

Annual Report 2007

Württembergische Lebensversicherung AG



THE ENGLISH VERSION OF THE ANNUAL REPORT IS IN ACCORDANCE WITH
THE EXAMINED GERMAN ANNUAL REPORT



württembergische
Partner von Wüstenrot

THE ROCK IN THE WAVES

At a glance

	2007	2006	2006
		(inkl. KLV) ⁶	
Gross written premiums			
in EUR million	2 167.6	2 244.7	1 348.3
New business (new premium)			
in EUR million	512.6	538.2	356.1
Insurance portfolio – direct –			
Annual premium income for one year in EUR million	1 826.0	1 873.7	1 097.8
Number of contracts	2 893 845	2 977 739	1 772 448
Administration cost ratio in relation to average investment portfolio¹			
in %	0.27	0.29	0.28
Reserve for benefits to clients²			
in EUR million	25 669.6	25 069.1	13 603.2
Investments³			
in EUR million	25 137.3	24 805.3	13 425.4
Net interest³			
in %	4.9	4.9	4.9
Total profit			
in EUR million	463.0	465.2	266.3
Staff of the Württembergische insurance companies⁴			
Office staff and salaried salespersons	6 093	6 532	4 515
WürttLeben share			
Dividend per share in EUR	1.65⁵	–	1.25
Amount paid out in EUR million	20.1⁵	–	15.2
Share price on 31 December in EUR	27	–	36

¹ In accordance with clause B5b of the performance data catalogue of the Gesamtverband der Deutschen Versicherungswirtschaft e.V. (GDV = general association of the German insurance industry)

² Aggregate reserve, profit credits and reserve for bonus payments to clients

³ Not including unit-linked life assurance

⁴ WürttVers, WürttLeben

⁵ Subject to shareholder's approval of the proposed allocation of profit at the Annual General Meeting

⁶ Karlsruher Lebensversicherung (KLV) was merged with WürttLeben with retrospective effect as of 1 January 2007. In order to facilitate comparison, the previous year's values on the balance sheet, in the profit and loss account, the notes and the report of the management board have been supplemented with the figures of KLV.



Formation of capital wealth



Home-ownership



Security for the future



Protection against risks

Württembergische: The Rock in the Waves

Providing for the future has a very long tradition. As early as 1828, people in the south of Germany got together to establish the “Württembergische Privat-Feuer-Versicherungs-Gesellschaft” (Württemberg private fire insurance company) in order to share the risks of fire and associated hazards. Five years later, the present-day Württembergische Lebensversicherung was established as the first private company to engage in annuity assurance business. Within this tradition, the Württembergische sees itself as a part of “W&W – The specialist in provision for the future”.

- As a “Rock in the Waves”, the Württembergische is an experienced and effective partner for our private and corporate customers in all matters relating to insurance products and provision for old age. A strong brand name within W&W, the specialist in provision for the future.
- Our highly-knowledgeable field agents are always within reach and, with the excellent advice they give, ensure a high level of customer satisfaction and loyalty.
- The Württembergische is known for the outstanding service it provides. When a claim is submitted or a policy matures, we help to resolve the details quickly and without any complication. The quality of our products and the solidity of our investments are what makes the Württembergische strong.
- The Württembergische occupies a firm position among the TOP 10 general and life insurance companies in Germany.

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Ladies and Gentlemen,

As a consequence of the new insurance contract law, we are allowing policyholders to participate in the valuation reserves in a new way from this year onwards. We attach considerable importance to the transparency of our products and the new obligations to disclose information will further enhance this transparency. This is the right path to pursue, given that private capital-based provision for old age is becoming more and more important. This was manifested in the new business done in the completed fiscal year. New business from banks and our exclusivity organization was above that of the previous year. It was only in direct corporate business that non-repeatable one-off effects from 2006 led to a decrease in new premium income overall.

In 2007, we successfully complete the Integration of the Karlsruher insurance companies by merging the two life assurance and general insurance companies. The cost benefits obtained are greater than originally expected. The numerous activities involved in the integration of the Karlsruher are the core of our efficiency project entitled "Württembergische 2009" started in 2006 with our sister company, Württembergische Versicherung AG. It is embedded in the "W&W 2009" program for the future initiated by the W&W Group. At the same time, we are working on the "SPRING" project which concerns all groups and encompasses a variety of sales issues. With the help of these schemes, we are strengthening our opportunities for growth and profit on a lasting basis.

The main focus of our restructuring projects implemented in 2007 is on our customers and their needs in all matters to do with the formation of capital wealth, home ownership, security for the future and protection against risks in all phases of life. The high commitment to service on the part of the Württembergische's office and field staff is the reason why the satisfaction of our customers is greater than average in the industry. This is confirmed by the outstanding assessments of the independent KUBUS study of the insurance market. A commitment to service and efficiency does not involve any contradiction. In 2007, the cost situation in the WürttLeben group continued to improve in spite of the expenses incurred due to the integration.

Our products were again given top marks as well. The two well-known rating institutes, Morgen & Morgen and Franke & Bornberg, gave the supplementary permanent health insurance of WürttLeben top marks in April 2007 and this rating has been repeated in the current year as well. In June 2007, Stiftung Warentest (German product-assessment agency for consumers) agreed with this positive assessment by awarding the rating "very good". Although WürttLeben has not been directly affected by the US real-estate crisis, the company's share was unable to avoid the general impact on the industry and, in 2007, went down in price by a quarter of its value compared to the year before. In our opinion, however, there are many factors that speak for the good potential of the WürttLeben share in terms of its price.

Our investment result was good again in 2007. We considerably improved our profit for the year by increasing it by one third and we also succeeded in slightly raising our profit participation for 2008.

Our success is thanks to the dedicated commitment of our office and field staff as well as to our customers and shareholders who have placed their trust in us. My special thanks go to all of them.

Yours sincerely



Dr. Wolfgang Oehler

Management Board of Württembergische Lebensversicherung AG



Dr. Wolfram Gerdes
Investments

Ruth Martin
Life

Rainer Schlegel
Company organisation/
Data processing

Dr. Jochen Kriegmeier
Composite

Dr. Wolfgang Oehler
Chairman/Sales

Dr. Michael Gutjahr
Internal matters

Supervisory Board

Dr. Alexander Erdland
Chairman

Chairman of the Management Board
Wüstenrot & Württembergische AG

Dr. Jan Martin Wicke
(from 30 August 2007)
Deputy Chairman
(from 25 September 2007)

Member of the Management Board of
Wüstenrot & Württembergische AG

Dr. Edmund Schwake
Deputy Chairman
(until 30 June 2007)

Member of the Management Board of
Wüstenrot & Württembergische AG
(until 30 June 2007)

Prof. Dr. Peter Albrecht

Holder of the chair for general business
management studies, risk theory, portfolio
management and insurance at Mannheim
University

Rolf Henrich*

Leading managing agent and overall
chairman of the employees' committee of
Württembergische insurance companies

Christian Hörtkorn

Executive partner of
Dr. Friedrich E. Hörtkorn GmbH

Michael Horn

Deputy Chairman
Landesbank Baden-Württemberg

Willy Köhler

Chairman of the management board of
Volksbank Rhein-Neckar eG

Dr. Wolfgang Müller

Chairman of the management board
of BBBank eG

Wolfgang Prade*

Managing agent
Württembergische Lebensversicherung AG

Peter Ulrich*

Leading managing agent of
Württembergische Lebensversicherung AG

Dr. Bernhard Schareck

President of the Gesamtverband der Deutschen
Versicherungswirtschaft e.V. (GDV = general
association of the German insurance industry)

Frank Weber*

Chairman of the employees' committee of
the Württembergische insurance companies,
located in Karlsruhe

* Employees' representative

Württembergische and W&W Group in 2007



Wüstenrot TV on air



Vintage car insurance is “Best Brand 2007”

As a “Rock in the Waves”, Württembergische Lebensversicherung AG is an integral component of Wüstenrot & Württembergische, the specialist in provision for the future, as a competent service insurer with a wide-ranging product portfolio. What is unique throughout Germany is the fact that the two business segments, namely “Building Savings/Banking” on the one hand and “Insurance” on the other, are equally strong pillars of the W&W Group. In 2007, the entire W&W Group saw a great many changes. Our chronicle shows the highlights of 2007 and what we achieved together:

January

Württembergische Lebensversicherung presents the first tariff generation shared with Karlsruher Lebensversicherung with a guaranteed interest of 2.25 per cent. This includes a new form of independent permanent health insurance with unit-linked profit participation, many additional flexible variations in the area of unit-linked annuity assurance as well as numerous products for specific target groups.

February

The new structure of the Management Board, the Group’s central managing body, is announced at the annual press conference. The heads of the two business segments, “Building Savings/Banking” and “Insurance”, together with the Management Board of W&W AG belong to the Management Board of the W&W Group. It is supported by three Group boards which cover the areas of sales, risk and operations and perform tasks covering all areas of business.

March

The squeeze-out procedure for the acquisition of 100 per cent of Karlsruher Lebensversicherung AG by Württembergische Lebensversicherung AG is completed successfully. The internationally recognised rating agency A.M. Best awards WürtVers a rating of “A-”, i.e. outlook stable.

April

The Wüstenrot companies and the employees’ committee together find a way of ruling out redundancies due to operational factors and, at the same time, ensuring scheduled implementation of the “Wüstenrot 2009” efficiency-enhancement program.

May

“Take one - Action” – Wüstenrot TV starts to broadcast as a medium of information for field staff and agents.

Württembergische Versicherung introduces a new legal protection tariff with extensive improvements to benefits. Apart from this, the focus is on greater comprehensibility and customer-oriented claims processing by telephone.

June

After top marks from Morgen & Morgen and Franke & Bornberg, Stiftung Warentest (German product-assessment agency for consumers) now awards a “very good” rating to supplementary permanent health insurance from Württembergische Lebensversicherung.



KUBUS: Top marks for Württembergische



The Wüstenrot current account as a convincing alternative

July

In the course of the “squeeze-out”, the W&W Group becomes sole owner of Wüstenrot Bausparkasse AG. This move is intended to contribute to an improvement in the cost situation of the savings bank and its flexibility.

Wüstenrot introduces a new payment system for its field staff. It take more account of contract-closing performance, the value of the business done and the growth of the customer base and the sales network.

August

The FitchRatings rating agency confirms its ratings for the W&W Group and assigns it a stable outlook.

The vintage-car insurance of Württembergische Versicherung is awarded the title of “Best Brand 2007” by the magazine “Motor Klassik”. In a survey, readers of the magazine voted for the special insurance, giving it the number one status. The Württembergische has been offering special insurance for vintage cars since 1988.

September

After being entered in the register of companies, the legal mergers of Karlsruher Lebensversicherung AG with Württembergische Lebensversicherung AG and Karlsruher Versicherung AG with Württembergische Versicherung AG are finally completed with retrospective effect as of 1 January 2007.

W&W Service GmbH is established. It is to combine, uniformly manage and control the service

areas previously spread out among different locations within the Group. The aim is to increase efficiency and foster Group cohesion.

October

Wüstenrot Bank AG Pfandbriefbank expands its range of products by now offering a current account, a prepaid credit card and customer-friendly online products.

The Württembergische launches new motor insurance tariffs on the market. Policyholders and their partners who already use certain products from other companies receive a discount of up to 10 per cent. There are also considerable premium reductions for owners of environment-friendly vehicles.

November

In the KUBUS insurance-market study 2007, the Württembergische is awarded the top rating “excellent” in the area of claims/pay-outs both in the overall result and in the individual assessments for motor-hull claims processing, health insurance benefits and life assurance pay-outs.

December

The expectations of the Standard & Poor’s (S&P) rating agency regarding the W&W Group were fulfilled in the preceding year. The agency confirms all existing ratings.

Wüstenrot becomes the new partner of the Vorsorgewerk des Deutschen Beamtenbund (institution for provisions for the future acting on behalf of German civil servants).

Report of the Management Board

General Economic Situation

Overall economic environment

In fiscal 2007, the German economy achieved substantial growth. According to calculations of the federal office of statistics, the gross domestic product (GDP), after correction for prices, showed a plus of 2.5 per cent. Although growth was somewhat weaker than in 2006, when it amounted to 2.9 per cent, the domestic and non-domestic forces driving the economy were strong enough to withstand significant counterpressure. On the one hand, the increase in value added tax which came into force in 2007 put a brake on private consumption as it made people reluctant to spend. On the other hand, the turbulence on the international financial markets triggered by the real estate crisis in the United States exerted an adverse impact.

Demand from abroad for German products continued to boost the economy. In spite of the massive increase in the value of the euro compared to the dollar, it caused exports to grow by 8.3 per cent. Imports, in contrast, only grew by 5.7 per cent. In 2007, the German economy thus again achieved an export surplus which accounted for more than half of overall economic growth. Growth was also stimulated by domestic factors, primarily gross investments. After correction for prices, it was 4.9 per cent higher than in 2006. Companies intensified their investments in machinery and equipment.

The good order situation of the companies led to the creation of new jobs and a reduction in the number of unemployed in 2007. Altogether, over 39.7 million people were in employment on average over the year. This is a plus of 1.7 per cent compared to 2006. The fact that the upswing had

no effects on private consumption is shown by the 0.3 per cent decrease in private consumption in 2007 compared to 2006. At the same time, the savings ratio rose from 10.5 per cent to 10.8 per cent. One reason for this was that the disposable income of households rose by 1.6 per cent but, at the same time, consumer prices underwent a rise of 2.2 per cent on average for the year.

Outlook for 2008: Purchasing power stimulates consumption

According to experts, the worldwide economic growth initially expected by leading economic research institutes for 2008 will be slowed down by, among other things, the turbulence on the international financial markets triggered by the real-estate crisis in the US. This is also having an effect on Germany. Most research institutes and analysts are assuming that GDP will grow by around 1.5 per cent. In spite of the somewhat lower economic growth compared to the preceding years, 2008 can be expected to see a continuation of the good labour market situation. The average unemployment rate for the year can thus be expected to fall to around 8 per cent in Germany.

In the current year, it is possible that economic growth in Germany will be slowed down by the oil price and the higher value of the euro. According to economic researchers, however, increasing employment, higher wages specified in general trade-union agreements and the associated rise in the purchasing power of private households will stimulate consumption and therefore the economy. Only a slight change is expected in the savings ratio, which should continue to be close to 10.5 per cent of disposable income.

The Life Assurance Industry

The friendly economic situation in 2007 failed to generate growth among German life assurance companies. According to provisional figures for the industry, premium income mostly remained constant. Life assurance in the narrower sense grew slightly by 0.4 per cent. If the premiums of pension funds are taken into account, the industry experienced negative growth in 2007.

In respect of new contracts, premium income for life assurance with annual premium payment fell by 2 per cent in 2007 compared to 2006. If the increase in 2006, which was solely due to the higher Riester phase, is deducted however, there was a 4.2 per cent rise in premium income for new business. Single-premium insurance again accounted for a large share of new business in 2007 although, with a plus of only 0.2 per cent, growth was not significantly boosted.

In the individual life assurance classes, the trend towards insurance with pay-outs in the form of an annuity continued in 2007. Its overall share amounts to around 54 per cent of insurance with annual premiums and 69 per cent in terms of new premium income. In particular, unit-linked annuity assurance grew by 28.9 per cent compared to 2006 and, in 2007, accounted for a 24.6 per cent share of new business.

With regard to annuity assurance, the new annual-premium income of Riester forms of life assurance rose by 12.7 per cent, thus reaching a share of 32.6 per cent of overall new business. The basic annuity in 2007 accounted for more than 20 per cent and almost doubled compared to the preceding year.

For some years now, business in the life assurance industry has been marked by an overhang of contracts coming to an end compared to new contracts, the reason being that the expanding development of business in the past is now resulting in numerous regular contract expiries. These are associated with a loss of premium income for life assurance companies due to the low proportion of re-investment apparent throughout the market.

Outlook for 2008

The GDV (general association of the German insurance industry) expects that, in the premium income of new business for contracts with annual premiums, the considerable and already noticeable trend in the population towards products of the life assurance industry for the provision of old age will continue to intensify in 2008. A high level of new business is anticipated especially for Riester products again. As a special effect, the last increase in the Riester grant which comes into force in 2008 will have an influence on new business. For the basic annuities, the current year is also expected to see further substantial growth. In general, the trend towards a higher proportion of annuity assurance – especially the unit-linked tariffs – will probably continue to be a factor in the structure of the annual premium.

In single-premium business, life assurance compared to other forms of capital investment still has advantages such as the high level of security, the general tax conditions and – in respect of provision for old age – the right to choose an annuity. Above all, the promise of lifelong payments after payment of a single amount is an attractive prospect for middle-aged and older groups of customers. For 2008, the GDV is therefore expecting slight growth again in single-premium income compared to 2007.

In view of the overall economic development and the demand for additional private provisions for old age, the GDV is expecting premium income to grow by around 2 per cent.

Themes of Fiscal 2007

Renewal program bears fruit

Clear successes for “Württembergische 2009”

For WürttLeben, 2007 was the year when the “Württembergische 2009” renewal program started to bite. Initiated in 2006, the efficiency program already showed clear signs of success at the end of the fiscal year, whereby important intermediate goals were achieved ahead of time.

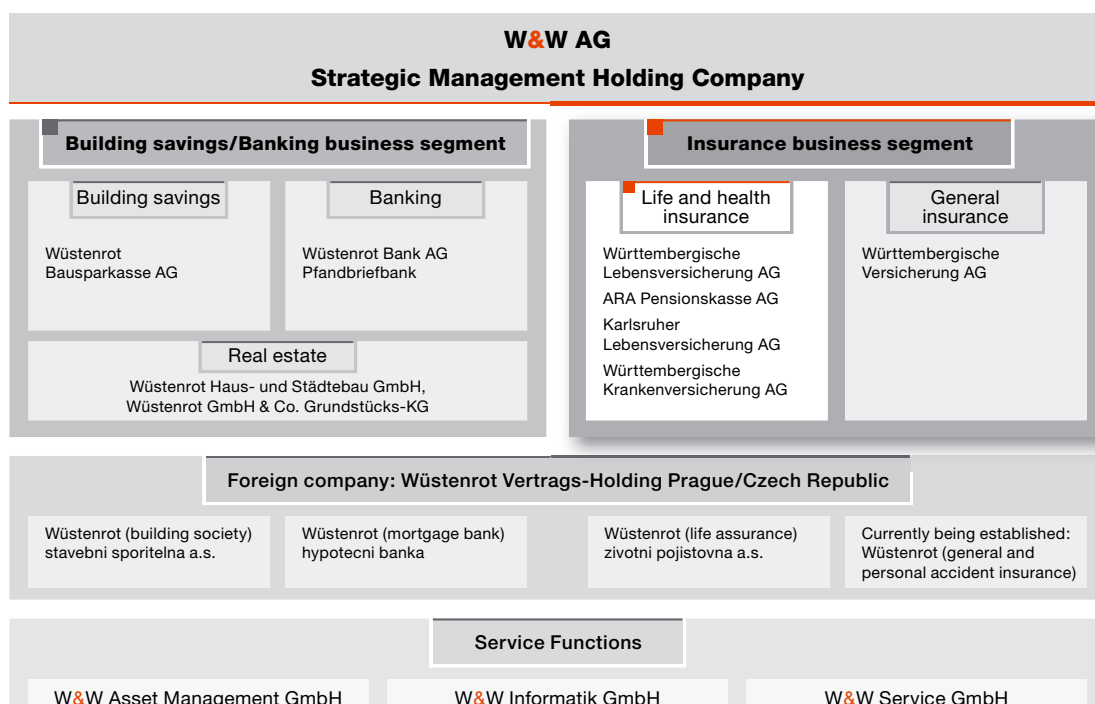
In the framework of “Württembergische 2009”, WürttLeben and its sister company, Württembergische Versicherung AG (WürttVers), completed the legal and organizational arrangements in respect of integration of the Karlsruher insurance companies with retrospective effect as of 1 January, 2007. The change of name from “Karlsruher HK AG” to “Karlsruher Lebensversicherung AG” took place subsequently.

“W&W 2009” program for the future

“Württembergische 2009” is embedded in the “W&W 2009” program for the future which is aimed at more growth, efficiency and profitability. The objective is to make the W&W financial services group into an effective specialist in provision for the future. In order to achieve this objective, the focus is being placed on the unused potential of the six million customers of the entire W&W Group – in so far as they are not primarily assigned to cooperating partners – as well as on the reinforcement and expansion of customer relations and support. The Group’s self-image as an association of brands will be strengthened and consolidated.

The “W&W 2009” program for the future is based on three pillars: firstly, the comprehensive “SPRING” sales project, secondly, the cost-reduction and efficiency-enhancement projects of the two business segments, divided into “Wüstenrot 2009” and “Württembergische 2009”, and, thirdly, the corporate project for optimisation of controlling and the reduction of complexity within the Group.

WürttLeben as an integral component of the W&W Group



The Group project in the framework of “W&W 2009” is aimed at streamlining the structures of the Group and making them more effective. This includes the establishment of the Management Board, to which the heads of the Building Savings/Banking and Insurance business segments belong, as well as a uniform control cockpit covering all areas of business. One important aim of the program is to increase the efficiency of internal processes throughout the Group.

Stimulation of growth in cross-selling

The Group-wide sales project entitled “SPRING” is intended to strengthen sales and promote growth. The associated all-inclusive link-up of customer needs, sales channels and products is being advanced step by step by means of the Group Board responsible for sales. This board is composed of the sales boards of the two business segments, Building Savings/Banking and Insurance, and of the persons in the Group who are responsible for sales at W&W AG. In this way, coordination and transparency are ensured across all the Group’s activities relating to products and sales.

A significant engine of growth for Wüstenrot and Württembergische is cross-selling – in other words, the joint sale of products belonging to both brands. In order to achieve the cross-selling goals, appropriate organisational structures, strategies and internal guidelines were created and introduced in 2007.

The first steps towards further reinforcement of the exclusive sales apparatus of the Württembergische were taken in 2007. The unification of several individual agencies in one office under the management of an agency with special strengths in terms of its production and existing contracts is intended to ensure better exploitation of the potential to be found in a joint effort.

