable Interest Rate – as defined in the Terms and Conditions of the Notes – is (only) dependent on the development of the offered quotation (expressed as a percentage rate *per annum*) for three-months deposits in euro (EURIBOR). The fact that the interest must be paid (*i.e.* cannot be further deferred) after the occurrence of a Compulsory Payment Event, should not lead to a different result, because the Compulsory Payment Events – as defined in the Terms and Conditions of the Notes – are not dependent on the Issuer having generated certain profits. It should, however, be noted that the German Federal Fiscal Court (*Bundesfinanzhof*; decision dated 22 June 2010, I R 78/09) has stated as an *obiter dictum* that the mere fact that an interest payment is deferred until the borrower has sufficient liquidity would give rise to a treatment of the loan as profit participating as, in such a case, the interest claim would only be fulfilled once the borrower has realised an operating profit. The Issuer has, however, been advised that the facts of the court decision regarding the underlying loan are significantly different compared to the Terms and Conditions of the Notes.

Income tax

Notes held by tax residents as private assets

- Taxation of interest

Payments of interest on the Notes to Holders who are tax residents of the Federal Republic of Germany ("**Germany**") (*i.e.*, persons whose residence or habitual abode is located in Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the Security is disposed of separately.

On payments of interest on the Notes to individual tax residents of Germany income tax is generally levied as a flat income tax at a rate of 25 % (plus solidarity surcharge in an amount of 5.5 % of such tax, resulting in a total tax charge of 26.375 %, plus, if applicable, church tax). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of

EUR 801 (EUR 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a Notes trading business or bank in Germany (the "**Disbursing Agent**") the flat income tax will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Security does not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Security together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25 % plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 %. Pursuant to the current view of the German tax authorities (which has recently been rejected by a fiscal court in a non-binding ruling appealed to the *Bundesfinanzhof*), in this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump-sum deduction.

- Taxation of capital gains

From 1 January 2009, also capital gains realised by individual tax residents of Germany from the disposition or redemption of the Notes acquired after 31 December 2008 will be subject to the flat income tax on investment income at a rate of 25 % (plus solidarity surcharge in an amount of 5.5 % of such tax, resulting in a total tax charge of 26.375 %, plus, if applicable, church tax), irrespective of any holding period. This will also apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously kept the Notes in its custodial account, withholding tax will be levied on 30 % of the proceeds from the disposition or redemption of the Notes.

If no Disbursing Agent is involved in the payment process the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25 % plus solidarity surcharge and, if applicable, church tax will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability (including solidarity surcharge and, if applicable, church tax) of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 %. Pursuant to the current view of the German tax authorities (which has recently been rejected by a fiscal court in a non-binding ruling appealed to the *Bundesfinanzhof*), in this case as well income-related expenses cannot be deducted from the investment income, except for the aforementioned annual lump-sum deduction.

Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case

plus solidarity surcharge and if applicable, church tax). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) tax at a rate of 25 % (plus a solidarity surcharge of 5.5 % of such tax and, if applicable, church tax) will also be withheld from interest payments on Notes and (since 1 January 2009) generally also from capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge (and, if applicable, against the church tax) of the Holder.

With regard to capital gains no withholding will generally be required in the case of Notes held by corporations resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office, and upon application in the case of Notes held by individuals or partnerships as business assets.

Notes held by non-residents

Interest and capital gains are not subject to German taxation in the case of non-residents, i.e. persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany, unless the Notes form part of the business property of a permanent establishment maintained in Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "*Notes held by tax residents as business assets*" or at "*Notes held by tax residents as private assets*", respectively.

Inheritance and Gift Tax

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

Other Taxes

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

2. The Netherlands

General

The following is a general summary of certain Netherlands withholding tax consequences of the acquisition and holding of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a Holder or prospective Holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as investors that are subject to taxation in Bonaire, Sint Eustatius and Saba and trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective Holders of Notes should consult with their tax advisers with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, as in effect on the date hereof and as interpreted in published case law until

this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding Tax

A payment made by the Issuer to the Principal Paying Agent or the Holder of the Notes will not be subject to withholding tax in the Netherlands.