Overview of Business in 2007

Top ten position strengthened

By successfully implementing their integration projects, the Württembergische insurance companies are securing their place among the top ten companies in the German insurance industry. With retrospective effect from 1 January 2007, the former Karlsruher Lebensversicherung AG was merged with WürttLeben. This created the basis for joint sustained growth and improvement in the earnings situation. The WürttLeben Group, which includes not only Württembergische Lebensversicherung AG but also the subsidiaries ARA Pensionskasse AG and Karlsruher Lebensversicherung AG (formerly KHK), was able to further strengthen its position in 2007.

Successful with “Service for Growth”

All the efforts of the Württembergische insurance companies to improve efficiency and ensure growth are modelled on the notion of “Service for Growth”. The companies’ strong orientation to service among the office and field staff is generating above-average customer satisfaction and best practice results. This was confirmed by the independent KUBUS study of the insurance market. The orientation to service achieved through “Service for Growth” will be additionally stimulated by the initiative entitled “Service Excellence – Life” which concentrates on service throughout the Group.

Increased efficiency

Efficiency and a commitment to service are by no means contradictory. The cost situation in the WürttLeben Group already increased in 2007 in spite of the expenditure involved in integration. The administration cost ratio as a percentage of premium fell by 0.1 percentage points to 3.1 per cent. This corresponds to 0.27 (0.30) * per cent of investments. The acquisition cost ratio also fell by 0.1 percentage points to 6.1 per cent.

The achievement of the efficiency goals for 2007 from the “Württembergische 2009” program was significantly based on the speedily implemented savings generated by integration of the Karlsruher. Apart from the potential for improvement arising from coalescence of the IT sections of the two companies, the successful implementation of a scheme to reduce the number of personnel in a socially acceptable manner also contributed to this. One effect of the “Württembergische 2009” program for the companies of the Württembergische has been that, since October 2005, 840 of a planned 870 jobs have already been eliminated without any redundancies due to operating factors. By the end of fiscal 2007, almost half of all the efficiency improvements scheduled to be achieved by 2009 in the area of personnel and equipment had already been achieved.

Enhanced selling power of the exclusivity organizations

Our sales force which exclusively sells our products is an important pillar of our sales activities. In 2007, the previously separate sales forces of the Karlsruher and the Württembergische appeared as one integral organisation for the first time. Overall, this further strengthened the exclusivity organisation. In the coming years as well, we intend to expand this sales channel continually. The exclusivity organisation, whose great strength lies in the advice it provides, makes a very important contribution to new business by selling solutions which provide for the future and meet the needs of specific target groups.

Broker business in 2008 – Fit for success

The purpose of establishing the new company “Württembergische Vertriebsservice GmbH für Makler und freie Vermittler” is to gain more new customers and exploit the opportunities of a high-growth sales channel. Pooling broker activities for life assurance and general insurance creates clear areas of responsibility. The two companies want to stimulate this sales channel by expanding the scope of existing partnerships and

winning over new partners. In 2007, the company started to build up its distributed sales network. Fiscal 2008 started with a campaign for the newly set-up unit-linked concept entitled “Four Wins”, which we hope will considerably boost our business through brokers.

Respect for the interconnected relationships with our partner banks

For the customers of the Karlsruher banks, absolute data protection and respect for the interconnected relationships form the basis of our business model.

Cooperation among the banks for life assurance made a successful contribution to new business in 2007 and was once again extended to cover a wider scope.

New business again on a high level

The newly acquired business of the banks and the exclusivity organisation was higher in 2007 than in the preceding year. It even compensated for the Riester effect of 2006, which had resulted from the scheduled increase in the required contributions of Riester clients. One-off effects arising from the corporate business of 2006 nevertheless caused the total new premium income of WürttLeben to fall by 4.7 (market: -0.6) per cent to EUR 512.6 million. New business in policies with annual premium payments was especially successful, showing a plus of 4.3 (market: -2.0) per cent and rising from EUR 163.4 million to EUR 170.5 million.

Given the large number of maturities and the end of premium payments in contracts with premium payment shortened to five years, premium income fell by 3.4 (market: +0.4) per cent to EUR 2 167.6 million.

Stable net result on investments

The current earnings on capital were considerably increased in 2007, namely by 10.3 per cent. The net result of our investments remained stable and achieved a level of EUR 1 213.7 (1 216.1) million. The net interest amounted to 4.9 per cent, thus again reaching the high level of the previous year.

The valuation reserves were diminished due to the increased level of interest (see table on page 63). However, smaller reserves were accompanied by higher earnings on new investments due to increased interest, as a result of which a lasting improvement in earnings power was achieved.

Dividend increased again

Due to the positive development of the company, WürttLeben achieved a profit for the year amounting to EUR 20.1 million. At the Annual General Meeting on 28 May 2008, it will be proposed that this profit be used to pay out a considerably increased dividend of EUR 1.65 (1.25) per share to the shareholders.

*Unless stated otherwise, the figures in brackets refer to the corresponding values in fiscal 2006

Assets, Earnings and Financial Situation

Premium income

The good level of business done in earlier years resulted in numerous regular expiries of contracts in 2007. The life assurance company thus shows itself to be a reliable partner when it comes to provisions for old age. At the same time, the aim is to compensate for this natural decrease in the number of contracts by means of continual growth in new business.

In this context, a strong incoming flow of new business with single premiums plays an important role. However, the earnings arising from this business are less constant than income from contracts with annual premiums, considered over a period of several fiscal years. Premium income on the whole is becoming considerably more volatile.

All in all, the general sales performance in terms of single-premium business in 2007 improved, after correction of the figures to take into account special effects. However, the special effects, in the form of a very high non-recurring effect from the corporate area in 2006, had an adverse impact on the development of gross written premium income.

The gross written premium income of WürttLeben in 2007 added up to EUR 2.168 (2.245) billion. This corresponds to a decrease of 3.4 per cent (market: +0.4 per cent).

Of this amount, WürttLeben's annual premiums accounted for EUR 1.827 (1.868) billion and single premiums accounted for 340.1 (376.2) million.

For the WürttLeben Group, the gross written premium income amounted to EUR 2.329 (2.411) billion, which was also a decrease of 3.4 per cent.

From the reserve for premium refunds amounting to EUR 2.070 billion, EUR 324.4 (336.1) million was withdrawn for the profit participation of WürttLeben's policyholders. Out of this amount, we used EUR 136.7 (144.3) million as premiums to increase the sums assured. The total premium volume for WürttLeben in 2007 was therefore EUR 2.304 billion.

New contracts

Further improvement in sales

Our exclusivity organisation and our banking partners acquired more new business in 2007 than in the previous year. One-off effects arising from the corporate business of 2006, however, led to a 7 per cent decrease in the total new premium volume to EUR 538 million (market: -1.0 per cent) in the WürttLeben Group. For WürttLeben as a single company, the total new premium income in 2007 amounted to EUR 512.6 million, 4.7 per cent below the preceding year (market: -0.6 per cent). If the impact of the one-off effects is subtracted from the figures, there was an increase of 13.3 per cent.

The income generated by newly acquired annual-premium business in the WürttLeben Group grew by 1 per cent. This was more than the average for the market (market: -3.2 per cent). WürttLeben as an individual company achieved income of EUR 170.5 million, 4.3 per cent above the previous year (EUR 163.4 million). That part of the previous year's new premium income arising from the increase in the Riester allowance on 1 January 2006 was fully compensated for by new acquisitions and growth was achieved which exceeded last year's extra Riester-based premium income. If the 2006 Riester phase is not taken into account, income in terms of annual premiums rose by 7.6 per cent in the WürttLeben Group and 11.7 per cent for WürttLeben as an individual company. The corrected growth on the market amounted to 4.2 per cent.

The single deposits in the Group fell by 10.8 per cent from EUR 394.0 million to EUR 351.5 million because the preceding year included one-off effects arising from corporate business. The new broadly acquired single-premium business, in contrast, rose by 10.2 per cent but was unable to fully make up for the special effect of the previous year. For WürttLeben as an individual company, there was a decrease of 8.7 per cent (market: + 0.2 per cent) from EUR 374.8 million to EUR 342.2 million.

High demand for annuity assurance

Our well positioned annuity tariffs, including the Riester and basic annuity, are an important pillar of new business in respect of the law on income in old age (AltEinkG). The total new premium of WürttLeben rose by 5 per cent to EUR 414.8 million. The share of annuity assurance in total new business amounted to more than 80 per cent.

Growth in basic annuities above the level of the market

The basic annuity has now established itself as an additional building block of provision for old age and, at WürttLeben, business in this area improved at a faster rate than in the market in general. Total new premium income in the WürttLeben Group in 2007 rose by 138.1 per cent and, for WürttLeben as an individual company, increased by 131.6 (market: 97.5) per cent.

Company pension schemes still in demand – Decrease in single-premium income in corporate business

Apart from the successful basic annuity from layer one of provisions for old age, layer two, namely company pension schemes, increased by 12.5 (WürttLeben Group: 11.2) per cent to EUR 113.2 (WürttLeben Group: 128.3) million in terms of new premium income compared to the previous

year. Single-premium income in corporate business as a whole decreased by 26.9 per cent, falling from EUR 136.5 million to EUR 99.8 million, the reason being that, in the preceding year, one-off effects, for example arising from company acquisitions, had led to unusually high figures.

Unit-linked products on the upswing

New business in unit-linked products improved considerably again in 2007 compared to the strong preceding year. New premium income of the WürttLeben Group rose by 19.2 per cent to EUR 39.4 million. In respect of WürttLeben as a single company, new premium income even rose by 23.8 per cent to EUR 35.1 million.

Positive development of independent permanent health insurance

Permanent health insurance, which was introduced in 2007, received excellent ratings from the rating agencies and is being very well received in the market. The new premium income of WürttLeben rose by 110.2 per cent to EUR 8.1 million.

Increase in average aggregate premium

The average aggregate premium of contracts which were closed in 2007 amounted to EUR 26 378. This was above last year's figure of EUR 24 829. This reflects the diverse composition of new business. The previous year's figure was impacted by an exceptionally high proportion of Riester contracts, which had a low average aggregate premium of EUR 10 654. The higher average aggregate premiums of basic annuity contracts amounted to EUR 58 991 and had a positive effect here.

Development of the portfolio

Erosion of the portfolio reduced compared to previous year

In the industry as a whole, life assurance portfolios can be seen to be “aging” at the same rate as demographic development. The increasing number of maturities in recent years and the resulting natural erosion of the portfolio has to be compensated by means of constant growth in new business.

The same phenomenon can be observed in WürttLeben as well. The initial portfolio of WürttLeben has almost doubled due to the merger with the former Karlsruher Lebensversicherung.

New business in 2007 was unable to fully compensate for the erosion of the portfolio – measured in terms of annual premiums. Nevertheless, the rate of erosion was slowed down to - 2.5 (- 2.9) per cent compared to the previous year. Achieving the turnaround in the development of the portfolio in order to achieve the ambitious goals of the planned growth program continues to be a great challenge. Considerable efforts still need to be made in order to achieve these aims. This problem is exacerbated by a growing proportion of single deposits, which, to some extent, have an adverse impact on income in terms of single premiums.

The growing importance of annuity assurance, as has been observed for many years in new business, has further increased now that the law on income in old age (AltEinkG) has been introduced. In 2007, the proportion of annuity assurance in the portfolio in terms of annual premiums for a year amounted to 24.6 (23.8) per cent.

Cancellation rate below market level

Our cancellation rate, which is traditionally lower than the average for the industry in terms of the average statistical annual premium, was 4.39 per cent, approximately the same as the previous year’s level. Our position compared to the market as a whole therefore continues to be positive. The low cancellation rate this year once again demonstrates the quality of advice provided to customers by our sales forces.

Insurance benefits/costs

Cost situation improved again

In fiscal 2007, the cost situation in the WürttLeben Group improved again in spite of further investments in the framework of the “Württembergische 2009” program. The administration cost ratio in respect of written premium income was therefore reduced by 0.1 percentage points to 3.1 per cent. For WürttLeben as an individual company, the administration cost ratio was 3.2 per cent. This corresponds to 0.27 per cent of the investment portfolio.

In spite of the lower level of new business, the acquisition cost ratio of the WürttLeben Group decreased by 0.1 percentage points to 6.1 per cent. For WürttLeben as an individual company, the acquisition cost ratio was 6.4 per cent. New business in terms of aggregate premiums fell by 5.5 per cent. However, the acquisition costs were reduced by 7.3 per cent.

The main reason for the improved cost situation was the speedily implemented savings resulting from integration of the Karlsruher insurance companies. In addition to positive effects arising from the fusion of the IT sections and the avoidance of duplicated projects in the world of

products and solutions on offer, it was above all the successful implementation of job cut-backs in a socially acceptable manner that contributed to this. Since October 2005, the “Württembergische 2009” program has resulted in the elimination of a total of 840 out of the planned 870 jobs for all the companies of the Württembergische without any redundancies resulting from operating factors. By the end of fiscal 2007, almost half of all the efficiency improvements scheduled for achievement by 2009 in the area of costs for personnel and tangible elements had already been implemented.

The parts of the investment costs which were incurred through integration of the Karlsruher insurance group and concern the company as a whole had already been taken into account in the item “Other costs” of WürttLeben in fiscal 2006.

The total gross underwriting expenses in 2007 amounted to EUR 283.8 million.

Paid-out benefits and obligations to pay benefits still on a high level

The paid-out insurance benefits of WürttLeben in fiscal 2007 amounted to EUR 2.405 (2.453) billion. Out of the total benefits, EUR 1.441 (1.487) billion, namely two thirds, was accounted for by maturity benefits. This shows the great importance of insurance maturities in the overall portfolio.

The aim is to keep expiring life assurance policies within the Group by persuading customers to take out annuity assurance contracts which begin immediately or by selling other financial services products of our Group. In 2007, we were able to make better use of the considerable potential for re-investment than in previous years. The re-investment ratio was 6.0 per cent.

Annuity payments amounted to EUR 252.6 (256.0) million, EUR 3.4 million below the previous year’s figure. For mortalities, EUR 146.3 (121.7) million was paid out. The other paid-out benefits concerned marriage and surrenders.

In addition to the paid-out benefits, there are considerable obligations for future benefits. These are composed of the aggregate reserve, the accumulated profit and the reserve for bonus payments to clients. Both the aggregate reserve and the accumulated profit continued to grow. Due to the stable result on investments and other developments, the reserve for bonus payments to clients increased substantially from EUR 1.952 billion to EUR 2.070 billion.

The obligations for future benefits experienced a plus of 2.4 per cent, rising by EUR 600.5 (158.1) million. This also reflects the pleasing growth in the reserve for bonus payments to clients and in the aggregate reserve. The total obligations to pay benefits to customers thus reached a level of EUR 25.670 (25.069) billion.

In 2007, WürttLeben allotted a total of EUR 2.993 (2.612) billion to its customers in the form of paid-out benefits and the increase in obligations to pay out benefits in future.

Investments

Economy and financial markets under the influence of the US sub-prime crisis

The increases in the prime rate of interest in the preceding years as well as the exploding crisis in the US sub-prime sector slowed down the growth of the gross domestic product to 2.2 per cent in the US. Economic growth in the European Economic and Monetary Union (EMU) was more dynamic, rising by 2.6 per cent.

The higher inflation rate in the EMU caused the European Central Bank (ECB) to raise its prime rate by a total of 50 basis points to 4 per cent in the first six months. Nevertheless, the ECB did not pursue its restrictive monetary policy any further in spite of the inflation rate which continued to rise. The reason for the reluctance of the ECB to do so was concern about the adverse economic impact of the US sub-prime crisis. The US Federal Reserve reacted with reductions in the prime rate.

The dynamic economic growth in the EMU and the decreasing interest rates in the US contributed to a substantial rise in the value of the euro in the course of the year. It reached new record marks compared to the US dollar and, in the meantime, has attained a level of 1.49 US dollars.

Share markets with positive conclusion at the end of the year

The Dow Jones EURO STOXX 50 rose by 6.8 per cent in 2007. However, there were also considerable share-price decreases in the course of the year. At the end of the year, the Dow Jones EURO STOXX 50 closed at 4400 points. In Germany, the DAX 30 rose by around 22 per cent and, at the end of the year, reached a level of 8 067 points. All in all, the prices on the US share markets also rose in 2007. The "S&P 500" index thus gained around 3.5 per cent and, at the end of the year, closed at 1 468 points.

Interest levels reach the 5 per cent mark in Summer

The improvement of the economy and the expectation that the ECB would announce further rises in the prime rate in the first half of 2007 caused the yield on 10-year mortgage bonds to rise from around 4.2 per cent at the beginning of 2007 to almost 5 per cent in July. In the following months, the US sub-prime crisis led to greater investment in safe fixed-interest securities. As a result, the yield on 10-year mortgage bonds decreased again to around 4.5 per cent in September. By the end of the year, the interest rates in the long-term area were within the range of 4.5 to 4.8 per cent.

In the first six months of the year, the yield on 10-year US government bonds rose to a high of 5.3 per cent in June. In the second half of the year, the yield fell to 3.8 per cent in November due to uncertainty on the financial markets and, at the end of the year, reached 4.0 per cent again.

Successful fiscal 2007 in the area of investments

Fiscal 2007 went successfully for WürttLeben in respect of its investments. In spite of the uncertainties on the financial markets, a stable investment result was achieved. WürttLeben pursued an investment policy with an awareness of risks and a focus on ensuring the high quality of its debtors. The US sub-prime crisis therefore had only slight direct effects on the investments of WürttLeben. WürttLeben was also exposed to the general re-assessment of credit risks in fiscal 2007.

In 2007, the investment portfolio of WürttLeben grew by 1.3 per cent to EUR 25.1 billion, including the investments of the former Karlsruher life assurance company which merged with WürttLeben. There were not fundamental structural changes in the investment portfolio. With regard to new investment, registered bonds and debentures were dominant with a share of 53.0 per

cent. With a share of 50.1 per cent, these investments formed the largest item in investments in respect of the overall portfolio as well.

Result on investments on a stable level

The net result on investments amounted to EUR 1.2 billion and thus remained on the level of the preceding year. Whereas the current yield on capital rose by 10.3 per cent to EUR 1.3 billion, the result arising from the disposal of investments fell from EUR 162.3 million to EUR 89.6 million. The main reasons for this were the lower gains in the area of shares and the increased level of interest on fixed-interest investments. This led to considerable depreciation in the case of interest-bearing securities. The negative balance arising from depreciation, value corrections and increases in value deteriorated from – EUR 97.2 million in the previous year to – EUR 150.8 million in 2007. Moreover, additions in value only occurred to a minor extent compared to the year before.

The net interest on investments was 4.9 per cent, the same level as the previous year.

Hedging of share portfolios

In order to improve our ability to bear risks in the event of sustained decreases in share prices on the stock exchanges, we again hedged around a quarter of our share portfolio – which we only keep in our security funds – through the purchase of put options. In addition, we used stop-loss strategies in parts of the portfolio in order to minimise the risk. Altogether, a third of the short portfolio was hedged in the course of the year.

Further expansion of our commitment in shares and private equity

Due to long-term positive performance expectations, we expanded the share portfolio in weak phases of the market. Within the share portfolio, a wide range of diversification was achieved in respect of industries, regions and investment styles.

We again increased private equity investments according to plan by transferring capital for existing pledges and engaging in new ones. Altogether, the proportion of our commitment in productive capital in relation to our total investments in the form of shares and private equity increased from 11.1 per cent to 13.1 per cent in fiscal 2007.

Lower valuation reserves

The valuation reserves of the investments evaluated at the cost of purchase decreased from EUR 749.5 million to EUR 558.9 million mainly as a result of the changes in interest. At the end of the year, they accounted for 2.2 per cent of the book value of all investments. These are the valuation reserves after balancing of reserves with hidden burdens in the case of fixed-interest securities and annuity funds and are consequently a net value. Part of the fixed-interest securities and annuity funds was evaluated as investment assets according to § 341 b HGB, as in previous years. As a result of this measure, we refrained from depreciation and value corrections to the amount of EUR 106.5 (41.8) million. In the shares area, there were no hidden burdens.

If the reserves of the investments evaluated at their nominal value are included, the total valuation reserves fell from EUR 839.9 million to EUR 167.4 million. The increased interest resulted in negative reserves in the case of registered bonds, debentures and loans evaluated at nominal values. Because these assets are retained until their final due date, the negative reserves are diminished until redemption. At the same time, the higher levels of interest strengthen the current yield on new investments.

The largest valuation reserves of WürttLeben are in the real-estate portfolio and in security funds. Page 63 of this report shows an exact breakdown of the valuation reserves.

If the unencumbered part of the reserve for bonus payments to clients is taken into account, the total reserves cushion of WürttLeben at the end of the year amounted to EUR 923.0 million. This was 3.7 per cent of the total book value of investments. This value underlines the financial solidity of WürttLeben and its ability to bear risks.

Slight overall decrease in participations

The book values of the balance-sheet items participations and shares in affiliated companies decreased slightly from EUR 568.3 million to EUR 554.6 million in 2007. In the previous year's figures, the merger of WürttLeben with Karlsruher Lebensversicherung was already taken into account.

Whereas real-estate participations were reduced, private equity commitments were increased. In fiscal 2007, seven new participations with a total obligation to pay of 50 million US dollars as well as EUR 40 million were recorded.

The 16 per cent share in W&W Asset Management GmbH held in the category "Shares in affiliated companies" was sold to W&W AG. This led to profit amounting to EUR 14.7 million.

Reduced proportion of real estate

In the year under review, WürttLeben exploited market opportunities for sales in the real-estate area. WürttLeben sold an office building in Karlsruhe at a price of EUR 39.7 million, thus achieving profit to the value of EUR 23.5 million.

In addition, shares in different real-estate funds which invested in Germany and abroad were returned. Given a total transaction volume of EUR 466.8 million, profits amounting to EUR 15.3

million were achieved. In addition, WürttLeben sold two real-estate participations which invested abroad for a price of EUR 64.5 million, whereby part of the sale of one participation will only be concluded sometime in 2008. In fiscal 2007, this resulted in a profit of EUR 11.6 million.

In Stuttgart, two office buildings were purchased for EUR 17.3 million. They are mainly intended for use by the Württembergische insurance companies.

Altogether, the proportion of directly and indirectly held real-estate property in relation to total investments fell from 8 per cent to 6 per cent. The foreign part of the entire real-estate portfolio in the form of real-estate holdings and funds amounted to around 17 per cent.

Stress tests of BaFin passed

As in the preceding years, the company easily passed all the stress tests prescribed by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin = federal office for financial services supervision).

Derivative financial instruments

In fiscal 2007, WürttLeben again made use of derivative financial instruments in the form of swaps and forward exchange transactions. These transactions were aimed at securing the portfolios, whereby all the regulations of the Insurance Supervisory Law were complied with. The requirements regarding organizational structures were adhered to, especially the strict separation of trading and administration. Apart from this, options and futures were used within the security funds.

Ratings with 'outlook stable' confirmed

In the year under review, the expectations of the Standard & Poor's rating agency were fulfilled.

On 17 December 2007, Standard & Poor's confirmed its rating of all the core companies of the W&W Group, thus also confirming the "BBB+" rating of WürtttLeben and the "BBB-" rating of the public subordinate loan which was issued by WürtttLeben and amounted to EUR 130 million. All the ratings assigned were 'outlook stable'.

The agency paid tribute to the good risk management concepts and the new tactics for further exploitation of the cross-selling potential within the Group.

The FitchRatings rating agency confirmed the "A" insurer financial strength rating and the "A-" issuer default rating of WürtttLeben in August 2007. Moreover, Fitch confirmed its "BBB+" rating of the public subordinate loan of WürtttLeben amounting to EUR 130 million. All the assigned ratings continued to be "outlook stable".

FitchRatings gave a positive assessment of the restructuring program undertaken by the W&W Group and its subsidiaries which is aimed at improving profitability and increasing new business.

Both the agencies expect the W&W Group to achieve its growth and earnings targets up to 2009.

	Standard & Poor's		FitchRatings		A.M. Best	
	Financial Strength Rating	Issuer Credit Rating	Financial Strength Rating	Issuer Default Rating	Financial Strength Rating	Issuer Credit Rating
W&W AG	BBB-	BBB-		A-		
	outlook stable	outlook stable		outlook stable		
Württembergische Versicherung AG	BBB+	BBB+	A	A-	A-	A-
	outlook stable	outlook stable	outlook stable	outlook stable	outlook stable	outlook stable
Württembergische Lebensversicherung AG	BBB+	BBB+	A	A-		
	outlook stable	outlook stable	outlook stable	outlook stable		
Württembergische Krankenversicherung AG			A	A-		
			outlook stable	outlook stable		
Württembergische Lebensversicherung AG						
Hybrid capital bond	BBB-		BBB+			

Supplementary information in accordance with § 289 Para. 4 HGB

The paid-up capital of WürttLeben amounted to EUR 32 million as at 31 December 2007 and is divided into 40 000 fully paid-in bearer-owned no-par-value shares and 12 137 920 fully paid-in registered no-par-value shares. Transfer of the registered no-par-value shares requires the agreement of the Management Board, whereby such agreement can be refused without any reasons being given. In the case of registered shares, according to German share law, a shareholder in relation to the company is only someone who is entered as such on the shares register. This is important for participation in annual general meetings and for exercising the voting right. There are no further restrictions which concern the voting rights or the transfer of registered or bearer-owned no-par-value shares.

During the annual general meeting, each share represents a vote. The shares of the shareholders in the profit of the company is determined according to their share in the paid-up capital (§ 60 AktG = German share law). If the paid-up capital increases, the profit participation of new shares can be determined differently from the way prescribed by § 60 Paragraph 2 of share law. The right of the shareholder to embodiment of his share in a document is ruled out by § 5 Paragraph 3 of the articles of association.

W&W AG is the major shareholder of WürttLeben, holding 72 per cent of the shares. Ten per cent of the shares are held by Landesbank Baden-Württemberg. The free float amounts to 18 per cent.

The appointment of members to and their removal from the Management Board are in line with §§ 84, 85 AktG.

Alteration of the articles of association is in line with §§133 Para. 1, 179 Para. 1 Clause 1, Para. 2 Clause 1 AktG and requires a decision of the annual general meeting with a majority of at least three quarters of the paid-up capital represented during the decision-making procedure. In accordance with § 179 Para. 1 Clause 2 in conjunction with § 10 Para. 10 of the articles of association, the Supervisory Board has the power to make changes to the articles of association whereby such changes only concern the wording.

The Management Board does not possess any powers beyond the general legal tasks and powers of a management board according to German share law.

For a duration of five years from 31 July 2006 onwards, the Management Board has the power to increase the paid-up capital with the agreement of the Supervisory Board through the issue of new no-par-value shares against cash deposits. It can do so once or several times but not by more than EUR 16 000 000, whereby the shareholders must be granted an option on the new shares. The new shares can also be offered to one or more credit institutions with the obligation to offer them as an option to the shareholders (indirect option to buy). The Management Board has the power to except fractional amounts from the shareholders' option to buy. In the case of a capital increase, registered no-par-value shares are issued.

There are also no significant agreements which are subject to the condition of a change of control following a takeover bid. Moreover, there are no compensation agreements which have been made with the members of the Management Board or employees and apply in the event of a takeover bid. For further details, please refer to the emolument report on pages 40 to 42.

Business Result

Gross surplus on the previous year's level

The business result for 2007 was significantly affected by the solid result on investments, the improved cost situation and a special tax effect. The raw surplus in fiscal 2007 amounted to EUR 488.6 million and was thus on the level of the preceding year.

After direct credit amounting to EUR 25.5 (24.2) million, the total profit in fiscal 2007 amounted to EUR 463.0 million. Of this amount, EUR 442.9 (430.9) million was transferred to the reserve for premium repayment for the future profit participation of our policyholders.

Special tax effect in fiscal 2007

The tax revenue amounting to EUR 3.4 million (expenses last year: 23.1 million) was mainly the result of the dissolution of a latent tax reserve amounting to EUR 21.9 million which was carried as a liability by Karlsruher Lebensversicherung. Dissolution of this reserve was necessary because the preconditions for the previously obligatory formation of this reserve according to § 274 Para. 1 HGB no longer existed due to the merger.

Profit participation even more attractive in 2008

On the basis of the assessment of the capital market and the reserve situation, WürttLeben was able to make profit participation for the insured even more attractive.

In accordance with the reform of the insurance contract law (VVG) in 2008, the explicitly regulated direct participation of policyholders in the valuation reserves at the end of their contracts is a new explicit component of the benefits paid out. This applies to new contracts as well as already existing ones.

Previously, the policyholders participated in the valuation reserves by way of the extraordinary earnings achieved. These earnings regularly contributed to the result on investments of the individual years and, in this way, also became part of the profit participation. The level of total profit participation still depends on the principle of financial viability but, in future, will also include further explicit components. Altogether, profit participation in 2008 will increase slightly.

The reserve for bonus payments to clients amounted to EUR 2.070 (1.952) billion on the balance-sheet date.

Dividend increased considerably

For our shareholders as well, 2007 proved to be a successful year. After the transfer to the reserve for bonus payments to clients, there remained a profit for the year of EUR 20.1 million. A transfer to the reserves was not carried out for 2007.

It will be proposed to the Annual General Meeting that a considerably increased dividend amounting to EUR 1.65 (1.25) per no-par-value share be paid out to the shareholders.

Prognosis

“Württembergische 2009” program for the future and “SPRING”

In the current fiscal year, we are consistently and successfully implementing the measures arising from our “Württembergische 2009” and “SPRING” programs. WürttLeben is especially committed to pursuing their goals for more growth. At the same time, we intend to expand our exclusivity organisation. Improvements in technical support and an even more efficient support service are, like the products designed for specific target groups, also intended to promote progress. However, we are also expecting growth as a result of our banking cooperation and the newly established Makler Vertriebservice GmbH.

Profit targets for 2007 exceeded

Thanks to positive development of the company, WürttLeben achieved a profit for the year of EUR 20.1 million, thus considerably exceeding the target set for 2007. In the process, the cost situation improved more than expected. WürttLeben’s administration cost ratio thus amounted to 3.2 per cent in 2007, whereas we had set ourselves the goal of achieving 3.4 per cent. But WürttLeben’s result on investments also exceeded the target even though there was a substantial degree of uncertainty on the financial markets in 2007.

The good level of business done in earlier years resulted in numerous maturities of old contracts in 2007. The decrease in premium income, which was also influenced by the lower level of single-premium income, amounted to EUR 77 million and was greater than expected. Due to a special tax effect, the planned tax burden was also substantially reduced on the whole.

Altered general legal situation

We prepared well for the 2008 reform of the VVG (insurance contract law) which is effective as of 1 January 2008, as well as for implementation of the EU broker directive in German law in the course of 2007. In 2008, we will continue to strengthen our support for our brokers and agents.

A flat-rate withholding tax is applicable from 2009 onwards and will apply to capital earnings. As a consequence, interest, dividends and investment profits will be taxed uniformly in future. This means that, as of 2009, the attractiveness of life and annuity assurance based on layer three of provisions for old age will increase. Many investment-oriented customers will particularly make use of unit-linked tariffs in order to register their investments as a form of provision for old age with tax relief.

Extensive and attractive range of products

One hundred years after ratification of the insurance contract law, modernization of the legal framework for customer relationships in insurance business was more than overdue. Concrete implementation of the reform was a huge organisational challenge for the whole industry. The reform concerns all classes of insurance but has especially clear effects on life assurance.

For 2008, we have created new tariffs in the spirit of the VVG reform. They put the customer in a better position when it comes to the premature termination of contracts. Moreover, they contain a new explicit profit component which enables our customers to participate in the valuation reserves in the form prescribed by law. We provide our customers with the relevant information when the contract is signed. On 1 July 2008, we will introduce further details based on the directive concerning the disclosure of information which was only ratified in December 2007. As a result, we intend to further strengthen our service for customers.

New business expectations

The need to provide for the future remains very high, especially in view of the decreasing state pension. For the years 2008 to 2010, WürttLeben is expecting a significant increase in new business. The basis for this is our solid standing, the high level of competence of our representatives and agents when it comes to the provision of advice as well as our attractive range of products. Important pillars of new business are private provisions for old age with a focus on Riester annuities and the basic annuity as well as corporate pension schemes. We continue to see good opportunities for increasing the degree of provision for the future in small and medium-sized companies by means of pension funds and direct insurance.

Financial market situation

In spite of considerable volatility on the markets, we are expecting a positive development of share prices in the medium term. We anticipate that the long-term level of interest on the capital markets will increase moderately again in the further course of the year. In the shorter term, a slight decrease in interest is possible if the European Central Bank reduces the prime rate in order to support economic growth.

We are also expecting annual growth in the single-digit percentage area for our investment portfolio. We intend to consistently pursue our successful investment strategy. Here, efficient risk management is paramount in order to ensure speedy reactions to severe market fluctuations. We will exploit the opportunities offered by the market according to our ability to bear risks in order to continue achieving a stable investment result in conformance with the market during times of low interest and to ensure solid reserves at the same time. This will ensure that we can fulfil our guarantee obligations to our policyholders at all times.

Development of the earnings and financial situation

We are confident that we will achieve a good level of new business with intensified cross-selling through the exclusivity organisation of the Wüstenrot, reinforcement of the sales organisation of the Württembergische, expansion of broker sales and intensification of bank sales. This will have a positive impact on annual-premium income in the next few years. In our opinion, single-premium income will also be on a high level in the years to come.

Our “Württembergische 2009” efficiency program reduced the cost ratios as early as 2007 and, in the medium term, we are expecting further relief in respect of costs.

In the years 2008 to 2010, we want to increase our annual profit unless the result is adversely affected by deterioration on the capital markets and decreases in interest.

Opportunities and risks, reservations in respect of prognoses

As always, our estimations of the future are subject to the following reservation: prognoses and expectations expressed in this report or statements regarding the future can be associated with known and unknown risks and uncertainties but also with opportunities. How we deal with these and other risks is shown in detail in the following risk report.

The company assumes no obligation to update statements regarding the future.

Risk Report

The risk management system

Risk management at WürttLeben is the responsibility of the Management Board and also of all specialists and those in management positions. The risk management system with its early warning function helps them to carry out their duties in this respect.

Risk management at WürttLeben concentrates on those risks which endanger the continued existence of the company or can have a significant influence on its assets, finances and profit. Risk management at WürttLeben is in accordance with the requirements of KonTraG.

The 9th amendment to VAG (Insurance Supervisory Law) defines the requirements for risk management of insurance companies. Central elements of qualitative supervision are already anchored in the supervisory law as the basis of empowerment in anticipation of “Solvency II” and MaRisk. This enables early preparation for future rulings. With specific measures for the further development of compliance to meet the needs of the future, WürttLeben is preparing itself intensively for the external requirements. In fiscal 2007, the risk strategy and the risk policy were implemented. In addition, WürttLeben has further developed its internal risk-bearing capacity model and participated in the QIS studies to make itself ready for the future requirements from the European Commission arising from the “Solvency II” project.

Depending on the type of risk, WürttLeben employs diverse risk-measurement and risk-control instruments. Apart from analysis by the persons who are distributed throughout the company and are responsible for risk, stress tests, internal risk-bearing capacity models and measuring techniques for risk concentrations are used. Our early warning instruments also include projections, planning procedures and sensitivity analyses.

The analysed risks are reported by those persons who are responsible for the risk and are distributed throughout the company to the central risk management office for recording in the risk inventory. Apart from describing and evaluating the risks, a record is kept of control measures for reducing the risk. Risks mainly arise due to the exploitation of opportunities. The relationship between risk and opportunity is also documented in the risk list.

Risks that are especially important and currently relevant are also regularly recorded in a risk report or as ad-hoc information.

The central risk management apparatus of WürttLeben is responsible for evaluating the overall risk situations. It also ensures ongoing communication and cross-coordination of the risk situation, the monitoring of general and cumulative risks, regular reporting to the management and supervisory boards of WürttLeben as well as coordination with the risk management apparatus of the W&W Group. It also supports the persons located throughout the company who are responsible for risks and is responsible for further development of the risk management system.

On top of all this, a comprehensive risk management function for the individual companies of the Württembergische was set up in 2007. It is responsible not only for the coordination of processes but also for monitoring risks that concern all the companies in the Group.

On the Group level, a risk board was also set up and includes the members of the Management Board of WürttLeben who are responsible for risk management. The Group Risk Board controls the risk situation on an aggregated level.

Fiscal 2007 was strongly marked by the merger of Karlsruher and Württembergische. The risks arising from integration were countered with suitable measures.

On the basis of risk classification as set out in the German standard for publishing business accounts, the overall risk is divided into the following categories:

Insurance risks

Life assurance is characterised by the long-term nature of the obligations which are entered into. The guaranteed payments are therefore calculated with suitably cautious assumptions. In the course of time, however, the basis of calculation can change considerably.

The biometric principles of calculation such as mortality, life expectancy or the probabilities of becoming an invalid are primarily subject to long-term changes in trend and exogenous developments such as medical progress. There are also short-term risks and the risk of errors. We monitor this risk continuously by means of actuarial analyses and checks.

For product development, we take these changes into account by means of corresponding actuarial models.

Evaluation of the risk of long life is of special importance for the aggregate reserve in pension and annuity assurance. In addition to observation of its own results, the company also relies on the knowledge, information and guidelines of the DAV in order to substantiate its information base. Due to the still insufficiently diminished trend in mortality improvement, WürttLeben has increased the safety margins for the longevity risk in the aggregate reserve. It is possible that future considerations concerning the development of mortality or the increase in the safety margins recommended by the DAV will lead to further transfers to the aggregate reserve.

In addition to the biometric principles of calculation and the cost assumptions, special attention is made to interest rate developments which are relevant to long-term guaranteed benefits and

also to the level of profit participation which is specified on a yearly basis. Close agreement between costing/actuarial practice and investment, jointly elaborated scenarios and subsequent analyses are core features of the process established in our company for this purpose. Within this framework, the investment structure, which takes into account long-term market developments and also the individual portfolio and product structure on the assets and liabilities sides, is optimised according to profit risk aspects.

In order to evaluate and control the interest-guarantee risk, stress scenarios for the investment market and the development of guaranteed obligations to pay are calculated.

In addition to the simulations described in the section on risks arising from investments, market risks, additional comprehensive calculations are carried out in this respect. This includes the stress tests of BaFin and the DAV. WürttLeben has passed these tests in all their variants.

Measures to counter threats to the portfolio and earnings consist not only of the measures described in the section "Risks arising from investments" but also, for example, of an underwriting policy adequate to the risks, appropriate coverage of risks through economically sound re-insurers, all-inclusive controlling measures on the risk, product and sales levels as well as close coordination of actuarial practice and investment.

Risks arising from investments

With regard to the alignment of our investments, improving profitability while keeping the risk down to appropriate levels as well as sufficient liquidity at all times and ensuring that our guarantee obligations can be met have been and still are main aspects of our strategy. We therefore make sure that investments are mixed and spread-out according to type, regions and risk classes.

For our shares and fixed-interest investments, we continually carry out simulations in order to evaluate market risks. These simulations show us the change in value of our portfolio in relation to market fluctuations. When doing this, we assume the following stress factors:

- For our share portfolios (including the safeguarding instruments to be assigned to them), index fluctuations of +/- 10 % and +/- 20 %

Change in share prices	Change in market value of shares
Increase of 20 %	+ 553.6 million
Increase of 10 %	+ 284.0 million
Decrease of 10 %	- 304.9 million
Decrease of 20 %	- 619.0 million

- For our fixed-interest securities, a change in the respective interest-structure curve of +/- 50 or +/- 100 basis points.

Change in interest	Change in market value of all bonds
Increase of 100 BP	- 935.3 million
Increase of 50 BP	- 475.2 million
Decrease of 50 BP	+ 491.3 million
Decrease of 100 BP	+ 999.9 million

In our opinion, the decrease in value of the fixed-interest investments due to the rise in interest in the course of 2007 is not a critical problem because the annuities can be held until their final due date. Moreover, higher levels of interest on new investments are stabilising the profitability of our portfolio.

We do not need to dispose of annuities before their final due date for purposes of generating liquidity, the reason being that, thanks to timely liquidity planning and control, the necessary liquidity for servicing all cash flows arising from insurance business and other obligations is ensured.

In fiscal 2007, we again made use of derivative financial instruments such as options, swaps and forward exchange transactions in the direct portfolio and in the security funds. These types of business were aimed at safeguarding our portfolios. In addition, our shares in the security funds were controlled by the use of futures. In the framework of partial portfolios, options were used to generate additional earnings. Preemptions on fixed-interest investments were used within the framework of the regulations of the supervisory authority. At the same time, the regulations of the Insurance Supervisory Law and the circulars of BaFin were complied with.

In order to delimit the risks relating to financial standing, credit assessment of the respective individual investments is of central importance. A very large majority of bonds (more than 96 per cent) have a rating of A and better. New investments are primarily made in state, federal or national bonds or in bonds of local government bodies. In addition, protected securities or receivables from banks which are protected by deposit protection systems are purchased.

There are no investments in the US sub-prime segment. In fiscal 2007, there were only slight effects due to the general re-evaluation of credit risks for a very restricted range of investments. We evaluate most of these as only temporary and therefore uncritical. The uncertainty triggered as a result of this in the financial and especially the share markets nevertheless is nevertheless affecting development of the value of our investment portfolio. We are countering the volatility of the markets with efficient risk management, which takes into account our ability to bear risks, ensures speedy reactions to severe market fluctuations and enables us to exploit any opportunities which arise.

All in all, our investments are well diversified. They are profitably and securely placed. Opportunities and risks are balanced.

Sales risks

A guarantee for the successful sale of our insurance policies is provided by our exclusive local sales partners. Our risk managers therefore pay special attention to all the risks which could impair our sales performance.

We counter the risks with, among other things, intensive and practical training courses, with extensive information, as well as with the quality and functionality of the locally used IT systems.

The cornerstone of our sales is our exclusivity organisation and, to strengthen it, we started an investment and growth project in 2007. However, in order to expand business and avoid risks arising from a one-sided sales strategy, we strive to ensure diversification through additional sales channels. Brokers as a sales channel offer promising potential for growth. The sale of our products through banking partners also continues to be very important. Within these bank cooperations, work is continually being done to consolidate and expand business relationships.

By establishing Vertriebservice GmbH in 2007, the Württembergische bundled its broker business and created the preconditions for lasting growth oriented to turnover and earnings in this sales channel. In order to avoid possible risks of diversification, equality of opportunity between the sales channels is ensured. In order to counter the potential risks of an erosion of business when broker business is transferred from local offices to Vertriebservice GmbH, appropriate measures to secure business are being taken.

The risks typically associated with a change of ownership such as a weakening of sales due to the uncertainty of sales partners and customers were countered successfully. Since the merger with the Karlsruher, around 85 per cent of the highly effective agencies of the main Karlsruher organisation were therefore won over and retained for the exclusivity organisation. Within the bank cooperations in 2007, there were no more losses due to the merger. The intensity of competition con-

tinued to be high, especially in the mutual area of business. The changes arising from reform of the VVG and the directive concerning the obligation to disclose information can mean more complexity for our sales partners and lead to uncertainty.

Risks arising from the loss of accounts receivable from insurance business

We minimise the risks arising from loss of accounts receivable from agents, brokers, large customers and reinsurers by means of IT-based checks of outstanding accounts and suitable protective mechanisms. As a provision against risks, we take appropriate precautions in that we carry out value corrections on the existing accounts receivable.

Accounts receivable from policyholders

On the balance-sheet date, we carried EUR 46.3 (36.3) million in outstanding receivables from our policyholders before value correction. Out of this total, the due date for an amount of EUR 6.5 (5.9) million was more than 90 days before the balance-sheet date. The share of value correction in the written premiums amounted to 0.01 per cent on average in the last three years.