3. Grand Duchy of Luxembourg

Non-Residents

Under the existing laws of the Grand Duchy of Luxembourg ("**Luxembourg**") and except as provided for by the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive (as defined below), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

Under the Luxembourg laws of 21 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories (as defined under the EU Savings Tax Directive), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual Holder of a Security or certain residual entities, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under "*EU Savings Tax Directive*" below, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or, in the case of an individual Holder of a Security, has provided a tax exemption certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 35 % since 1 July 2011. However, Luxembourg has announced that it will cease to withhold from 1 January 2015 and instead it will apply the exchange of information procedure.

Residents

According 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 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 %. 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 % 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 % 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.

4. Republic of Austria

Income tax

Austrian Resident Taxpayers

Individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or their place of management in Austria are considered residents for Austrian income and corporate income tax law purposes, respectively.

Individual residents

Notes held as private assets

Generally income arising with respect to the Notes in the form of either

- (i) fixed to floating rate interest payments (*Zinserträge*) or
- (ii) realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*)

qualifies as "investment income" (*Einkünfte aus Kapitalvermögen*) and, as such, is taxed under a special regime at a flat 25 %-rate.

Realised capital gains are the difference between (a) the amount realised (e.g., the sale proceeds, the redemption or other pay-off amount, or the fair market value in case of a deemed realisation) and (b) the acquisition costs; in both cases (amount realised and acquisition costs) including accrued interest, if any.

For Notes held as private assets, the acquisition costs do not include ancillary acquisition costs (*Anschaffungsnebenkosten*). An average price is determined regarding Notes not acquired at the same time, but held in the same Notes account with the same Notes identification number. Expenses and costs (*Aufwendungen und Ausgaben*) that are directly connected with investment income are not tax effective.

Capital gains are not only taxed upon an actual disposition or redemption of the Notes, but also upon a deemed realisation, particularly upon losing the residency status in Austria (*i.e.* move abroad) or upon withdrawals (*Entnahmen*) and other transfers of Notes from one Notes account to another one. In both cases exemptions apply, regarding the loss of the residency status if the investor moves to an EU Member State and regarding withdrawals and other transfers from a Notes account if an information procedure is fulfilled.

If an Austrian custodian (*inländische depotführende Stelle*, also referred to as "Notes account keeping agent") or an Austrian paying agent (*auszahlende Stelle*) is involved in paying investment income (interest or capital gains), 25 % withholding taxation is imposed. The 25 % withholding tax generally results in a final income taxation; certain exceptions apply (in particular for investors whose regular personal income tax rate is lower than 25 %). If no withholding tax is imposed (e.g., because the Notes are held through a foreign paying agent), the investment income arising from the Notes generally has to be included into the income tax return in accordance with the law.

Losses from Securites held as private assets may only offset investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not offset any other income. Mandatory loss-offsetting rules to be handled by Austrian custodians apply. A carry-forward of losses is not possible in this context.

Notes held as business assets

Generally, the same rules as described in the previous heading apply regarding Notes that are held as business assets by tax residents who are individuals. The most important differences are the following:

- Realised capital gains, contrary to interest income, have to be included in the tax return, since despite a 25 % withholding taxation that is also imposed in the context of Notes held as business assets if an Austrian custodian is involved, no final income taxation applies.
- Writedowns and realised losses regarding the Notes held as business assets are offset with positive income from realised capital gains that are investment income in the first place; 50 % of the remaining losses may be offset or carried forward against any other income.

- The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income are also not tax effective in case the Notes held as business assets.

Corporate residents

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent. Income derived from the Securities by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 %.

A special tax regime applies for private foundations (*Privatstiftungen*).

Notes held by non-residents

Individuals who have neither a domicile nor their habitual abode in Austria or corporate investors that have neither their corporate seat nor their place of management in Austria ("non-residents") are not taxable in Austria with their income from the Notes provided the income is not attributable to a permanent establishment in Austria and the income from the Notes is not secured by Austrian assets.

Non-resident investors who are resident individuals of an EU Member States and who hold the Notes through an Austrian paying agent have to consider the EU Savings Tax Directive regarding particular withholding tax rules (see in this respect below under the heading "EU Savings Tax Directive").