Accounts receivable from agents

On the balance-sheet date, we carried EUR 11.1 (12.4) million in outstanding receivables from our agents before value correction. Out of this total, the due date for an amount of EUR 4.2 (6.8) million was more than 90 days before the balance-sheet date. Due to the organisational position of sales within the W&W Group, value corrections on accounts receivable from agents are not carried out in the case of WürttLeben.

As a precaution against the risk of commission repayments, agents enter into a breach-of-contract insurance with fixed general conditions.

Accounts receivable from reinsurers

Accounts receivable arising from reinsurance do not constitute a significant risk for WürttLeben thanks to the excellent financial standing of the reinsurers. The portfolio is reinsured solely with two external companies, which have been awarded an “AA” rating. On the balance-sheet date, the outstanding accounts receivable amounted to EUR 0.1 (2.3) million.

In the past three years, no value corrections had to be carried out on the receivables from reinsurers.

Operational risks

Risk of information technology

The application development offices and computer centres have been placed together in IT GmbH. IT GmbH uses its own risk management system, which describes the important risks from the point of view of WürttLeben. The IT is characterised by a very high standard of dependability. Consistent test and back-up procedures for application and computing systems, redundant design of the internal and external telecommunications structure and additional protective measures minimise the risk of IT failure. Appropriate measures have been initiated for risks arising from lack of an emergency power supply.

In fiscal 2007, the VVG reform led to extensive investment and the need for greater IT capacity. In order to implement these plans in our IT systems, impetus was given to projects with a high priority. In 2008 as well, the issue will tie up more capacities because, in particular, the recently issued directive on obligations to disclose information in the case of insurance contracts has to be implemented.

Due to the fluctuation of qualified staff in IT GmbH, the maintainability and further development of the systems of the former Karlsruher will only be possible with restrictions or at higher costs. Measures to minimize the risks involved are currently being investigated and implemented as quickly as possible.

Legal risks

The general legal situation is continually monitored by the corporate legal department and checked to find out whether any action is necessary. If necessary, the corporate legal department works to ensure compliance with the legal requirements in the framework of legal consultations, contracts and negotiations.

At the moment, ongoing processes of coordination with the corporate legal department are taking place, especially in the context of the VVG reform.

Tax risks

The corporate tax department continuously monitors and checks any changes in the general legal situation to see if there is any need to take action. This department also works to ensure that the tax obligations are complied with.

Summary: Risk management

WürttLeben is integrated in the procedure used by the W&W Group for the early detection and control of risks. WürttLeben limits its risks with a fixed long-term business policy, consistent implementation of the requirements of the insurance supervisory law and the use of appropriate risk management systems. The risk strategy defines the cornerstones of this approach. Based on the strategic stipulations, the risk policy defines the operating framework for dealing with the risks. This enables and will continue to enable the company to cope with the risk situation and manage the risk potential.

Proper account must be taken of the risks referred to by ensuring adequate equity. The solvability requirement of the insurance supervisory law is checked regularly and complied with on a lasting basis due to the balance sheet equity that is ensured. With a solvability ratio of 189 (219) per cent as at 31 December 2007, WürttLeben easily fulfilled the equity requirements of the insurance supervisory law.

The past years have shown how important a comprehensive asset liability management (ALM) system is for corporate control. With the ALM system of WürttLeben, which encompasses the liabilities and assets, we can link together and reconcile the competing aims of maximising the result, on the one hand, and ensuring that our guarantee obligations can be fulfilled, on the other. By developing an internal risk-bearing capacity model, we are also preparing ourselves for the future requirements of the European commission arising from the "Solvency II" projects. The focus of the Supervisory Board is shifting from quantitative to qualitative solvency requirements with the aim of bringing these requirements more in line with the actual risk situation of the company.

The VVG came into effect on 1 January, 2008. Of special importance for the life assurance company are, above all, the participation of policyholders in the valuation reserves on expiry or termination of a contract, the new rules governing surrender values and the extended obligations to disclose information. Through numerous implementation projects and development of a new tariff generation, WürttLeben was able to adjust to the new legal stipulations in 2007. Implementation of the obligation to disclose information is a great challenge and is currently in progress. The introduction of these regulations can lead to a burden on sales and thus a less favourable situation in terms of new business. Apart from implementation of the regulations in respect of content and IT, it is therefore essential to make sure that complexity and uncertainty are kept as low as possible in the sales forces.

Relationship to affiliated companies

W&W AG, Stuttgart, holds 72 per cent of our share capital. W&W AG, in turn, is in a relationship of dependence to Wüstenrot Holding AG (WH).

The Management Board has drawn up a report (dependency report) on the relationship to affiliated companies in accordance with § 312 AktG and, at the end of the report, declares:

"According to the conditions known to us during the time when legal transactions took place as indicated in the report on relationships with affiliated companies, our company received an adequate return on such transactions. Measures at the request of or in the interest of the controlling companies or the companies affiliated with them were neither taken nor refrained from."

There are close relationships to W&W AG, WürttVers, WürttKranken, ARA PK, W&W AM, IT GmbH, KLV (new) and BSW. These relationships are based on transfer-of-functions-and-services contract. They regulate the partly or wholly transferred services, including cost allocation.

Environmental Commitment – ECOfit certification awarded

In May 2007, the Württembergische was awarded ECOfit certification by the Baden-Württemberg Minister of the Environment, Claudia Gönner, and mayor Wolfgang Schuster. Within the framework of a one-year project, environmental protection measures for cutting back on the use of resources and saving costs were elaborated. The knowledge gained in 2007 is being implemented at all locations throughout the Group. In 2008, the energy costs will be reduced to EUR 250 000 per year.

Customers, products and sales channels

For the W&W Group, the customer is at the centre of all considerations. Thinking from the customer's point of view means pinpointing his needs and offering exactly the right solutions composed of comprehensible product components. Together with its subsidiaries, the W&W Group profiles itself as a specialist in provision for the future which satisfies customer wishes with its products for the formation of capital wealth, home ownership, security for the future and protection against risks.

Importance is also assigned to the choice of sales channel as well as further development of the range of products. Our sales partners ensure customer-focussed, direct problem solving in situ. We see the challenge as being in the alignment of our customer relationships and our products to the wishes of the customer. Gaps in the Group's product portfolio are determined and, when appropriate, filled. We combine individual products to form packages which serve as useful overall solutions from the customer's point of view.

The "4 Wins" concept, for example, combines the "IDEAL" building savings contract with the no-charge "TOPGiro" current account, a Riester annuity and private supplementary health insurance. The result is a package with which the customer is guaranteed a maximum state grant in the form of a home construction bonus, an employees' savings allowance, and state-backed provision for old age. All the building blocks of "4 Wins" can also be chosen individually, depending on needs.

Another example of innovation in the W&W Group is the modular premium product for motor insurance with specific forms of additional cover. Within the framework of our holistic concept of provision for the future, the Württembergische grants premium discounts to the building savings customers of Wüstenrot. The idea of being the specialist in provision for the future is also apparent in our new tariffs for personal accident

insurance. Here, apart from core insurance protection, we will introduce new types of service such as “Family Management”. This is aimed at families which have small children and which, when benefits are to be paid out, are faced with considerable organisational and logistical challenges. “Reha Management” involve the provision of advice by experienced rehabilitation managers. They help the customer to design an optimum recovery process, provide information on medical questions and also find the right specialist, if necessary.

Finally, at the beginning of 2008, WürttLeben brought out a completely new generation of life assurance tariffs. These offer an attractive range of possibilities for the build-up of assets and provision for old age with a high level of flexibility at the same time. Improved customer-friendly rules apply to premature termination of contracts. Here, it must be borne in mind that the important purpose of additional and secure provision for old age is not achieved in the case of early unscheduled termination. In addition, these products include a new regulated, explicit profit component in order to enable customers to participate in the valuation reserves within the framework of the legal stipulations.

Award for good service

Due to the further improvement in services in line with the corporate objective of placing the focus on the customer, Wüstenrot and Württembergische received an award for their orientation to the customer. The companies are two of “Germany’s Customer-oriented Service Providers 2007”. The initiators and organisers of this competition were the Handelsblatt, the Institut für Versicherungswirtschaft (institute for the insurance industry) of St. Gallen university, Service-Rating GmbH and Steria Mummert Consulting.

In the context of the KUBUS insurance market study in 2007, the Württembergische received the top rating “Excellent” in the claims/benefits area, not only in the overall result but also in the individual assessments for motor claims processing, health insurance benefits and life assurance pay-outs.

Sales force is the key to success

The key to the success of the growth initiative is a performance-based sales force aligned to the needs of the customer. The two exclusivity organisations of Wüstenrot and Württembergische with a total of more than 6000 support staff in around 1000 Wüstenrot service centres and 2000 field offices of the Württembergische are the foundations on which the selling power of the W&W Group is based. The W&W Group thus has the fourth-largest mobile sales force in Germany.

Establishment of the new brokerage company “Württembergische Vertriebservice GmbH” is aimed at the systematic build-up and considerable intensification of broker activities in the insurance sector. In addition, we are expanding our cooperation with banking partners in life assurance. As part of the W&W Group, WürttLeben thus enjoys a strong presence on the market.

Shared market identity fosters the company’s image and consumer awareness of the company

Image and consumer awareness as well as the business model and corporate culture are central characterising aspects of the company as a specialist in provision for the future. Among consumers, there is a high level of awareness of Wüstenrot and Württembergische, whereby customer groups form a shared source of potential. Awareness of the fact that the two brands represent the same corporate group is to be increased. As of March 2008, the W&W Group will therefore be presenting itself with a new image. This is already manifested on the front cover of the annual report. The joint visual presentation is intended to profile the interconnection of the two brands and the new image is an important component when it comes to giving life to the idea of a joint identity in the Group and on the market.

In the new shared image, WürttLeben is also a reliable, service-oriented partner for its customers – the “Rock in the Waves”.

The Range of Products Offered

As subsidiaries of the W&W Group, our field sales staff offer the products of

- Württembergische Versicherung AG
- Württembergische Lebensversicherung AG
- Württembergische Krankenversicherung AG
- Allgemeine Rentenanstalt Pensionskasse AG
- Karlsruher Lebensversicherung AG
- Wüstenrot Bausparkasse AG
- Wüstenrot Bank AG Pfandbriefbank
- W&W Asset Management GmbH

Our product portfolio encompasses a wide range of insurance for private and corporate customers.

Insurance offered to private clients

Life and annuity assurance

- Company provision for old age; pension fund, direct insurance
- Financing
- Endowment and term assurance, formation-of-capital-wealth assurance, educational endowment assurance, funeral benefits insurance, supplementary permanent health and supplementary personal accident insurance
- Classical annuity assurance, unit-linked annuity assurance, Riester pension, unit-linked Riester pension, basic annuity, unit-linked basic annuity, supplementary permanent health, orphans and surviving dependant's insurance, permanent health insurance

Health insurance

- Full health-costs insurance
- Supplementary health and daily health allowance insurance
- Patient daily allowance insurance, daily hospital allowance insurance
- Nursing insurance, daily nursing allowance insurance
- Foreign-travel health insurance

General and personal-accident insurance

- Construction all risks insurance
- Third-party liability insurance: private, house and real estate owners, animal owners, boat owners, house builders, hunters
- Glass insurance: construction and furnishing glass, household glass
- Household insurance
- Motor insurance: motor third-party liability, motor all risks, motor fire and theft, traffic assistance, motor personal accident
- Aviation insurance: aviation third-party liability, hull, personal accident
- Legal protection insurance: traffic, private and professional legal protection for employees and the self-employed, legal protection for owners and tenants of apartments and real estate
- Marine insurance: luggage, pleasure craft hull insurance, musical instruments, hunting and sports weapons, jewellery and furs in private ownership
- Personal accident insurance: for singles, partners, children, families, senior citizens, travel
- Residential buildings insurance

Insurance offered to corporate clients

Life and annuity assurance (all types of corporate pension scheme)

Health insurance of various kinds

General and personal-accident insurance

- Aviation insurance
- Engineering insurance
- Legal protection insurance
- Loss-of-earnings insurance
- Motor insurance
- Personal accident insurance
- Property insurance
- Third-party liability insurance

Employees

In 2007, we paved the way for more growth, efficiency and profitability. Our employees contributed to implementation of these measures with constant dedication. The foundations were thus laid to secure the future of the company and to protect jobs over the long term. One important project was the integration of the Karlsruher insurance companies.

In 2008 as well, we intend to maintain the chosen course. In doing so, we will continue to rely on the dedication and commitment of our employees.

Number of employees reduced as a consequence of efficiency projects

The Württembergische insurance companies include WürttVers, WürttLeben, WürttKranken, ARA Pensionskasse and Karlsruher Lebensversicherung. On 31 December 2007, the Württembergische insurance companies employed a total of 5 143 (5 549) people in an active work capacity. Out of this number, 1 739 (1 909) jobs were accounted for by salaried salespersons in the field sales force.

The total number of people in our employ on 31 December 2007, including part-time staff, amounted to 6 093 (6 532) – calculated in terms of employment contracts. The 7 per cent decrease in personnel was related to the „Württembergische 2009“ program, which envisages a cut-back of around 870 jobs in the Württembergische insurance companies from October 2005 to the end of 2009. By the balance-sheet date, 840 jobs had been eliminated without redundancies due to operating factors.

Initiatives for basic and further training

The 273 trainees (321) of the Württembergische insurance companies are mainly employed in the commercial professions. We want to maintain this level in the coming years and thus fulfil our social responsibilities. We are currently training 19 young employees, in conjunction with the vocational academies in Karlsruhe and Stuttgart, to achieve qualifications in management or a Bachelor of Arts degree.

In addition to basic training and specialist further training, the W&W Group provides a multiple-stage career concept for the development and encouragement of new young managers. The “ALFA” program is used for the selection and qualification of top managers on the departmental manager level.

In focus: five corporate guidelines

Last year in the W&W Group, we defined guidelines that describe the way we see ourselves and our attitude to customers:

- Place the focus on the customer
- Strive for maximum performance
- Make team spirit a tangible experience
- Display courage for the new
- Assume responsibility

The guidelines are the foundations of a shared culture in the W&W Group. In December 2007, a new charter of objectives was ratified for the entire Group. It contains statements on strategy, employees, sales and serving the market as well as on the management of processes, services and resources. The charter of objectives is a binding point of reference for the activities of all the Group’s employees and managers.

Through our guidelines and the charter of objectives, we have augmented the importance of leadership within the company. In consultation with our employees, we agree on binding goals and milestones which enable us to measure and recognise actual performance. The agreements thus arrived at are accompanied by targeted qualification measures.

Personnel work itself is being re-organised in the framework of “StEP 2009” (strategic development of personnel), a Group project that started in 2007 and will last up to 2009. The aim is to standardize work processes and make them more efficient.

Thanks to our employees

At this point, we would like to thank our employees for their commitment and exceptional dedication in 2007. The performance and competence of our employees are decisive factors that are essential for securing the future of our Group.

Our thanks also go to the employees’ representatives and their committees and to the executives’ committee of spokespersons for their cooperation in an atmosphere of mutual trust and for their construction contribution to the ongoing processes of change.

Code of Corporate Governance

At WürttLeben, great value is traditionally placed on transparent and responsible corporate management. Our aim is to confirm and continually strengthen the confidence placed in us by investors, financial markets, business partners, employees and the public. Three elements are essential for this: good relations with the shareholders, transparent accounting procedures and speedy reporting as well as effective collaboration between the Management Board and the Supervisory Board.

Last revised on 14 June 2007, the code formulated in 2002 for the first time by the government-appointed German Corporate Governance Code Committee set up by the Federal Ministry of Justice is intended to make the rules applicable to corporate management and supervision transparent for national and international investors in order to strengthen their trust in the corporate management of German companies. The code contains recommendations and suggestions for dealings with shareholders, for the interaction of management board and supervisory board, for the avoidance of conflicts of interest, for a high level of transparency and for the informative presentation of accounts.

Implementation of the Code of Corporate Governance at WürttLeben is checked once a year by the Management Board and Supervisory Board and, if necessary, adapted. On 25 September 2007, the Management Board and Supervisory Board of WürttLeben recognized the stipulations of the version of the German Code of Corporate Governance dated 14 June 2007 as binding and issued the declaration of compliance in accordance with § 161 Aktiengesetz (law on shares). The company complies with the code with only three exceptions.

1. According to section 3.8, Clause 4, an agreement on an appropriate level of self-retention of liability should be agreed in the case of D&O insurance for members of the Management Board and the Supervisory Board.

Württemberg does not accord 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 Management Board and Supervisory Board to very different extents, depending on their private income and assets. In severe cases, a less affluent member of the Supervisory Board could encounter serious existential difficulties. This cannot be considered fair in view of the fact that all members have equal duties.

2. According to code section 5.3.3, 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 during the Annual General Meeting. The company does not accord with this. In view of the shareholder structure, no need is seen for such an additional body.

3. According to code section 5.4.7, clause 4, the members of the Supervisory Board should receive a success-based emolument in addition to fixed payment. The company does not adhere to this. The members of the Supervisory Board receive a fixed payment payable at the end of the fiscal year, the amount being decided by the Annual General Meeting. If the Annual General Meeting does not specify an amount, the amount of the preceding year is applicable. This method of reimbursement appears appropriate for the Supervisory Board of a life assurance company, given the business model on which it is based.

Württemberg complied with the recommendations of the German Code of Corporate Governance as set out in the preceding version dated 12 June 2006 until publication of the above-named current version dated 14 June 2007 with the restrictions it declared in its last declaration of conformance on 28 November 2006.

The current declaration of conformance was immediately and permanently made accessible to the shareholders and the public by presenting the declaration on the company's website at www.ww-ag.com/corporate-governance. In addition, the website contains the declarations of conformance from the years 2002 to 2006. Our shareholders are regularly informed of important dates by means of a financial calendar which is published in the annual report and on the company's website. All the documents and information regarding the Annual General Meeting, the annual report and interim reports as well as press releases and ad hoc announcements are also available on the website. Our communication activities are aimed at providing all target groups with the same information at the same time. Interested parties can find out about current developments in the company at any time in the Internet.

Report on emoluments

The following reports on emoluments paid to the Supervisory Board and Management Board is in accordance with the rules of the Code of Corporate Governance and, at the same time, includes publication of the total remuneration as envisaged by commercial law.

Emoluments of the Management Board

The system of payment for the Management Board consists of a fixed component (fixed salary and fixed fee) and a success-based component in the form – for the first time in 2007 - of a target-based fee.

The success-based component for fiscal 2006, which was paid out in 2007, was determined the last time by a discretionary decision of the Supervisory Board after presentation of the annual accounts. No option rights or other share-based rewards were awarded.

As supplementary benefits, the members of the Management Board are given a company car in accordance with the company car guideline of the W&W Group, group accident insurance as well as luggage insurance, and insurance which is usual according to the rules for employees of the Württembergische and comes in the form of a supplementary payment to the pension fund including flat-rate tax in so far they are voluntary members.

Within the framework of re-organisation of the pension scheme in the entire W&W Group in August 2006, there was a changeover from pure pension pledges to a premium-based pledge of payment. This became applicable for all new board members as of November 2006. The pledge of payment is linked to an employer's reinsurance policy. The premium is 23 per cent of the fixed salary. Bridging money on retirement from a board is not envisaged. For all board members already in office, the pension pledge remains applicable. In the company, this new system applies to Dr. Jochen Kriegmeier.

For the pledges of provision for old age, EUR 296 thousand was paid to Wüstenrot & Württembergische AG, which forms corresponding reserves. For Dr. Kriegmeier, a single deposit was paid for the employer's re-insurance. The share accounted for by the company amounts to 1 thousand euros. The pension salary is guaranteed on the member's 65th birthday or, in the case of early retirement, from the 61st birthday onwards or, in the case of disability or - except in the case of Dr. Kriegmeier - non-extension of the contract of service, beyond the actual time in office without the member of the Management Board having to give a reason.

No other payments in the event of termination of activity were pledged. No payments were made which were pledged to a member of the Management Board by a third party in respect of his/her activity or which were awarded in the fiscal year.

Individual emoluments for members of the Management Board

Name	Non Success-based emoluments	Success-based emoluments	Other ²	Total	
	Fixed salary	Fixed remunerations			
	in TEUR	in TEUR	in TEUR	in TEUR	
Active members of the Management Board					
Dr. Michael Gutjahr	43	11	15	3	72
Peter Köhler ¹	58	34	41	5	138
Dr. Jochen Kriegmeier	6	—	—	—	6
Ruth Martin	184	46	80	14	324
Dr. Wolfgang Oehler	170	42	74	8	294
Rainer Schlegel	95	24	—	5	124
					958

¹ Until 30 September 2007

² Supplementary remunerations, including monetary benefit from the provision of company cars, payments in kind, insurance, payments into the pension fund

The level of the remunerations paid by the company to the members of the Management Board varies because the individual members of the Management Board also work in very different functions for other companies and are paid by them proportionately to the work done by the members. The share for which WürttLeben is responsible is 20.6 per cent in the case of Dr. Michael Gutjahr, 38.2 per cent in the case of Peter Köhler, 4.0 per cent in the case of Dr. Jochen Kriegmeier, 90.3 per cent in the case of Ruth Martin, 61.6 per cent in the case of Dr. Wolfgang Oehler, and 47.4 per cent in the case of Rainer Schlegel.

The fixed percentages shown in the table and the success-based emoluments for fiscal 2006 were paid out in 2007. In the case of Peter Köhler, the guaranteed fee and the success-based components also included the amounts previously paid for fiscal 2007 on his ceasing to be a board member. For the guaranteed fees of fiscal 2007 as well as the success-based parts of payment which are paid in 2008, the company has formed reserves of 333 thousand euros. The exact level of payment will not be confirmed by the Supervisory Board until the degree to which targets have been met is determined and is therefore not shown in the tabular overview.

Apart from this, the company has not awarded or paid any other remunerations which have not been paid out but converted into claims of another kind, remunerations used to increase other claims or other remunerations which have not yet been indicated in any annual report.

On the occasion of his ceasing to be a board member, Peter Köhler received a settlement, for which the company paid a total of 191 thousand euros. In 2008, he will receive a further settlement of which the company will pay 115 thousand euros.

Loans have been made to the members of the Management Board to the amount of EUR 245 thousand in total at the usual terms for employees. The interest rate is 5 per cent. Repayment is offset against the transfer of life assurance. Liability relationships in favour of these persons were not entered into.

The total emoluments of former members of the Management Board amounted to EUR 1.8 million in the fiscal year. There are no other charges on the company due to payments to former members of the Management Board, Supervisory Board and their surviving dependants in the form of settlements, pensions, payments for

surviving dependants or payments of any other kind. In so far as payments above and beyond the emoluments indicated were paid to former members of the Management Board, they were borne by W&W AG, which has formed corresponding reserves.

For former members of the Management Board, EUR 477 thousand euros was paid to W&W AG for the formation of pension reserves. Otherwise, no reserves for current pensions or future rights to payments were formed or should have been formed for surviving dependants.

Emoluments of the Supervisory Board

Emoluments for the Supervisory Board are always paid in the form of a fixed remuneration with increased amounts for the Chairman, Deputy Chairman and board activities. The boards are of the opinion that Supervisory Board work, especially in the case of a life assurance company, is characterized by the supervisory function of the board and that, therefore, a success-based component would not be appropriate. The members of the company's Supervisory Board receive a fixed remuneration of EUR 8 thousand payable at the end of the fiscal year.

Expenses and the value added tax on the remunerations for the Supervisory Board are additionally paid to the members of the Supervisory

Board. No other outlay was incurred. The emoluments shown in the table below are net remunerations without the legally applicable value added tax. Altogether, the total emoluments for the Supervisory Board for fiscal 2007 amounted to EUR 72 thousand.

In accordance with the articles of association, the emoluments of the Supervisory Board break down as follows: The fixed remuneration for the Chairman amounts to twice the amount specified by the Annual General Meeting whereas that of the Deputy Chairman is one and a half times the amount specified. For members of the Supervisory Board who belong to one or several boards, the fixed remuneration increased by half of the fixed amount. The Chairman of the board receives twice the basic remuneration and the Deputy receives one and a half times the basic remuneration. Members of the Supervisory Board who have belong to the Supervisory Board only during part of a fiscal year receive an amount proportionate to their length of duty. Option rights or other share-based remunerations were not paid to the Supervisory Board.

The company did not grant any remunerations or other advantages to members of the Supervisory Board for personally performed services such as consulting or mediation services. The members of the Supervisory Board Dr. Alexander Erdland, Dr. Bernhard Schareck, Dr. Edmund Schwake and Dr. Jan Martin Wicke waived their right to remuneration from the company.

Individual emoluments of the Supervisory Board

2007	Basic remuneration net (without VAT)	Remuneration for board activities net (without VAT)	Total net (without VAT)
Members of the Supervisory Board	in EUR thousand	in EUR thousand	in EUR thousand
Prof. Dr. Peter Albrecht	8	4	12
Rolf Henrich	8	—	8
Christian Hörtkorn	8	—	8
Michael Horn	8	4	12
Willy Köhler	8	—	8
Dr. Wolfgang Müller	8	—	8
Wolfgang Prade	8	—	8
Peter Ulrich	8	1	9
Frank Weber	8	—	8
Total	72	9	81

WürttLeben on the capital market

2007 was a good year for the stock exchange even though the price movement of European shares was somewhat milder than in the previous years. The most important reasons for continuation of the upward trend were the renewed convincing amelioration of the European economy and corporate profits, a high degree of available liquidity and an attractive initial evaluation of shares, especially in comparison with other investment categories. The Dow Jones EURO STOXX 50 saw a price increase of around 6.8 per cent in spite of adverse factors such as the rise in the price of oil to a record level, the continuing increase in the value of the euro, and the massive crisis on the US real-estate market. With growth of 22.3 per cent - measured in relation to the DAX – the German share market again improved more dynamically than any other west-European stock exchange. The central reason for this was the continuing fantasy of takeovers in the case of numerous individual stock-exchange items.

In contrast, the shares of insurance companies listed at the stock exchange underwent considerably weaker increases than the market as a whole in 2007. Measured against the prime industry index of insurance companies, insurance shares only moved laterally compared to the year before. The reasons for the weak price development compared to the overall market were the already mentioned crisis on the US real-estate market and its consequences for the international financial markets. There were therefore fears at the stock exchange that insurance companies - like many banks - would have to carry out very substantial depreciation on their security portfolios, especially bonded credit receivables. The result was that investors avoided insurance-industry

shares in spite of an absence of the negative reports that had been feared. It was also of little help to the shares of the insurance sector that 2007 was a good year of business for the insurance companies in view of the fact that there were no large claims and that the need for private provision for old age continued to grow.

The WürttLeben share with potential

Wüstenrot & Württembergische AG and its subsidiaries have remained practically unaffected by the crisis on the US mortgage market. The reason is that the company has no engagements with direct participation in the US sub-prime sector.

In 2007, the WürttLeben share lost around 25.8 of its value compared to the preceding year.

However, the hidden potential of the share became clear at the beginning of 2007. Initially, the WürttLeben share continued its upward movement started in the previous year and, after starting from a price of EUR 36.40 at the end of the year 2006, rose to a peak of EUR 44 by the beginning of February. This meant that the price compared to February 2006 had doubled within 12 months and profit taking started. The downwards movement was accelerated even more by the first signs of the US real-estate crisis at the end of February. In the further course of the year, the price of the WürttLeben share decreased due to the dividend reduction after the Annual General Meeting, among other things, and, at the beginning of December, had reached a low of EUR 26.30. By the end of the year, the WürttLeben share recovered again slightly to a value of EUR 27.

In our opinion, different factors are indicative of the good price potential of the WürtttLeben share. The merger with the Karlsruher insurance group, for example, has improved the market position of the company and significantly enhanced the sales possibilities of WürtttLeben so that the earnings outlook for WürtttLeben is very good. This is also reflected in the high dividend of the WürtttLeben share. Finally, the generally positive prospects of the life assurance sector – especially because of the rising need for private provision for old age – are a sign that the price will improve.

Stable shareholder structure

The shareholder structure of WürtttLeben remained stable in 2007. Wüstenrot & Württembergische AG is the major shareholder with 72 per cent of the shares. 10 per cent of the shares are held by Landesbank Baden-Württemberg. The free float is 18 per cent.

Open dialogue with investors

In the year under review, we again expanded our investor relations activities. We maintain an open, reliable and continuous dialogue with suppliers of capital and financial experts. For institutional and private investors as well as analysts, we have a telephone hotline to our investor relations team in addition to the wide range of information provided and the possibility of submitting orders via the Internet. In numerous individual meetings with investors and financial experts, we were able to comprehensively explain issues relating to the Group and our business model, whereby the focus was on the new strategy and the restructuring of the W&W Group. Another important instrument for maintaining contact with our investors is the annual general meeting. Many investors use the annual general meeting for direct dialogue with the company. In 2008, the annual general meeting will take place on 28 May.

Basic data of the WürttLeben share

Securities code	
Securities code	WKN 840502 (registered share), WKN 840500 (bearer share) ISIN DE0008405028 (registered share), WKN 0008405002 (bearer share)
Bloomberg abbreviation	WLV2 GR (registered share), WLVGR (bearer share)
Reuters abbreviation	WLVGd.SG (registered share), WLV.SG (bearer share)
Type of shares issue	Registered and bearer shares
Type of security	No-par-value share
Stock exchange	Stuttgart (official trading) XETRA Frankfurt (free trading) Düsseldorf (free trading)
2007 at a glance	
Stock capital	32 000 000 EUR
Number of registered shares	12 137 920 pieces
Number of bearer shares	40 000 pieces
Low for the year	26.30 EUR
High for the year	44.00 EUR
Price at end of year	27.00 EUR
Market capitalization at end of year	327.7 million EUR
Result per share 2007	1.25 EUR
Total payout*	20.1 million EUR
Dividend 2007*	1.65 EUR

* Subject to the agreement of the Annual General Meeting

Performance Over Several Years

		2007	2006	2006
			(incl. KLV) ⁶	
Gross written premiums	in EUR million	2 167.6	2 244.7	1 348.3
New business (premiums)	in EUR million	512.6	538.2	356.1
Insurance portfolio – direct –	Annual premium for one year in EUR million	1 826.0	1 873.7	1 097.8
	Number of contracts	2 893 845	2 977 739	1 772 448
Benefits paid	in EUR million	2 405.1	2 453.5	1 336.1
Aggregate reserve¹	in EUR million	23 599.1	23 117.1	12 521.6
Reserve for bonus payments to clients	in EUR million	2 070.5	1 952.0	1 081.6
Reserve for benefits				
to clients	in EUR million	25 669.6	25 069.1	13 603.2
Increase in the reserve for benefits to clients	in EUR million	600.5	158.1	438.8
Investments²	in EUR million	25 137.3	24 805.3	13 425.4
Net interest²	in %	4.9	4.9	4.9
Gross technical profit	in EUR million	463.0	465.2	266.3
Transfer to the reserve				
for bonus payments to clients	in EUR million	442.9	430.9	251.1
Profit for the year	in EUR million	20.1	34.2	15.2
Staff of Württ. insurance companies³	Office staff and salaried salesmen	6 093	6 532	4 515
Württemberg share⁴	Dividend per share in EUR	1.65⁴	–	1.25
	Tax credit in EUR	–	–	–
	Dividend in EUR million	20.1⁴	–	15.2
	Share price on 31 December in EUR	27	–	36
	Stock-exchange value in EUR million	329	–	443
Indicators for WL as calculated at				
association level⁵				
Acquisition cost ratio (B6)	in %	6.40	6.53	5.70
Equity ratio (D10)	in %	193	185	213
Cancellation rate (A12)	in %	4.39	4.38	4.55
Profit ratio (D8)	in %	13.70	13.44	13.33
Administration cost ratio according to (B5)	in %	3.17	3.27	2.83
	according to (B5b)	0.27	0.29	0.28

¹ Including profit credits, less receivables from policyholders not yet due

² Without unit-linked life assurance

³ WürttVers, WürttLeben

⁴ Subject to shareholders' approval of the proposed allocation of profit at the Annual General Meeting

⁵ According to list of key figures of the GDV.

⁶ Added or consolidated previous year's values after account has been taken of Karlsruher Lebensversicherung AG

⁷ From 2002 onwards incl. Allgemeine Rentenanstalt Lebensversicherung AG

⁸ From 2000 onwards, incl. Wüstenrot Lebensversicherungs-AG

2005	2004	2003	2002 ⁷	2001	2000 ⁸	1999	1998
1 327.1	1 244.4	1 252.7	1 225.1	1 172.9	1 180.9	841.7	749.6
256.2	329.6	273.7	224.7	235.8	209.8	253.8	158.1
1 121.2	1 168.9	1 113.8	1 108.5	1 016.2	1 028.4	708.1	662.1
1 821 812	1 916 822	1 871 040	1 889 862	1 834 647	1 889 872	1 123 557	1 107 319
1 353.0	1 362.4	1 410.5	1 224.3	1 166.9	1 104.5	730.5	658.6
12 145.2	11 772.4	11 571.8	11 331.4	10 771.0	10 142.5	6 917.4	6 501.0
1 019.1	902.2	944.8	974.0	1 142.5	1 356.9	937.5	888.4
13 164.4	12 674.6	12 516.5	12 305.5	11 913.6	11 499.4	7 855.0	7 389.2
489.8	158.1	211.0	305.4	414.1	713.1	465.5	469.4
13 028.9	12 772.7	12 617.0	12 338.6	12 088.1	11 798.5	8 154.3	7 598.2
5.1	4.8	5.1	5.1	5.0	7.5	7.5	7.5
256.8	105.7	140.6	116.7	158.6	420.1	296.0	278.6
244.6	93.6	130.9	110.0	148.8	405.3	285.0	268.0
12.2	12.1	9.7	6.7	9.7	14.7	11.0	10.6
4 508	4 533	4 650	4 945	5 208	5 034	4 721	4 627
1.00	0.99	0.59	0.55	0.80	0.80	0.66	0.61
—	—	—	—	—	0.34	0.29	0.26
12.2	12.1	7.2	6.7	9.7	9.7	5.8	5.5
18	16	13	11	25	32	31	42
222	191	156	134	300	390	274	374
6.72	4.90	5.72	6.14	6.63	6.63	5.23	5.64
181	175	187	193	212	250	247	246
4.56	4.71	4.81	4.44	4.19	4.42	4.19	4.45
12.91	5.70	7.45	6.32	8.93	20.63	20.71	21.48
3.23	3.23	3.48	3.73	3.52	3.54	3.63	4.04
0.32	0.31	0.35	0.37	0.38	0.37	0.39	0.41

Balance Sheet as at 31 December 2007

Assets	2007	2007	2007	2006	2006
	in EUR	in TEUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
A. Intangible assets					
I. Goodwill acquired for consideration		40 221		44 694	89
II. Other intangible assets		116 070		133 488	—
			156 291	178 182	89
B. Investments					
I. Land, leasehold rights and buildings, including buildings on non-owned land ^{① 2}		947 720		971 161	649 581
II. Investments in affiliated companies and participations ^②					
1. Shares in affiliated companies	254 394			158 577	485 611
2. Loans to affiliated companies	94 041			99 719	95 724
3. Participations	300 227			409 697	252 619
4. Loans to companies related through participation	1 996			1 996	1 996
		650 658		669 989	835 950
III. Other investments ^③					
1. Shares, investment certificates and other non-fixed interest securities	6 060 666			6 221 255	3 025 718
2. Bearer bonds and other fixed-interest securities	1 334 952			1 338 291	1 338 291
3. Mortgages	2 440 042			2 577 922	1 211 457
4. Other loans	13 127 743			12 406 017	5 987 560
5. Deposits with credit institutions Including deposits with affiliated companies EUR 40 000 (16 104) thousand	363 500			392 604	207 204
6. Other investments Including subordinate loans EUR 85 139 (87 695) thousand	211 946		23 538 849	227 880	169 646
					13 425 407
IV. Deposits retained by others arising from reinsurance business		71		148	—
			25 137 298	24 805 267	13 425 407
Amount carried forward			25 293 589	24 983 449	13 425 496

¹ Consolidated previous-year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

² See numbered notes in the appendix, page 61 onwards

Assets	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
Amount brought forward			25 293 589	24 983 449	13 425 496
C. Investments for the account and risk of holders of life assurance policies			638 153	556 599	443 129
D. Accounts receivable					
I. Accounts receivable on direct business from: ^④					
1. Policyholders	114 519			109 017	51 833
2. Insurance agents	10 972			12 249	5 393
		125 491		121 266	57 226
II. Accounts receivable on reinsurance business		9		2 266	2 257
III. Other receivables ^⑤		233 291		236 296	142 068
Including:					
EUR 6 532 (10 730) thousand owed to affiliated companies			358 791	359 828	201 551
EUR 2 423 (3 017) thousand owed to participations*					
E. Other assets					
I. Equipment and stock		2 637		4 438	190
II. Current accounts with credit institutions, checks and cash in hand		118 432		114 288	34 328
III. Other assets ^⑥		86 130		32 162	25 668
			207 199	150 888	60 186
F. Deferred assets					
I. Deferred interest and rents		352 564		334 265	169 710
II. Other deferred assets ^⑦		12 794		20 961	15 772
			365 358	355 226	185 482
Total assets			26 863 090	26 405 990	14 315 844

* This refers to companies related through participation

In accordance with §73 VAG (German Law on the Supervision of Insurance Undertakings), I hereby confirm that the capital assets indicated in the list of assets have been invested and kept as required in accordance with the legal requirements and the requirements of the Insurance Supervisory Body.

Stuttgart, 13 February 2008



Trustee
Dr. Gerhard Zagst, notary

Balance Sheet as at 31 December 2007

Liabilities	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
A. Equity					
I. Called-up capital ⁸		32 000		32 000	32 000
II. Capital reserve		58 166		58 166	58 166
III. Retained profit reserves ⁹					
1. Legal reserve	207			207	207
2. Other retained profit reserves	59 435			59 435	59 435
		59 642		59 642	59 642
IV. Balance-sheet profit		20 094		15 222	15 222
			169 902	165 030	165 030
B. Subordinate liabilities			130 000	130 000	130 000
C. Insurance reserves					
I. Premium reserve					
1. Gross	215 046			231 382	118 935
2. Less share ceded to reinsurance	20 058			19 497	6 709
		194 988		211 885	112 226
II. Aggregate reserve					
1. Gross	22 672 788			22 248 944	11 957 350
2. Less share ceded to reinsurance	1 543 090			1 535 838	40 028
		21 129 698		20 713 106	11 917 322
III. Reserve for insurance claims					
1. Gross	101 912			92 131	49 729
2. Less share ceded to reinsurance	8 204			8 867	4 424
		93 708		83 264	45 305
IV. Reserve for bonus payments to clients dependent on results and independent of results – gross – ¹⁰		2 070 479		1 951 999	1 081 620
V. Other insurance reserves – gross –		2 609		2 060	1 263
			23 491 482	22 962 314	13 157 736
D. Insurance reserves in the area of life assurance, in so far as the investment risk is borne by the insurance companies					
1. Gross			638 153	556 599	443 129
2. Less share ceded to reinsurance			14 104	10 963	–
			624 049	545 636	443 129
Amount carried forward			24 415 433	23 802 980	13 895 895

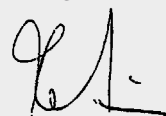
¹ Consolidated previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

Liabilities	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
Amount brought forward			24 415 433	23 802 980	13 895 895
E. Other reserves					
I. Reserves for pensions and other obligations		–		39 035	–
II. Tax reserves ⁽¹¹⁾		103 244		117 695	38 449
III. Other reserves ⁽¹²⁾		54 522		41 573	16 106
			157 766	198 303	54 555
F. Deposits retained from reinsurers			1 578 219	1 568 972	44 969
G. Other liabilities					
I. Accounts payable on direct insurance business to ⁽¹³⁾					
1. Policyholders	558 218			674 973	264 001
2. Insurance agents	33 259			36 513	15 561
Including – EUR (242) thousand owed to affiliated companies		591 477		711 486	279 562
II. Accounts payable on reinsurance business		9 130		4 542	1 577
Including EUR 754 (656) thousand owed to affiliated companies					
III. Other liabilities ⁽¹⁴⁾		93 729		102 344	29 602
Including EUR 1 678 (2 549) thousand arising from taxes			694 336	818 372	310 741
EUR 26 666 (23 471) thousand owed to affiliated companies and EUR 38 (25) thousand to companies related through participation					
H. Deferred liabilities ⁽¹⁵⁾			17 336	17 363	9 684
Total liabilities			26 863 090	26 405 990	14 315 844

It is hereby confirmed that the aggregate reserves posted in the balance-sheet under items C.II. and D. of liabilities have been calculated in accordance with §§ 341 f HGB as well as with the regulations decreed due to § 65 Section 1 VAG. For the old portfolio in the sense of § 11c VAG and article 16 § 2 Section 2 of the law transposing the third EU directive into the VAG, the aggregate reserves have been calculated in accordance with

the tariff submission last approved on 7 February 2008.

Stuttgart, 13 February 2008



Actuary responsible
Ruth Martin

Profit and Loss Account for the period 1 January to 31 December 2007

	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
I. Insurance account					
1. Earned premium for own account ⁽¹⁶⁾					
a) Gross written premiums	2 167 626			2 244 652	1 348 344
b) Reinsurance premiums ceded	130 448			151 684	15 197
		2 037 178		2 092 968	1 333 147
c) Change in gross premium reserve	16 337			22 828	7 391
d) Change in the share of reinsurers in the gross premium reserve	561			- 319	392
		16 898		22 509	7 783
			2 054 076	2 115 477	1 340 930
2. Premiums from the gross reserve for bonus payments to clients			136 669	144 326	92 679
3. Income from investments ⁽¹⁷⁾					
a) Income from participations		47 459		45 120	26 722
Including EUR 3 446 (10 082) thousand from affiliated companies					
b) Income from other investments					
Including EUR 9 666 (9 498) thousand from affiliated companies					
aa) Income from land, leasehold rights and buildings, including buildings on non-owned land	80 267			91 936	43 951
bb) Income from other investments	1 228 249			1 090 660	602 707
		1 308 516		1 182 596	646 658
c) Income from the revaluation of investments		8 726		28 208	6 942
d) Profits from the disposal of investments		120 920		170 152	71 613
			1 485 621	1 426 076	751 935
4. Non-realized profits on investments			27 347	46 239	39 062
5. Other income relating to insurance business for own account			39 284	39 820	21 090
Amount carried forward			3 742 997	3 771 938	2 245 696

¹ Added previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
Amount brought forward			3 742 997	3 771 938	2 245 696
6. Incurred losses for					
own account ⁽¹⁸⁾					
a) Payments for insurance losses					
aa) Gross	2 166 742			2 200 428	1 237 388
bb) Share of reinsurers	144 525			158 015	8 076
		2 022 217		2 042 413	1 229 312
b) Change in the reserve					
for insurance claims					
aa) Gross	9 781			5 162	1 713
bb) Share of reinsurers	+ 663			895	265
		10 444		4 267	1 448
			2 032 661	2 046 680	1 230 760
7. Change in the remaining					
net insurance reserves					
a) Aggregate reserves					
aa) Gross	505 398			515 417	353 967
bb) Share of the reinsurers	4 681			11 379	3 632
		500 717		504 038	350 335
b) Other net					
insurance reserves		32		301	271
			500 749	504 339	350 606
8. Expenses for bonus payments					
to clients dependent on results and					
independent of results for own account			442 924	430 938	251 111
9. Underwriting expenses					
for own account					
a) Acquisition expenses	215 104			232 072	126 686
b) Administration expenses	68 733			73 420	38 211
		283 837		305 492	164 897
c) Less commission and profit					
participations received					
from ceded reinsurance business		21 190		22 393	930
			262 647	283 099	163 967
Amount carried forward			504 016	506 882	249 252

	2007	2007	2007	2006	2006
	in EUR	in EUR	in EUR	in EUR ¹	in EUR
	thousand	thousand	thousand	thousand	thousand
Amount brought forward			504 016	506 882	249 252
10. Expenses related to investments ¹⁹					
a) Investment management expenses, interest and other expenses related to investments		69 025		67 528	23 399
b) Depreciation on investments		159 557		125 377	67 455
c) Loss on the disposal of investments		32 180		7 851	3 757
			260 762	200 756	94 611
11. Non-realized losses on investments			27 149	21 321	21 028
12. Other expenses relating to insurance business for own account			130 911	142 209	60 131
13. Insurance result for own account			85 194	142 596	73 482
II. Non-technical account					
1. Other income ²⁰		68 961		86 536	18 659
2. Other expenses ²¹		133 509		139 009	51 906
			- 64 548	- 52 473	- 33 247
3. Result of normal business activity			20 646	90 123	40 235
4. Taxes on income and profit		- 3 366		53 771	23 091
5. Other taxes		3 918		2 130	1 922
			552	55 901	25 013
6. Profit for the year			20 094	34 222	15 222
7. Transfer to retained earnings reserves Transfers to other retained earnings reserves			-	9 500	-
8. Balance-sheet profit			20 094	24 722	15 222

¹ Added previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

Notes

Notes on the Annual Accounts

Methods of accounting and evaluation

Assets

Activated goodwill and a portfolio is included in the item "Intangible assets". It is stated at cost of purchase and depreciated according to plan over the foreseeable period of use of 10 years.