As of 1 January 2015 interest income from the Notes paid to non-resident investors who are not covered by the EU Savings Tax Directive would be subject to taxation in Austria if withholding taxation fell due, because the interest was paid by an Austrian withholding tax agent (i.e. an Austrian paying agent or an Austrian custodian), and if the debtor of the interest income had its seat or its place of management in Austria. Since the Issuer has its seat and place of management in Germany, non-resident investors not covered by the EU Savings Tax Directive are not subject to taxation with interest payments received from the Notes through an Austrian withholding tax agent. Therefore, such non-resident investors may if they receive income from the Notes through an Austrian withholding tax agent avoid Austrian withholding taxation by way of evidencing their non-resident-status vis-à-vis the withholding tax agent. If Austrian withholding tax is imposed, the investor may apply for a refund thereof.

If non-residents receive income from the Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors.

Final note on withholding tax imposed in Austria

The Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) or EU Withholding Tax (*EU-Quellensteuer*) charged in Austria at source and is not obliged to make additional payments in case of withholding tax deductions at source.

5. EU Savings Tax Directive

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**") each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 35 % since 1 July 2011. As from 1 January 2010, Belgium applies the information procedure described above.

Regarding Austria, EU withholding tax does not have to be imposed if a particular information process is fulfilled (see also section 4 above).

In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, agreed to apply measures equivalent to those contained in such directive (a withholding system in the case of Switzerland).

In Germany, provisions for implementing the EU Savings Tax Directive were enacted by legislative regulations of the Federal Government. These provisions apply since 1 July 2005.

Holders who are individuals should note that the Issuer will not pay additional amounts under § 7(c) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Tax Directive.

SUBSCRIPTION, OFFER AND SALE OF THE NOTES

General

The Issuer has agreed in an agreement to be signed on or about 8 May 2014 to sell to Deutsche Bank AG, London Branch and UniCredit Bank AG (the "**Managers**"), and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 12 May 2014 (which date may be postponed up to two weeks, the "**Issue Date**") at a price of [■] % of their Aggregate Principal Amount (the "**Issue Price**"). Proceeds to the Issuer will be net of commissions of 0.40 % of the Aggregate Principal Amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones, which are material to the issue.

Offer of the Notes

Offer period and determination of pricing details

The Notes will be offered to investors by the Managers during an offer period which will commence on or about 6 May 2014 and will be open until 12 May 2014 subject to any shortening or extension of the offer period as published in the Pricing Notice (as defined below). Subject to market conditions, the Issue Date may be postponed up to two weeks. Prospective investors will be informed of such postponement by publication in the Pricing Notice. During the offer period, investors may submit orders to the Managers. On the basis of the orders received by the Managers, the Issue Price, the rate of interest for the Fixed Rate Interest Period, the Aggregate Principal Amount and the Margin will be determined on the pricing date which is expected to be on or about 6 May 2014 (the "**Pricing Date**") and will be communicated to investors. The commissions will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The results of the offer will be included in a notification which will be filed with the Commission and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) as soon as possible after the date of pricing and prior to the Issue Date (the "**Pricing Notice**"). Should the Issuer and the Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be published in the same manner as the pricing details.

Public offer

The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer will be made in the Grand Duchy Luxembourg and, following the notification of the Prospectus by the Commission according to Article 18 of the Prospectus Directive to the relevant competent authority, in each of the Federal Republic of Germany, The Netherlands and the Republic of Austria.

Conditions and technical details of the offer

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Any offer to investors to purchase Notes will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice the Managers (*i.e.* Deutsche Bank AG, London Branch and UniCredit Bank AG) will offer the Notes upon request through banking institutions in the Grand Duchy of Luxembourg, the Federal Republic of Germany, The Netherlands and the Republic of Austria. These institutions will supply investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the

exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Each investor will receive a confirmation relating to the results of the offer relating to the respective allotment of the Notes. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

Confirmation in relation to an order and allotments as well as delivery of the Notes

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery and payment of the Notes will be made within five business days after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its accountholding banks against payment of the Issue Price.

Charges and costs relating to the offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks in connection with the purchase or holding of Notes.

Method of determination of Issue Price, rate of interest for the Fixed Interest Period and the Margin with respect to the Floating Rate of Interest

The Issue Price for the Notes, the rate of interest for the Fixed Interest Period and the Margin with respect to the Floating Rate of Interest will be determined at the time of pricing on the basis of a yield which is determined by adding a credit spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders of the investors which are received by the Managers during the offer period. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions ("**Midswaps**") with a maturity similar to 15 July 2024 (the "**First Call Date**") of the Notes shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The resulting yield will be used to determine an Issue Price (which is expected to be less than par) and a rate of interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher Issue Price is determined and which will be correspondingly lower if a lower Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the pricing spread. In the event that the figures for the relevant Midswaps are not available on the relevant screen page as set out above then the relevant figures shall be determined in a manner which banks and other institutional market participants apply at that time. The resulting figure will represent the yield of the Notes and such yield will be used to determine the rate of interest and the Issue Price.