Land, leasehold rights and buildings are evaluated at the cost of purchase or construction, less the permissible linear or degressive scheduled depreciation or at a lower value to be posted. Unscheduled depreciation is carried out only in the case of a foreseeably long-term reduction in value.

Participations in affiliated companies and other long-term equity investments have been assessed at their cost of purchase, less depreciation in accordance with § 341 b Para. 1 HGB in conjunction with § 253 Para. 2 Clause 3 HGB.

Shares, investment certificates, debentures and other fixed-interest and non-fixed interest securities are always assessed at the cost of purchase, less depreciation according to the strict lowest-value principle in compliance with the requirement to reinstate original values.

Securities which are used for day-to-day business on an ongoing basis are valued at the cost of purchase or the lower fair value in accordance with the regulations applicable to investment assets.

Interest swaps and currency swaps together with the underlying loans are placed together in valuation units. Valuation units exist solely with investments posted at nominal value on the balance sheet according to § 341 c HGB.

There are several structured products in the portfolio. The structured products, in the form of loans, debentures and bearer bonds as well as the derivative components contained therein are posted on the balance sheet uniformly.

The structured debentures and loans are evaluated at their nominal value in accordance with the less strict lowest-value principle in accordance with the regulations of § 341 c HGB. The structured zero debentures and zero loans are posted at the value of their continued acquisition costs in compliance with the regulations applicable to investment assets in accordance with the less strict lowest value principle. Zero bearer bonds are valued in compliance with the regulations applicable to revolving assets according to the strict lowest-value principle.

Loans to affiliated companies and loans to companies which are related through participation as well as mortgage bonds, non-negotiable bonds, debentures and loans, loans and pre-payments on insurance policies and other loans are posted at their nominal value in accordance with § 341c Para. 1 HGB. Mortgage bonds are posted on the balance sheet at their nominal value less repayments. Redemption premiums and discounts are distributed over the running period. For detectable risks, we made individual value adjustments and posted them on the assets side.

We have posted accounts receivable arising from direct insurance business and outstanding interest and rent included in "Other receivables" at their nominal values. We have taken current counterparty risks into account by means of individual value adjustments. Global value adjustments were made on the basis of individual surveys and according to the experience of the last few years. Like the individual value adjustments, they have been posted on the assets side.

Deposits with credit institutions, other investments, other receivables from reinsurance business as well as other assets have been assessed at their nominal values.

The current values for land, leasehold rights and buildings, including buildings on non-owned land are re-assessed for all land in the fiscal year and are determined according to the "discounted cash flow" method. For the current values of the other investments, the stock-exchange value or a market value derived from the general interest level is stated. If there was no stock-exchange value for affiliated companies and participations, the purchasing value or a simplified earnings value is used as the value to be posted. The current values of investment certificates are determined from the redemption values, with account being taken of pay-outs.

The certificates of investment stocks of the unit-linked insurances are stated at the current value, with account being taken of the principle of caution.

In the case of investments which are not depreciated to the lower current value on the balance-sheet date, it is assumed that their value will recover in an average planning period or by the time the investments finally mature.

Methods of accounting and evaluation

Liabilities

We calculate the premium reserves by taking into account the starting month and the method of payment of each individual insurance contract on an exact monthly basis. Tax regulations are complied with.

The aggregate reserve of unit-linked life and annuity assurance, including any guarantee components, is determined for each individual contract in accordance with the retrospective method. The incoming premiums – unless they are used for guarantees – are invested in fund certificates. The risk and cost components are taken monthly from the fund deposits, if necessary offsetting them against the corresponding profit participations. Future administration costs are taken into account implicitly. The aggregate reserve not accounted for by guarantee components corresponds to the current value of the fund certificates accounted for by the insurance contracts on the balance-sheet date in agreement with § 341 d HGB.

The aggregate reserve of assurance which is not unit-linked is determined according to the prospective method, i.e. individually for each insurance contract for the fiscal year and the subsequent year, in accordance with actuarial principles. The aggregate reserve posted on the balance sheet is calculated by taking into account the starting month of each individual insurance contract. Future administration costs are taken into account implicitly. For premium-free insurance years, a reserve for administration costs is formed. For some consortium contracts, the proportional aggregate reserves have been determined on the basis of an estimation procedure in accordance with § 341 e Para. 3 HGB because the leading underwriter had not provided all the relevant information in full by the balance-sheet date.

With regard to insurance contracts with annual premium payments except for unit-linked assurance and "Riester" pensions, non-recurring acquisition costs are taken into account explicitly

in accordance with the Zillmer procedure. The amounts are posted under receivables which are not yet due from policyholders in so far as this is permitted by § 15 RechVersV. In contrast, other underwriting expenditure, including acquisition costs for non-zillmerized tariffs, are taken into account implicitly.

Altogether, over 90 per cent of the aggregate reserves formed from the premiums paid by clients are determined according to the methods of calculation indicated.

Old portfolio *

Insurance portfolio	Guaranteed interest	Tables used
Unit-linked tariffs	3.50 %	Mortality table 1986
Insurance with mortality character	3.50 %	Mortality table 1986
	3.00 %	General German mortality table 1924/1926
	3.00 %	General German mortality table 1960/1962 mod
Annuity assurance	4.00 %	DAV 2004 RB, DAV 2004 RB 20
Permanent health insurance	3.50 %	Association table 1990 and circular R 5/65 of BaFin
	3.00 %	General German mortality table 1960/1962 mod, aG 1935/1939, DAV 1997 I, RI, TI

* In the sense of § 11 c VAG and Article 16 § 2 Clause 2 of the third execution law/EMU of the VAG as well as the intermediate portfolio in the sense of the directive issued according to § 81 c Para. 3 VAG

Individual insurance contracts are zillmerized with 35 per mille, group insurance contracts with 20 per mille of the sum assured or ten times the annual annuity. Unit-linked tariffs are not zillmerized. The annuity assurance of the former Karlsruher life assurance company with a guaranteed interest of 3 per cent in the premium calculation is mainly zillmerised with 42 per cent of the annual annuity whereas annuity assurance with a guaranteed interest of 3.5 per cent in the premium calculation are zillmerised with 35 per cent of the annual annuity.

For safety reasons, the independent permanent health insurance contracts as well as the supplementary permanent health assurance contracts are brought in line with the currently valid accounting principles of the DAV (German Association of Actuaries) and, from this, an additional aggregate reserve is formed.

In order to take into account rising life expectancy in respect of the annuity assurance contracts of the old portfolio, an additional aggregate reserve was formed in accordance with the publications of the Federal Insurance Supervisory

Authority (VerBAV) 11/1995 and the recommendations of the DAV. The resulting need for adaptation has been satisfied in stages, the last time in 2002.

However, recent mortality studies in the case of annuity assurance have shown that the safety margins included in the 1994 R mortality tables of the DAV calculated from the basic tables and projection of the long-term mortality trend no longer correspond to the actuarial requirements for safety. In order to maintain an appropriate level of safety in the future as well, the safety margin was widened in fiscal 2007 in the framework of ongoing monitoring of the trend assumptions, following the recommendation of the German association of actuaries, and the aggregate reserve of the annuities was increased. Seventeen twentieths of this was based on the mortality tables developed by the DAV, namely DAV 2004 RB, and three twentieth on the DAV 2004 RB20 mortality tables. It was also based on company-specific probabilities of capital pay-outs, and on the principles published in the framework of the announcements of BaFin (VerBaFin) 01/2005 regarding calculation of the aggregate reserve.

New portfolio

Insurance portfolio	Guaranteed interest	Tables used
a) New policies up to 07/2000 *		
Insurance with a mortality character	4.00 %	Mortality table DAV 1994 T
	4.00 %	Mortality table DAV 1994 T mod
Annuity assurance	4.00 %	DAV 2004 RB, DAV 2004 RB20
Annuity assurance of former Wüstenrot Leben (starting before 1999)	4.00 %	A mortality table derived from a recognized method of the DAV, with age postponement
Permanent health insurance	3.50 %	Association table 1990 / mortality table 1986
	3.50 %	Mortality table 1986
Permanent health insurance of the former Wüstenrot Leben (starting from 1995 onwards)	4.00 %	Association table 1990 / mortality table DAV 1994 T
b) New policies from 07/2000 to 12/2003		
Unit-linked annuity assurance	3.25 %	Mortality table DAV 1994 T
Insurance with mortality character	3.25 %	Mortality table DAV 1994 T
	3.25 %	Mortality table DAV 1994 T mod
Annuity assurance	3.25 %	DAV 2004 RB, DAV 2004 RB 20
Permanent health insurance	3.25 %	DAV tables 1997 I, RI, TI / mortality tables DAV 1994 T
	3.25 %	Mortality tables DAV 1994 T, tables of Münchener Rück, the DAV 1997 I, RI, TI tables
Disability insurance	3.25 %	Mortality tables DAV 1994 T, the tables DAV 1998 E, TE, RE
c) New policies from 01/2004		
Unit-linked annuity assurance	2.75 %	Mortality table DAV 1994 T mod
Insurance with mortality character	2.75 %	Mortality table DAV 1994 T
	2.75 %	Mortality table DAV 1994 T mod
Annuity assurance	2.75 %	DAV 2004 RB, DAV 204 RB 20
Permanent health insurance	2.75 %	DAV tables 1997 I, RI, TI / mortality tables DAV 1994 T
Disability insurance	2.75 %	Mortality tables DAV 1994, the tables DAV 1998 E, TE, RE
d) New policies from 07/2004		
Annuity assurance	2.75 %	Mortality table DAV 1994 R with additional age postponement
e) New policies from 01/2005		
Annuity assurance	2.75 %	Mortality table DAV 2004 R
f) New policies from 01/2007		
Insurance with mortality character	2.25 %	Mortality table DAV 1994 T
Annuity assurance	2.25 %	Mortality table DAV 2004 R
Permanent health insurance	2.25 %	DAV tables 1997 I, RI, TI/mortality tables DAV 1994 T

*) New contract of the former KLV from 01/2000 onwards are listed under point b).

For calculating the aggregate reserve of the new portfolio, the calculating principles were reported to BaFin in accordance with §13 d VAG.

Here, individual insurance policies have been zillmerized at 4 per cent, group insurance policies at 2 per cent of the aggregate premiums. Unit-linked tariffs and „Riester“ tariffs have not been zillmerized.

As already explained in respect of the old portfolio, the aggregate reserve of the annuity assurance policies had to be increased in fiscal 2007 in order to achieve an appropriate safety level. Seventeen twentieths of this was based on the mortality tables DAV 2004 RB developed by the DAV and three twentieths were based on the mortality table DAV2004RB20. It was also based the company-specific probabilities of capital pay-outs and the principles published in the framework of the announcements of BaFin (VerBaFin) 01/2005.

In the old and new portfolios, we used the same accounting principles as in calculation of the aggregate reserve for the increased sums assured (bonus sums assured) and increased annuities (bonus annuities) resulting from profit participation.

As a consequence of a decision by the German Supreme Court on 12 October 2005, a minimum repurchase value must be guaranteed for endowment and annuity assurance taken out between 1 January 1995 and 30 June 2000. In this context, the aggregate reserves of the portfolio contracts affected were increased in fiscal 2005.

The reserve for outstanding claims is formed for each individual insured event that occurred before 31 December but for which pay-outs had not been made by that time. We have posted the reserve at the value of the foreseeable benefits to be paid out.

For contracts which are affected by the decision of the German Supreme Court and are no longer in the portfolio, additional reserves were formed under the item „Reserve for insurance claims“

in accordance with § 341 g HGB. This took into account the probability that only part of the amounts due would be claimed.

For insured events which occurred before 31 December but were not reported until after the end of the fiscal year, a reserve was formed to the value of the risked capital (reserve for IBNR claims). For insured events which were not known in time for preparation of the annual accounts, the reserve for IBNR claims was increased by an extra amount. We assessed these events on the basis of the experience gained in preceding years.

The reserve for settlement expenses was determined according to the ordinance of the Federal Ministry of Finance dated 2 February 1973.

The funds for final profit participation, including the minimum participation in the valuation reserves, within the reserve for bonus payments to clients have been calculated for the new and old portfolio in accordance with § 28 Para. 7 RechVersV for each individual contract. The discount rate for deduction of accrued interest for the portfolios of the former Württembergische Lebensversicherung is basically 6 per cent. For supplementary permanent health and nursing insurance, it is 4 per cent or, in the case of some annuity tariffs, 6.5 per cent. In the case of endowment and annuity assurance of the former Karlsruher Lebensversicherung, the amount envisaged for payment on the regular due date – in some cases reduced by 6 per cent of the sum assured – is reduced in relation to the expired duration of the entire duration of the insurance or the postponement period and subjected to the deduction of accrued interest on the balance-sheet date. The interest rate is 6.2 per cent. The indicated discount rates implicitly take into account the probability of withdrawal as well as prematurely due final profit participation components by means of additions and subtractions. For annuity assurance, company-specific probabilities of capital pay-outs were taken into account within the framework of the counter-financing measures begun in 2006.

The other insurance reserves concerned co-insurance business and have been estimated on the basis of experience.

For ceded reinsurance, the shares in the insurance reserves continue to be calculated according to the previously described principles and the relevant regulations for reinsurance contracts and are estimated partially on the basis of Fast Close in accordance with past experience and on the basis of projections.

For existing legal obligations which arise from part-time retiree contracts and exist on the balance-sheet date, a reserve to the amount of the cash value of future supplements is posted under liabilities after account has been taken of the employer's expenses for social insurance. The guaranteed interest is 4.5 per cent. Biometric factors are reflected by means of a flat-rate deduction amounting to 2 per cent when the size of the reserve is determined. Claims for reimbursement from the labour agency are shown on the balance sheet at the cash value of the obligation if the person in question resumes work.

The extent of the other reserves depends on the foreseeable needs.

Deposits retained, accounts payable arising from reinsurance business, accounts payable on direct insurance business, other liabilities and deferred liabilities have been posted at their nominal values.

Currency conversion

As a basis for securities, the amount resulting from security prices and currency exchange rates at the time of purchase was taken into account in euros as the cost of purchase and the amount resulting from the average security price and currency exchange rate on the balance-sheet date was taken into account in euros as the stock-exchange value.

We assessed the other assets and liabilities at the average currency-exchange rate on the balance-sheet date.

Expenses and income are assessed at the exchange rate on the day of the transaction.

Explanatory Notes – Assets

A. Intangible assets and

B. Investments

The development of the intangible assets and investments are shown in an annex to the appendix on pages 84 to 85.

I. Land, leasehold rights and buildings on non-owned land ^{① 2}

As of the balance-sheet date, our land holdings consist of 187 pieces of real estate with a balance sheet value of EUR 947 720 thousand. The balance sheet value of the land and buildings used by WürttLeben is EUR 39 573 thousand.

We purchased two new office buildings in Stuttgart.

Buildings in Böblingen, Freiburg, Karlsruhe, Mannheim, Rheine and Sindelfingen were sold as well as office buildings in Aachen, Karlsruhe and Rückmarsdorf.

The total book profits gained after deduction of book losses amounted to EUR 26 123 thousand.

II. Investments in affiliated companies and other participations ^②

The details regarding shareholdings in accordance with § 285 No. 11 HGB are shown on page 75. In addition, the information on shareholdings can be viewed on a list of participations given in the electronic Bundesanzeiger (federal gazette) and the electronic registry of companies.

2. Loans to affiliated companies

This item includes debenture loans, non-negotiable bonds. In addition, a subordinated bond has been issued.

4. Loans to companies related through participation

This item includes a loan to a company related through participation.

III. Other investments ^③

1. Shares, investment certificates and other non-fixed interest securities

Breakdown of the portfolio on 31 December 2007	2007	2006	2006
	in EUR	in EUR	in EUR
	thousand	thousand ¹	thousand
Shares	6 139	10 624	—
Investment certificates	5 988 188	6 117 188	2 985 406
Other non-fixed interest securities	66 339	93 443	40 312
Total	6 060 666	6 221 255	3 025 718

¹ Consolidated previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

² See Balance Sheet and Profit and Loss Account from page 48 onwards

III. Other investments (continued)

3. Mortgages

Quantity	2007	Quantity	2006 ¹
	in EUR thousand		in EUR thousand
35 519	2 440 042	36 890	2 577 922

At the end of the fiscal year, the company participated in 215 foreclosures and 62 sequestrations.

4. Other loans

Breakdown of the portfolio on	2007	2006	2006
	in EUR	in EUR	in EUR
	thousand	thousand ¹	thousand
a) Non-negotiable bonds	7 174 582	6 566 454	3 036 417
b) Debentures and loans	5 409 006	5 251 885	2 582 283
c) Loans and advance payments on policies	197 340	210 857	127 544
d) Other loans	346 815	376 821	241 316
Total	13 127 743	12 406 017	5 987 560

The „other loans“ include non-tradable participating certificates amounting to EUR 346 552 thousand.

6. Other investments

In addition to the subordinate receivables, this larger item contains silent participations amounting to EUR 126 807 thousand.

¹ Consolidated previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

III. Other investments (continued) ③

Current value of investments

Valuation reserves on 31 December 2007	Annual accounts of WürttLeben			
	Book value	Current value	Valuation reserves according to burdens	% of the book value of all investments
	in EUR	in EUR	in EUR	
	thousand	thousand	thousand	
Real estate	947 720	1 250 687	302 967	
Shares in affiliated companies and companies related through participation	554 622	650 152	95 530	
Shares and investment certificates etc.	6 060 666	6 338 399	277 733	
Fixed-interest securities	1 334 951	1 260 723	- 74 228	
Non-negotiable loans/ debentures ¹	12 312 210	11 909 405	- 402 805	
Mortgages/re-financing loans	3 366 179	3 334 396	- 31 783	
Other	560 950	560 969	19	
Total	25 137 298	25 304 731	167 433	0,67
Including the following not assessed at the lowest value in accordance with § 341 b HGB:				
Shares and investment certificates	1 253 725	1 225 408		
Fixed-interest securities	1 088 829	1 010 666		

¹ Including silent participations and zero loans.

The above figures include derivative financial instruments in valuation units as follows:

Nominal values and current values of the open derivate items	Nominal values Underlying ¹	Current values	Book value	Current value Derivate ³
	Valuation unit ²	Valuation unit ²	Valuation unit ²	Valuation unit ²
	in EUR	in EUR	in EUR	in EUR
	thousand	thousand	thousand	thousand
Interest transactions				
Swaps	795 000	803 450	795 000	7 456
Currency transactions				
Swaps	51 129	51 426	51 129	- 793

¹ The nominal values of the secured investments are listed under Nominal values Underlying.

² If derivatives are posted in a valuation unit with basic business, the value of the valuation unit is given here.

³ Without valuation unit

C. Investments for account and risk of holders of life assurance policies

The range of investments of unit-linked assurance consists of certificates of some domestic and foreign investment companies. With regard to investment, the policyholder can choose between several funds and pursue his/her personal invest-

ment strategy. The savings components of unit-linked life assurance policies are invested in these funds according to contract.

The composition of the range of investments is shown below:

Explanatory notes – Assets

Composition of the range of investments	Number of shares	Balance sheet value on 31. 12. 2007
in Name of the fund		in EUR thousand
ACM American Growth	22 999	558
ACM European Growth	65 210	679
ACM Global Growth Trends	44 333	2 082
ACM International Health	3 194	356
ACM International Technology	4 164	401
Activest Lux TotalReturn D	479	25
ADIG-ADIASIA	2 787	65
ADIG-ADIFONDS	1 128	104
ADIG-ADIRENTA	389	5
ADIG-EuropaVision	1 797	68
ADIG-FONDAMERIKA	3 404	337
Alger American Asset Growth Portfolio	128 951	2 763
Alger LargeCap A	124 484	1 166
Alger LargeCap B	7 046 432	60 169
Alger MidCap A	124 077	784
Alger MidCap B	4 510 322	24 634
Alger Small Caps A	108 573	557
Alger Small Caps B	1 442 185	6 711
W&W US Equity Fund	4 106	31
Alternative Opportunities Fund	929	114
BBBank Dynamik Union	65	3
BBBank Kontinuität Union	27	1
BBBank Wachstum Union	8	0
Berenberg- Universal- Euro- Aktien- Fonds	11 385	1 007
Berenberg- Universal- Rentenfonds	21 429	849
Berenberg-Hellas-Olympia-Fonds UI	1 278	149
Berenberg-Select Invest-Universal-Fonds	2 824	133
Best Season EuroInvest	158 393	16 716
BWI-Dynamik AS	29 489	781
BWI-Europrofil	1 475 922	53 207
BWI-Kontinuität AS	19 529	434
BWI-Aktien-Strategie Deutschland	437 326	65 861
BWI-Aktien-Strategie International	1 435	131
BWI-Dividenden-Strategie Euro	179 933	8 705
Amount carried forward		249 586

Composition of the range of investments	Number of shares	Balance sheet
		value on 31. 12. 2007
in Name of the fund		in EUR thousand
Amount brought forward		249 586
BW-Renta-Universal	275 557	7 035
Credit Suisse Equity Fund (Lux) Euro Blue Chips	144	50
Credit Suisse Equity Fund Swiss Blue Chips	139	20
Davis Financial Fund	43 912	558
Davis Opportunities Fund	174 000	2 985
Davis Real Estate Fund	56 468	693
Davis Value Fund	3 402 720	75 262
Dexia Bond International	300	221
DWS Vermögensbildungsfonds I	40 209	4 033
DWS Flex Profit Mix 80	1 142	119
Fidelity America Fund	64 323	235
Fidelity European Growth Fund	972 282	12 552
Fidelity Funds China Focus Fund	24 947	856
Fidelity Funds India Focus Fund	20 570	757
Fidelity Germany Fund	17 775	608
Fidelity International Fund	66 402	1 822
Fidelity South-East-Asia-Fund	361 510	1 708
FVB-Deutscher Aktienfonds - BWI	11 159	551
FVB-Deutscher Rentenfonds - BWI	9 284	365
GIP InvestWorld Balanced Portfolio	5	0
GIP InvestWorld Europe Portfolio	160	2
GIP InvestWorld International Portfolio	794	8
GIP InvestWorld Special Portfolio	359	4
Haus Invest	118 637	5 054
KanAm Grundinvest Fonds	35 408	1 983
MAT Asia Pacific Fonds	9 454	1 074
N-Alger Sicav-Alger US Technology Fund	6 318	43
NORAMCO Quality Funds Europe	34 035	476
NORAMCO Quality Funds USA	16 046	105
Nordea North American Value	18 277	510
Nordea-1 European Value Fund EUR	11 393	438
Nordea-1 Far Eastern Value Fund	967	15
Ökovision	892	113
Stuttgarter Volksbank RentInvest-Union	8 738	350
Templeton Euro Liquid Res. Fund	88 110	405
Templeton Global Bond Fund	24 156	259
Templeton Global Growth (Euro) Fund	150 084	2 293
Templeton Growth Fund, Inc.	1 293 151	21 144
Templeton Em. Markets	75 623	2 122
Templeton Growth (EURO) FUND	317 465	3 629
Threadneedle American Select Growth Fund	76 458	107
Threadneedle European Fund	502 111	890
Threadneedle European Select Growth Fund	66 926	119
UBS(D) Key Selection Fund-Global Equities	154 466	15 105
Amount carried forward		416 264

Composition of the range of investments	Number of shares	Balance sheet
		value on 31. 12. 2007
in Name of the fund		in EUR thousand
Amount brought forward		416 264
UniGlobal	8 015	937
UniStrategie: Ausgewogen	4 381	170
W&W Dachfonds GlobalPlus BWI	429 299	25 539
W&W Dachfonds ImmoRent BWI	850	44
W&W Euroland-Renditefonds BWI	40 610	1 981
W&W Europa-Fonds BWI	88 999	5 060
W&W Global-Fonds BWI	206 747	9 773
W&W Internationaler Rentenfonds BWI	181 963	7 047
W&W Quality Select Aktien Europa BWI	76 871	3 349
W&W Quality Select Aktien Welt BWI	706 615	35 416
W&W-Dachfonds Basis BWI	328 236	19 277
Union Inv. Institutional Renten DEVIF350	1 182 236	12 687
Union Inv. Institutional Aktien Europa DEVIF400	4 295 986	37 448
Union Inv. Institutional Aktien Welt DEVIF450	3 805 751	29 018
Total		603 516

D. Accounts receivable

I. Accounts receivable on direct insurance business from ④

1. Policyholders

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
a) Amounts due	46 074	35 998	15 978
b) Amounts not yet due	68 445	73 019	35 855
Total	114 519	109 017	51 833

The amounts due from policyholders mainly concern premiums which were due in 2007 but had not been paid by the balance sheet date. Most of them have now been received.

The amounts not yet due are legal claims for payment of invoiced acquisition costs which have not yet been paid.

2. Insurance agents

The accounts receivable from insurance agents amount to EUR 10 972 (12 249) thousand and basically concern accounting balances from consortium contracts and commission paid in advance.

III. Other receivables ⑤

This item includes the following, among other things:

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Outstanding interest and rent as well as deferred dividends	58 134	109 332	104 501
Receivables arising from the area of real estate	83 336	68 959	11 783
Receivables arising from clearing transactions with affiliated companies and companies related through participation	8 955	13 747	6 333
Receivables from the tax office	25 680	19 957	4 885

E. Other assets

III. Other assets ⑥

These concern insurance benefits which are paid in advance and which were due at the beginning of 2008 and also concern small parts of FLV funds.

F. Deferred assets

II. Other deferred assets ⑦

The main items entered here are the redemption premiums from the purchase of non-negotiable bonds, debentures and other investments amounting to EUR 8 947 (15 407) thousand. This item also contains the discount amounting to EUR 553 (618) thousand relating to our subordinate bond.

¹ Consolidated previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

Explanatory notes – Liabilities

A. Equity of WürttLeben

I. Subscribed capital ^⑧

On 31 December 2007, the company's subscribed capital amounted to EUR 32 000 thousand and is divided into 40 000 fully paid no-par-value shares of the owners and 12 137 920 fully paid registered no-par-values shares.

Until 31 July 2011, the Management Board is authorised to increase the subscribed capital once

or several times by up to a total of EUR 16 000 000 thousand with the agreement of the Supervisory Board by issuing new non-par-value shares against payment.

III. Retained profit reserves ^⑨

The retained profit reserves remained unchanged compared to the previous year.

B. Subordinate liabilities

The subordinate fixed-interest bond was issued on 16 February 2006. It is divided into 130 000 equally entitled bearer bonds with a nominal value of EUR 1 000 each. The issue price amounted to 99.48 per cent.

The earliest possible repayment of the subordinate bond is on 1 June 2016.

From the day of issue until 1 June 2016, the annual interest on the bond will be 5.375 per cent. Subject to premature repayment, interest will be accrued on it retrospectively every three months from 1 June 2016 onwards based on the EURI-BOR for three-month deposits in euros, plus a margin of 2.75 per cent. Subject to premature repayment, the loan will be repaid in full on 1 June 2026.

C. Insurance reserves

IV. Reserve for bonus payments to clients dependent on results and independent of results ^⑩

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
As at 1 January	1 951 999	1 857 147	1 019 117
Withdrawals in the fiscal year			
a) for increasing the sums assured	136 669	144 327	92 679
b) for payments and credits to policyholders	187 775	191 759	95 929
	324 444	336 086	188 608
Transfer in the fiscal year	442 924	430 938	251 111
As at 31 December	2 070 479	1 951 999	1 081 620

The withdrawal for payments and credits to policyholders also includes the interest in excess of the guaranteed interest on accrued profit participation components in so far as they have not been directly credited.

In the reserve for bonus payments to clients as at 31 December 2007, EUR 115 185 thousand has been set aside for final profit participation (final payments) and EUR 221 414 thousand for current profit participation has been set aside for fiscal 2008 but not yet allocated.

The fixed amount for profit participation components includes the minimum participation in the valuation reserves as well as that part of the valuation reserves which exceeds the minimum participation in so far as these amounts have been determined.

In addition, EUR 978 297 thousand is tied up for final profit participation due in later years. This

amount includes a minimum participation in the valuation reserves.

The profit participation ratios for fiscal 2008 are shown in an annex on pages 86 to 187

The total reserve for bonus payments to clients consists of parts which are dependent on success.

E. Other reserves

I. Tax reserves ⁽¹¹⁾

There is no tax deferral in accordance with § 274 HGB (last year: TEUR 21 912).

The reserve only relates to corporation taxes (including “solidarity” tax), real-estate purchase taxes and commercial taxes for the fiscal year and for the preceding years.

II. Other reserves ⁽¹²⁾

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Commission and other acquisition payments	8 135	7 627	5 300
Wages, salaries, holiday and anniversary obligations to employees	11 649	13 826	3 836
Payments for part-time retirees	8 685	11 249	3 426
Costs of the annual report	1 866	2 588	1 395
Construction services not yet paid for	16 851	2 953	1 252
Other	7 336	3 330	897
Total	54 522	41 573	16 106

G. Other liabilities

I. Accounts payable on direct insurance business to ⁽¹³⁾

1. Policyholders

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Credited shares in the profit	379 899	395 551	156 933
Premium deposits	68 234	144 788	72 551
Advance premium payments	19 525	35 798	32 263
Unclaimed bonus payments to clients.	90 560	98 836	2 254
Total	558 218	674 973	264 001

¹ Consolidated previous year's values after account has been taken of the merger with Karlsruher Lebensversicherung AG

2. Insurance agents

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Commission for agents	21 603	24 467	12 711
Liabilities arising from consortium contracts	11 656	12 046	2 850
Total	33 259	36 513	15 561

III. Other liabilities ¹⁴

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Liabilities arising from clearing transactions with affiliated companies	26 666	23 471	12 578
Liabilities arising from real estate	23 872	24 870	8 546
Incoming payments not yet assigned and time carryovers	36 159	42 748	5 995
Other	7 032	11 255	2 483
Total	93 729	102 344	29 602

The liabilities arising from clearing transactions with affiliated companies mainly relate to obtained services.

The liabilities arising from real estate mainly contain retained safety deposits, liabilities arising from supplies and services for building projects as well as advance heating and operating costs of the tenants.

H. Deferred liabilities ¹⁵

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Interest on subordinate liabilities	4 074	4 097	4 097
Discounts on mortgages and debenture loans	11 251	10 779	3 360
Interest on investments	2 011	2 487	2 227
Total	17 336	17 363	9 684

Here, the revenues which were received in fiscal 2007 but affect the subsequent years are posted

Remaining periods of liabilities

Items F and G do not contain any liabilities with remaining periods of more than five years.

Explanatory notes – Profit and Loss Account

I. Insurance account

1. Earned premiums for own account ¹⁶

a) Gross written premiums

For direct insurance business	2007 in EUR thousand	2006 in EUR ¹ thousand	2006 in EUR thousand
Annual premiums			
Individual insurance	1 642 015	1 682 716	1 023 724
Group insurance	185 399	185 722	76 221
	1 827 414	1 868 438	1 099 945
Single premiums			
Individual insurance	247 214	225 573	151 988
Group insurance	92 984	150 657	96 411
For assumed reinsurance, single-premiums	14	- 16	-
	340 212	376 214	248 399
Total	2 167 626	2 244 652	1 348 344

The company only transacts business in Germany. All insurance contracts include profit participation.

The reinsurance balance in accordance with § 51 Para. 4 Clause 2b RechVersV amounts to EUR 39 846 (40 679) thousand in favour of the reinsurer.

3. Earnings on investments ¹⁷

bb) Earnings on other investments

	2007 in EUR thousand	2006 in EUR ¹ thousand	2006 in EUR thousand
Shares, investment certificates and other non fixed-interest securities ²	419 050	303 197	179 628
Bearer bonds and other fixed-interest securities	69 864	56 516	56 516
Mortgages	129 870	141 257	63 861
Other loans to affiliated companies or companies related through participation	568 518	546 964	264 815
Bank deposits and other investments	40 947	42 726	37 887
Total	1 228 249	1 090 660	602 707

² This includes earnings of TEUR 11 988 (9 222) from investments for the account and risk of life assurance policyholders

¹ Added previous year's values after account has been taken of Karlsruher Lebensversicherung AG

I. Insurance account

(continued)

d) Profits from the disposal of investments

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Land, leasehold rights and buildings	26 915	51 219	32 792
Participations	26 086	29 565	1 832
Shares, investment certificates and bearer bonds ²	66 137	36 346	8 083
Other loans	1 782	53 022	28 906
Total	120 920	170 152	71 613

² This includes profits of TEUR 538 (8) from investments for the account and risk of life assurance policyholders

6. Incurred losses for own account ⁽¹⁸⁾

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Pay-outs			
Incurred losses	1 801 132	1 818 501	1 011 168
Surrenders	365 610	381 927	226 220
	2 166 742	2 200 428	1 237 388
Share of reinsurers	144 525	158 015	8 076
	2 022 217	2 042 413	1 229 312
Change in the reserve			
Incurred losses	10 671	3 863	1 567
Surrenders	- 890	1 299	146
	9 781	5 162	1 713
Share of reinsurers	663	- 895	- 265
	10 444	4 267	1 448
Total	2 032 661	2 046 680	1 230 760

The reserve for IBNR claims (IBNR = increased but not reposted) for supplementary permanent health insurance as at 31 December 2006 was reduced by EUR 25 444 thousand in the fiscal year and a corresponding amount was transferred to the aggregate reserve.

In the year under review, 86 court cases were pending, 20 cases were settled out of court. In four cases, the action was dismissed. In three cases, the action was sustained. In five cases, the action was withdrawn and, in 54 cases, a ruling has not yet been made.

I. Insurance account
(continued)

10. Expenses related to investments ¹⁹
b) Depreciation on investments

The unscheduled depreciation in accordance with § 277 Para. 3 Clause 1 HGB amounted to EUR 140 128 thousand.

c) Losses on the disposal of investments

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
Land	792	3 954	2 614
Affiliated companies and participations	13	413	413
Shares, investment certificates and other non-fixed interest securities ²	22 923	2 529	165
Bearer bonds etc..	530	660	485
Other loans	7 922	295	80
Total	32 180	7 851	3 757

² his includes losses of EUR 1 357 (4) thousand on investments for the account and risk of life assurance policyholders

II. Non-technical account

1. Other earnings ²⁰

This items includes earnings on services performed amounting to EUR 59 779 (77 057) thousand.

2. Other expenses ²¹

In this item, the expenses for services provided by affiliated companies amount to EUR 59 572 (77 103) thousand. In addition, the item includes special expenses which affect the company as a whole and amount to EUR 30 191 (37 137) thousand. Of this amount, EUR 774 (846) thousand represents costs for auditing of the annual accounts.

4. and 5. Taxes

This item basically relates to corporation tax, real-estate purchase tax, property tax, commercial tax and the “solidarity” tax (for reunification with East Germany) for the fiscal year as well as source taxes. In addition, withdrawals were made from latent tax reserves in 2007 with the result that the tax expenses were considerably reduced.

¹ Added previous year's values after account has been taken of Karlsruher Lebensversicherung AG

Supplementary Details

Commission and other payments to insurance agents, personnel expenditure

	2007 in EUR	2006 in EUR ¹	2006 in EUR
	thousand	thousand	thousand
1. Commission of all kinds for insurance agents in the sense of § 92 HGB for direct insurance business	97 682	90 424	66 701
2. Other payments to insurance agents in the sense of § 92 HGB	1 542	4 520	586
3. Wages and salaries	68 412	117 699	19 729
4. Social payments and expenses for financial assistance	10 749	18 008	3 466
5. Expenses for provisions for old age pensions	8 393	9 273	1 103
6. Total expenses	186 778	239 924	91 585

On 19 December 2002, the Management Board and the Supervisory Board of WürttLeben issued the first declaration of conformity with the German Code of Corporate Governance in accordance with § 161 AktG (see page 39) and made it permanently available to the shareholders on the company's websites in the Internet.

The members of the Management Board and the Supervisory Board are listed on pages 5 to 7.

The emoluments of the members of the Supervisory Boards are indicated in the report on remunerations from page 42 onwards.

Employees

	Number in 2007	Number in 2006 ¹
Office staff	1 111	1 290
Salaried salespersons	169	523
Blue-collar	60	60
Trainees	52	85
Total	1 392	1 958

These figures are average employee figures for the year in accordance with § 285 Clause 7 HGB.

¹ Added previous year's values after account has been taken of Karlsruher Lebensversicherung AG

List of shareholdings

	Degree of participation	Equity in EUR	Result in EUR
	in %	million ^{1,2}	million ²
Insurance companies			
Life insurers			
Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart	100	18,5	0,3
Karlsruher Lebensversicherung AG (new), Karlsruhe	82	3,6	0,4
Financial participations			
Adveq Opportunity II Zweite GmbH ³	26	–	–
Berlin Leipziger Platz Grundbesitz GmbH, Berlin	94	82,0	– 5,2
Beteiligungs-GmbH der Württembergischen, Stuttgart	100	0,9	0,1
Eschborn Grundstücksgesellschaft bürgerlichen Rechts, Stuttgart	51	52,5	3,2
Horizon 21 Private Equity Partners III, London	88	3,0	– 0,2
LP1 Beteiligungs-GmbH & Co KG, Stuttgart	100	0,1	–
Property Fund Italy GmbH (PFI) i. L., Munich	24	0,5	–
PWR Holding GmbH, Munich	33	28,2	3,5
Stuttgarter Baugesellschaft von 1872 AG, Stuttgart	100	8,3	0,2
Tertianum Besitzgesellschaft Berlin, Munich	25	37,4	– 0,9
Tertianum Besitzgesellschaft Konstanz, Munich	25	56,9	–
Tertianum Besitzgesellschaft München, Munich	33	46,4	1,5
Tertianum Seniorenresidenzen Betriebsgesellschaft mbH, Constance	25	2,2	–
Tertianum Seniorenresidenz Betriebsgesellschaft mbH, Munich	33	1,3	–
Württembergische Vertriebservice GmbH für Makler und freie Vermittler, Stuttgart ³	50	–	–
IVB- Institut für Vorsorgeberatung Risiko- und Finanzanalyse GmbH, Karlsruhe	70	–	–
KLV BAKO Dienstleistungs-GmbH, Karlsruhe	90	0,1	–
KLV BAKO Vermittlungs-GmbH, Karlsruhe	74	0,1	–
KLV Verwaltungs GmbH, Karlsruhe	100	–	–
Karlsruher Rendite Immobilien GmbH, Karlsruhe	100	0,1	–
Schlosshotel Eyba GmbH & Co. KG, Eyba	100	3,0	– 0,1
Schlosshotel Eyba Verwaltungsgesellschaft mbH, Eyba	100	–	–
W.B.I. Verwaltungsgesellschaft mbH, Hamburg	100	–	–
Weißensee, BWS. Grundstücksverwaltungs GmbH & Co. KG, Hamburg	100	7,3	– 0,4
Wohnpark Caputh, WPC. Grundstücksverwaltungs GmbH & Co. KG, Hamburg	100	9,6	– 0,1
Wohnpark Potsdam, WPP. Grundstücksverwaltungs GmbH & Co. KG, Hamburg	100	17,6	– 0,3
VV-Immobilien GmbH & Co. United States City KG, Munich	23	178,2	9,4

¹ Equity: according to balance-sheet liabilities, including result for the year; as at 31 December 2006

² Given for 100%

³ Newly established in 2007

Membership in supervisory boards formed as a legal requirement and also in comparable supervisory bodies in Germany and abroad

Details in accordance with § 285 Clause 10 HGB

* Employees' representatives

- a) = Group mandates in domestic supervisory boards set-up as a legal requirement
- b) = Third-party mandates in supervisory boards set up as a legal requirement
- c) = Mandates in comparable supervisory bodies

Members of the Supervisory Board of Württembergische Lebensversicherung AG

Dr. Alexander Erdland
(Chairman)

Chairman of the Management Board
Wüstenrot & Württembergische AG, Stuttgart

- a) Württembergische Versicherung AG, Stuttgart, Chairman
Wüstenrot Bank AG Pfandbriefbank, Ludwigsburg, Chairman
Wüstenrot Bausparkasse AG, Ludwigsburg, Chairman
- c) Wüstenrot hypoteční banka a.s., Prague, Chairman
Wüstenrot – stavební spořitelna a.s., Prague, Chairman
Wüstenrot Verwaltungs- und Dienstleistungen GmbH, Salzburg
Wüstenrot Wohnungswirtschaft reg. Gen. m.b.H., Salzburg

Dr. Jan Martin Wicke
(from 30 August 2007, deputy chairman of the Management Board from 25 September 2007)

Member of the Management Board of
Wüstenrot & Württembergische AG, Stuttgart

- a) Württembergische Versicherung AG, Stuttgart
Wüstenrot Bank AG Pfandbriefbank, Ludwigsburg
Wüstenrot Bausparkasse AG, Ludwigsburg
- b) V-Bank AG, Munich, chairman
- c) W&W Asset Management GmbH, Stuttgart, chairman

Dr. Edmund Schwake
(Deputy Chairman until 30 June 2007)

Member of the Management Board of
Wüstenrot & Württembergische AG, Stuttgart
(until 30 June 2007)

Prof. Dr. Peter Albrecht

Professor for general business studies, risk theory, portfolio management and insurance at the university of Mannheim

- b) KarstadtQuelle Lebensversicherung AG, Fürth
KarstadtQuelle Versicherung AG, Fürth
KarstadtQuelle Krankenversicherung AG, Fürth

Rolf Henrich*

Managing Executive
Chairman of the overall employees' committee of the Württembergische life assurance companies, Stuttgart

- a) Wüstenrot & Württembergische AG, Stuttgart
- b) Pension fund of Württembergische VVaG, Stuttgart

Christian Hörtkorn

Managing partner of
Dr. Friedrich E. Hörtkorn GmbH, Heilbronn

Michael Horn

Deputy chairman of the management board of
Landesbank Baden-Württemberg

- a) LRP Landesbank Rheinland-Pfalz, Mainz
- b) Grieshaber Logistik GA, Weingarten
Hymer AG, Bad Waldsee
SV Sparkassen-Versicherung
Baden-Württemberg Holding AG, Stuttgart
- c) MKB Mittelrheinische Bank GmbH, Coblenz
MMV Leasing GmbH, Coblenz
LRI Landesbank Rheinland-Pfalz
International S.A., Luxembourg
Bankhaus Ellwanger & Geiger KG, Stuttgart
Burk GmbH & Co. KG, Ravensburg
Elektro Stotz GmbH & Co. KG, Ravensburg
LBS Landesbausparkasse Baden-Württemberg,
Stuttgart/Karlsruhe
Siedlungswerk gemeinnützige Gesellschaft für
Wohnungs- und Städtebau, Stuttgart
Vorarlberger Landes- und Hypotheken-
bank AG, Bregenz
Deka (Swiss) Privatbank AG, Zurich