SELLING RESTRICTIONS

1. General

Each Manager has represented and agreed that it will (to the best of its knowledge and belief) 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 neither the Issuer nor any of the other Managers shall have any responsibility therefor.

2. European Economic Area

In relation to each Member State of the European Economic Area (the EU plus Iceland, Norway and Lichtenstein) which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State at any time:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or Managers to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to Articles 16 of the Prospectus Directive.

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

3. United States of America and its Territories

Each 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. Each 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, each 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, each 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) Each 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, each 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 a Manager for the purpose of offering or selling such Notes during the restricted period, such 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.

4. United Kingdom of Great Britain and Northern Ireland

Each 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.

5. Japan

Each Manager has acknowledged that the Notes have not been and will not be registered under the Financial Instrument and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instrument and Exchange Law**") and each Manager has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instrument and Exchange Law and any other applicable laws, regulations and guidelines of Japan.

GENERAL INFORMATION

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

Certain of the Managers and their affiliates may be customers of, borrowers from or creditors of WürttLeben and/or their affiliates. In addition, certain Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for WürttLeben and their affiliates in the ordinary course of business.

Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Management Board of the Issuer dated 20 March 2014.

Use of proceeds

The net proceeds from the issue of the Notes by WürttLeben will be used for the strengthening of the solvency capital of WürttLeben in respect to future regulatory capital requirements and for general corporate purposes. The total expenses with respect to the issue of the Notes are estimated to amount to EUR 355,000.

Listing and admission to trading

Application has been made for admittance to trading of the Notes on the Regulated Market of the Luxembourg Stock Exchange and to list such Notes on the Official List of the Luxembourg Stock Exchange.

Clearance and settlement

The Notes have been accepted for clearance through Clearstream Banking société anonyme, Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euroclear"). The Notes have been assigned the following Notes Codes: ISIN: XS1064049767, Common Code: 106404976, WKN A11QFG.

Credit rating

The Notes are expected to be rated "BBB" by Standard & Poor's Credit Market Services Europe Limited ("S&P")¹.

Historic interest rates and further performance as well as volatility

Details of historic euro 5-year Swap Rates and the further performance as well as their volatility can be obtained from Bloomberg screen page "EIISDA05".

Documents on display

For so long as any Note is outstanding, copies of the following documents may be inspected during normal business hours at the headquarters of WürttLeben at Gutenbergstraße 30, 70176 Stuttgart:

- (i) the memorandum and articles of association of WürttLeben;
- (ii) audited consolidated und unconsolidated financial statements of WürttLeben in respect of the fiscal years 2012 and 2013;
- (iii) a copy of this Prospectus;
- (iv) any supplement to this Prospectus.

¹ Standard & Poor's Ratings Services business operations in the European Union, which are currently conducted through Standard & Poor's Credit Market Services Europe Limited, is registered under 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").

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference:

1. Financial statements for the fiscal year ending 31 December 2013

Audited consolidated financial statements for the fiscal year ending 31 December 2013 prepared in accordance with IFRS

–Consolidated Balance Sheet	– page 76 to 77
–Consolidated Statement of Profit or Loss	– page 78
–Consolidated statement of comprehensive income	– page 79
–Consolidated statement of changes in equity	– page 80 to 83
–Consolidated statement of cash flows	– page 84 to 85
–Notes to the consolidated financial statements	– page 86 to page 220
–Auditors' Report	– page 222 to page 223

Audited consolidated financial statements for the fiscal year ending 31 December 2012 prepared in accordance with IFRS

–Consolidated Balance Sheet	– page 62 to 63
–Consolidated Statement of Profit and Loss	– page 64
–Consolidated statement of comprehensive income	– page 65
–Consolidated statement of changes in equity change statement	– page 66 to 69
–Consolidated statement of cash flows	– page 70 to 71
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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 are available free of charge and may be inspected during usual business hours on any working day from the date hereof for the whole life of the Prospectus at the specified offices of WürttLeben set out at the end of this Prospectus and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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