Willy Köhler

Chairman of the management board of
Volksbank Rhein-Neckar eG, Mannheim

- b) DZ Bank AG Deutsche Zentral-Genossen-
schaftsbank, Frankfurt am Main
DZ Verwaltungs-AG, Karlsruhe, Chairman
Karlsruher Lebensversicherung AG, Karlsruhe
Pensionskasse der badischen Genossenschaft-
sorganisation VVaG, Karlsruhe

Dr. Wolfgang Müller

Chairman of the management board
of BBBank eG in Karlsruhe

- b) Karlsruher Lebensversicherung AG, Karlsruhe
Union Asset Management Holding AG, Frank-
furt am Main

Wolfgang Prade*

Managing Executive
Württembergische Lebensversicherung AG,
Stuttgart

Dr. Bernhard Schareck

President of Gesamtverband der
Deutschen Versicherungswirtschaft e.V. (GDV),
Berlin

- b) Karlsruher Lebensversicherung AG, Karlsruhe
Chairman
Badische Staatsbrauerei Rothaus AG,
Rothaus/Schwarzwald

Peter Ulrich*

Managing Executive
Württembergische Lebensversicherung AG,
Stuttgart

- a) Württembergische Versicherung AG, Stuttgart

Frank Weber*

Chairman of the employees' committee of the
Württembergische insurance companies in
Stuttgart Location: Karlsruhe

- a) Wüstenrot & Württembergische AG, Stuttgart

Members of the Management
Board of Württembergische
Lebensversicherung AG

Dr. Wolfgang Oehler (Chairman)

Auditing
Bank sales
Main district offices
Sales: exclusivity
Sales: development
Sales: basic principles and controlling
Sales: coordination of partners
Sales: service

- a) Allgemeine Rentenanstalt Pensionskasse AG,
Stuttgart, Chairman
Württembergische Krankenversicherung AG,
Stuttgart, Chairman
- b) Pensionsversicherungsverein auf Gegenseitigkeit,
Cologne
Pensionskasse der Württembergische VVaG,
Stuttgart, Chairman
- c) BWK GmbH Unternehmensbeteiligungs-
gesellschaft, Stuttgart
BWI Baden-Württembergische Investment-
gesellschaft mbH, Stuttgart
W&W Asset Management GmbH, Stuttgart
Wüstenrot – stavební spořitelna a.s., Prague
Wüstenrot, životní pojišťovna a.s., Prague

Dr. Wolfram Gerdes
(member of the Management Board from
1 January 2008)

Financial controlling
Mortgages
Real estate

- c) BWK GmbH Unternehmensbeteiligungs-
gesellschaft, Stuttgart

Dr. Michael Gutjahr (work director)

Controlling
Building management
Personnel development
Personnel management
Accounting
Service Center
Central services
Central collection of accounts

- c) Antares Holding Ltd., Bermuda
Antares Reinsurance Ltd. Bermuda

Peter Köhler
(member of the Management Board
until 30 September 2007)

Dr. Jochen Kriegmeier

Ruth Martin (actuary)

Life assurance actuarial office/
risk management
Life assurance corporate clients
Life assurance mathematics/products
Life assurance private customers
Life assurance underwriting

- a) Allgemeine Rentenanstalt Pensionskasse AG,
Stuttgart
- b) Pensionskasse der Württembergischen VVaG,
Stuttgart

Rainer Schlegel

Project coordination/project office Württ
Company organisation
Central tasks WL

- a) W&W Informatik GmbH, Ludwigsburg

Liability relationships and other financial obligations

Due to the transfer (within the Group) of pension obligations to W&W AG, the participation in liability for these obligations amounted to EUR 49 231 thousand as at 31 December 2007.

In accordance with §§ 124 ff VAG, the life assurance companies are members of a security fund. On the basis of the security-fund financing directive (life), the security fund collects annual contributions up to the level of 0.2 per mille of the total of the net insurance reserves until security assets of 1 per mille of the total net insurance reserves are built up. In addition to the obligation to pay an annual contribution. As a result of this membership, the future obligations of the company to pay amount to EUR 10 521 thousand. The security fund can also collect special contributions amounting to a further 1 per mille of the total net insurance reserves. This corresponds to an obligation amounting to EUR 25 449 thousand. In addition, the company has undertaken to provide monies to the security fund or, alternatively, to Protektor Lebensversicherungs-AG if the amounts in the security fund are not sufficient when reparations have to be made. This obligation amounts to 1 per cent of the total net insurance reserves plus the payments already made to the security fund at this time. If the above-named obligations to pay arising from the payments to the security fund are included, the total obligation on the balance sheet date amounts to EUR 239 565 thousand.

Obligations to make residual payments on shares which had not been fully paid in amounted to EUR 151 443 thousand on the balance sheet date.

Obligations amounting to EUR 9.7 million exist due to the pledging of three debentures as a safeguard against the insolvency of funds for part-time retiree work in accordance with § 8 a of the law on part-time retiree work.

Relationships with related persons and companies

Business transactions with related companies and persons are conducted according to terms and conditions usual for the market. Where employees are concerned, preferential conditions usual for the industry are used.

Group affiliation

WH in whose annual accounts our company is included, holds the majority of shares in W&W AG. The consolidated annual accounts of WH and the annual accounts of W&W AG are published in the electronic Bundesanzeiger (federal gazette). The consolidated annual accounts can be requested in writing from our company from the end of June onwards after the Annual General Meeting of W&W AG or can be collected from Gutenbergstrasse 30, Stuttgart West.

Stuttgart 13 February 2008

The Management Board

Dr. Wolfgang Oehler

Dr. Wolfram Gerdes

Dr. Michael Gutjahr

Dr. Jochen Kriegmeier

Ruth Martin

Rainer Schlegel

Appendix to the Report of the Management Board Development of the insurance portfolio in fiscal 2007

A. Development of the portfolio of direct life assurance	Total direct business concluded			
	(only main- insurance)	(main and supplementary insurance)	(only main- insurance)	
	Number of insurance contracts	Premium for one year	Single premium	Sum assured or 12 times the annual annuity
in EUR thousand				
I. Portfolio at beginning of the fiscal year ¹	1 772 448	1 097 772	—	39 821 849
Increase during the fiscal year due to acquisition of the insurance portfolio of KLV	1 205 291	775 934	—	29 474 286
Total portfolio at the beginning of the fiscal year	2 977 739	1 873 706	—	69 296 135
II. Increase during the fiscal year				
1. New business				
a) Paid-up insurance policies	159 641	129 288	305 121	4 161 589
b) Increases in the sum assured (without item 2)	289	41 184	36 982	743 688
2. Increases in the sum assured due to shares in the profit	15	2	—	147 892
3. Other increases	5 671	1 328	2 411	125 907
4. Total increase	165 616	171 803	344 514	5 179 076
III. Decrease during the fiscal year				
1. Death, invalidity etc..	13 509	4 372	—	200 981
2. Expiry of insurance/premium payments	149 098	128 772	—	2 487 848
3. Surrender and conversion into premium-free insurance	69 532	70 182	—	1 920 270
4. Other premature decreases	11 699	11 110	—	566 245
5. Other decreases	5 672	5 093	—	206 407
6. Total decrease	249 511	219 529	—	5 381 750
IV. Portfolio at end of fiscal year	2 893 845	1 825 980	—	69 093 460

¹ Initial portfolio: including the portfolios of the former Karlsruher Lebensversicherung AG merged as of 1.1.2007.

Individual insurance								Group insurance	
Endowment insurance (including formation- of-capital wealth insurance) not including term assurance and other life assurance		Term assurance		Annuity assurance (including permanent health and nursing insurance) not including other life assurance		Other life assurance life assurance			
Number of insurance contracts	Annual premium for one year	Number of insurance contracts	Annual premium for one year	Number of insurance contracts	Annual premium for one year	Number of insurance contracts	Annual premium for one year	Number of insurance contracts	Annual premium for one year
780 893	640 166	64 343	28 992	281 862	235 033	124 156	115 311	521 193	78 269
607 917	399 034	30 124	13 322	294 457	211 223	45 452	40 871	227 341	111 485
1 388 810	1 039 200	94 467	42 314	576 319	446 256	169 608	156 182	748 534	189 754
7 260	6 074	16 012	7 779	66 636	52 194	22 719	17 904	47 013	45 337
—	23 443	—	127	258	9 519	—	3 110	32	4 986
—	—	—	—	13	2	—	—	2	—
1 542	1 235	28	—	838	— 96	164	156	3 099	33
8 802	30 752	16 039	7 906	67 745	61 620	22 883	21 170	50 147	50 356
5 101	2 540	333	156	2 773	833	157	182	5 145	661
59 545	48 207	3 875	1 499	3 854	34 678	4	1 459	81 819	42 930
40 169	36 718	1 621	981	14 279	16 979	10 345	9 778	3 188	5 726
1 144	1 991	3 347	1 558	4 809	4 338	—	1 733	2 400	1 491
569	1 861	20	40	1 058	1 073	66	872	3 959	1 247
106 529	91 316	9 196	4 233	26 773	57 901	10 572	14 024	96 441	52 054
1 291 084	978 636	101 310	45 987	617 292	449 975	181 919	163 327	702 240	188 055

B. Structure of the portfolio of direct life assurance (without supplementary insurance)	Total direct insurance business	
	Number of insurance contracts	Sum assured or 12 times the annual annuity
		in EUR thousand
1. Portfolio at the beginning of the fiscal year ¹ including premium-free portfolio	2 977 739 (545 743)	69 296 134 (6 767 955)
2. Portfolio at the end of the fiscal year including premium-free portfolio	2 893 845 (548 634)	69 093 460 (7 036 092)
C. Structure of the portfolio of direct supplementary insurance	Total supplementary insurance	
	Number of insurance contracts	Sum assured or 12 times the annual annuity
		in EUR thousand
1. Portfolio at the beginning of the fiscal year	1 015 767	41 410 597
2. Portfolio at the end of the fiscal year	959 623	40 314 726
D. Portfolio of life assurance accepted for reinsurance		in EUR thousand
1. Sum assured at the beginning of the fiscal year		—
2. Sum assured at the end of the fiscal year		—
	2007	2006
Aggregate premiums of new business in EUR thousand	3 358 561	3 552 616

¹ Initial portfolio: including the portfolios of the former Karlsruher Lebensversicherung AG merged as of 1.1.2007.

Individual insurance								Group insurance	
Endowment insurance (including formation-of- capital wealth insurance) not including term assurance and other life assurance		Term assurance		Annuity assurance (including permanent health and nursing insurance) not including other life assurance		Other life assurance			
Number of insurance contracts	Sum assured	Number of insurance contracts	Sum assured	Number of insurance contracts	12 times annual annuity	Number of insurance contracts	Sum assured	Number of insurance contracts	Sum assured or 12 times the annual annuity
in EUR thousand		in EUR thousand		in EUR thousand		in EUR thousand		in EUR thousand	
1 388 810	34 748 432	94 467	4 968 195	576 320	14 852 506	169 608	4 212 486	748 534	10 514 514
(262 566)	(2 045 632)	(5 053)	(66 219)	(171 198)	(3 700 948)	(12 592)	(131 654)	(94 334)	(823 502)
1 291 084	32 884 289	101 310	5 259 101	617 292	16 082 113	181 919	4 478 598	702 239	10 389 359
(247 715)	(2 000 225)	(6 077)	(78 815)	(183 353)	(3 885 160)	(14 075)	(149 806)	(97 485)	(922 086)
Personal accident supplementary insurance		Permanent health insurance or disability insurance		Term and term-annuity supplementary insurance		Other supplementary insurance			
Number of insurance contracts	Sum assured	Number of insurance contracts	12 times annual annuity	Number of insurance contracts	Sum assured or 12 times the annual annuity	Number of insurance contracts	Sum assured or 12 times the annual annuity		
in EUR thousand		in EUR thousand		in EUR thousand		in EUR thousand			
529 979	12 292 336	421 873	27 512 049	43 770	904 689	20 146	701 522		
487 114	11 507 927	408 264	27 238 772	41 808	839 685	22 436	728 342		

Annex to the Appendix

Development of intangible assets and investments

Explanatory notes – Assets			
Development of asset items A.I and II and B.I to III	Balance-sheet values 2006	Consolidation of KLV	Balance-sheet values 2006
in fiscal 2007	WürttLeben in EUR thousand	in EUR thousand	Total in EUR thousand
A. Intangible assets			
I. Goodwill acquired for consideration	89	44 605	44 694
II. Other intangible assets	–	133 488	133 488
Total of A.I. and A.II.	89	178 093	178 182
B. I. Land, leasehold rights and buildings, including buildings on non-owned land			
	649 581	321 581	971 161
B. II. Investments in affiliated companies and participations			
1. Shares in affiliated companies	485 611	36 547	158 577
2. Loans to affiliated companies	95 724	3 994	99 719
3. Participations	252 619	157 078	409 697
4. Loans to companies related through participation	1 996	–	1 996
5. Total of B.II.	835 950	197 620	669 989
B. III. Other investments			
1. Shares, investment certificates and other non-fixed interest securities	3 025 718	3 195 536	6 221 255
2. Bearer bonds and other fixed-interest securities	1 338 291	–	1 338 291
3. Mortgages	1 211 457	1 366 465	2 577 922
4. Other loans			
a) Registered debentures	3 036 417	3 530 037	6 566 454
b) Debentures and loans	2 582 283	2 669 602	5 251 885
c) Loans and advance payments on insurance policies	127 544	83 313	210 857
d) Other loans	241 316	135 504	376 821
5. Deposits with credit institutions	207 204	185 400	392 604
6. Other investments	169 646	58 234	227 880
7. Total of B.III.	11 939 876	11 224 091	23 163 969
Total	13 425 496	11 921 385	24 983 301

Increases in	Reclassifications in	Decreases in	Revaluations in	Depreciation in	Balance-sheet
					values 2007
in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand
—	—	—	—	4 473	40 221
—	—	21	—	17 397	116 070
—	—	21	—	21 870	156 291
23 254	—	18 853	—	27 842	947 720
6 675	102 139	12 997	—	—	254 394
10 000	—	15 678	—	—	94 041
64 434	- 108 278	48 947	2 440	19 119	300 227
—	—	—	—	—	1 996
81 109	- 6 139	77 622	2 440	19 119	650 658
1 162 207	6 139	1 229 143	4 032	103 824	6 060 666
164 091	—	162 884	754	5 300	1 334 952
115 864	—	251 777	1 501	3 468	2 440 042
1 240 000	—	631 873	—	—	7 174 581
751 760	—	594 639	—	—	5 409 006
49 608	—	63 125	—	—	197 340
6 161	9 948	46 114	—	—	346 816
161 300	—	190 404	—	—	363 500
4 243	- 9 948	10 226	—	3	211 946
3 655 234	6 139	3 180 185	6 287	112 595	23 538 849
3 759 597	—	3 276 681	8 727	181 426	25 293 518

Profit Participation for 2008

For the allocation of continuous profit participation in fiscal 2008, the profit participation ratios shown in the overview below have been defined.

The profit participation ratios apply to insurance policies which were included in the portfolio as at 31 December 2007. For annuity assurance during payment of the annuity, the profit participation ratios are only binding for those contracts in which the annuity was being paid as at 31 December 2007.

The final profit participation ratios relate to terminations of contracts and annuity transitions or capital settlements in 2008. These ratios are declared only for benefits paid in a fiscal year. For previously expired contract years, the final profit participation ratios are also redefined in each case.

Participation of policyholders in the valuation reserves

In accordance with §153 VVG, insurance policies with an entitlement to participate in profits participate directly in valuation reserves that have not yet been realized if, in 2008, the policies end due to occurrence of the insured event, termination, maturity or the beginning of the annuity or if ongoing annuity payments start. The amount of participation in the valuation reserves is paid out or, the event of its conversion into annuity, is used to increase the annuity.

In order to cushion the effects of sudden short-term fluctuations in the financial market for the policyholders, a minimum participation in the valuation reserves is declared yearly in the form of a percentage of the final due profit. The minimum participation is paid out if the legal value according to § 153 Para. 3 VVG falls below the minimum participation; otherwise the legally envisaged value becomes due.

For term insurance and (supplementary) permanent health insurance, there is no minimum participation in the valuation reserves. For all other types of insurance, the minimum participation in valuations reserves considered the same scale type as the final due profit.

The declaration of minimum participation only applies to policies which are ended in 2008 or for which the current annuity payment is used. In the following year, the minimum participation can decrease or even be omitted if the economic situation so requires. This can be the case in the event of substantial fluctuations in the financial market, for example.

The participation of insurance policies in the valuation reserves is oriented to cause; policies which do not contribute to the creation of valuation reserves, especially unit-linked policies, do not participate.

The valuation reserves are determined monthly. If movements of the financial market result in sudden drastic changes in the valuation reserves in a month, the valuation reserves are re-assessed in the current month between the regular dates and are used at the end of the month. Changes are drastic if the DJ EURO STOXX 50 Return share index with the Bloomberg abbreviation SX5T (Last Price) has changed by more than 20 per cent or the Euro swap interest rate for 10-year periods with the Bloomberg abbreviation EUSA 10 (mid Rate) has changed by more than 50 base points.

A share in the valuation reserves which are capable of distribution is assigned to the individual policy in a way which is oriented to cause. This is derived from the total valuation reserves of the company in two steps:

1. Firstly, that part of the valuation reserves which is accounted for by all policies that are collectively entitled to participate is determined.

The entire valuation reserves are divided up proportionally on the basis of the company's relevant balance-sheet total and the assets of all policies which are entitled to participate (especially aggregate reserve, profit credits, reserve for premium refunds).

2. In the respective part of the total, the valuation reserves which are accounted for by that part of the reserve for premium refunds which contains the collective funds for future profit participation of the portfolio are separated.

In order for insurance policies to take part in the respective valuation reserves after the merger of the former Karlsruher Lebensversicherung AG and Württembergische Lebensversicherung AG, the investment totals are still kept separately. The valuation reserves which are capable of distribution and which relate to the respective insurance portfolios as at 31 December 2007 are shown in the following table. They are applicable up to 31 January 2008, after which they will be recalculated monthly.

Investment totals to be included in profit participation:

	Total of former KLV in EUR million	Remaining total in EUR million
Costs of purchase	8 085	10 877
At fair values	8 158	10 927
Valuation reserves capable of distribution (balance)	73	50

In order to assign the valuation reserves which are capable of distribution and which have been thus determined to the individual policy, the net capital and any profit on the balance sheet date of 31.12 are added to the participation component of the previous year as a participation component. This is done every year after commencement of the policy. For the entire portfolio, the total is formed from the participation components of the individual policies. The participation rate of the individual policy is determined by the ratio of the policy's participation component to the participation component of the portfolio.

For existing policies in the portfolio, the participation component is determined for the first time on the balance-sheet date 31 December 2007 in accordance with an actuarial method of approximation. This is done because the historical data are not available. The participation rate is determined from the values as at 31 December 2007 and is applicable until the end of February 2009.

We allocate half the amount thus assigned when it becomes due in accordance with § 153 Para. 3 VVG.

I. For tariffs of the former Wüstenrot Lebensversicherungs-AG

1. Insurance involving the accumulation of capital (not including formation-of-capital-wealth insurance)

		New tariffs ¹	Old tariffs	
Basic profit participation	Men	15 %	35 %	of the part of the premium for payment on death, from the age of 65 in equal amounts – until zero at the age of 85 – decreasing
	women	10 %	35 %	
Participation in the interest surplus				
	L22 tariff	0.2 %	–	
	Other insurance involving the accumulation of capital	0.3 %	0.8 %	of the net-value entitled to participate in the profit
Additional profit participation		0.40 ‰	0.40 ‰	for sums assured from EUR 30 678 up to but not including EUR 40 904
		0.60 ‰	0.60 ‰	from EUR 40 904 up to but not including EUR 51 130
		0.80 ‰	0.80 ‰	from EUR 51 130 upwards of the applicable sum assured

	New tariffs ¹	Old tariffs	
Final profit participation when an insured event occurs ³ (death or expiry)			
For insurance with an insurance policy dated from 24.2.1987 onwards	—	3.48 ‰	of the respective applicable sum assured for each insurance year started before 1990 ⁴
	—	4.35 ‰	of the respective applicable sum assured for each insurance year started from 1990 onwards and before 1994 ⁴
Premium-free insurance			
L22 tariff	2.175 %	—	The sum of basic, interest-surplus and additional profit participation for each insurance year started before 2007
	2.61 %		The sum of basic, interest-surplus and additional profit participation for each insurance year started from 2007 onwards
Other tariffs	0.87 ‰	0.87 ‰	of the applicable sum assured for each insurance year started ⁴ from 1994 onwards (up to and including 1993, same as insurance with premium payment)
	1.044 ‰	1.044 ‰	of the applicable sum assured for each insurance years started ⁴ from 2007 onwards
insurance with premium payment			
L22 tariff	13.05 %	—	of the sum of basic, interest-surplus and additional profit participation for every insurance year started before 2007
	15.66 %	—	of the sum of basic, interest-surplus and additional profit participation for every insurance year started from 2007 onwards
Other tariffs	4.35 ‰	4.35 ‰	of the applicable sum assured for each insurance year started ⁴ from 1994 onwards and before 1996
	5.22 ‰	4.35 ‰	of the applicable sum assured for each insurance year started ⁴ from 1996 onwards and before 2003
	2.61 ‰	2.175 ‰	of the applicable sum assured for each insurance year started ⁴ from 2003 onwards
	3.045 ‰	2.61 ‰	of the applicable sum assured for each insurance year started ⁴ from 2007 onwards
Plus			
On death in the withdrawal period ⁵ or on expiry of the insurance duration			
For L22 tariff	3.915 %	—	of the applicable net value

Explanations of the gloss on page 97.

2. Formation-of-capital-wealth insurance

		New tariffs ¹	Old tariffs	
Basic profit participation	Men	10 %	20 %	of the part of the premium for payment on death, from the age of 55 in equal amounts – until zero at the age of 85 – decreasing
	Women	5 %	20 %	
Interest-surplus participation		0.2 %	0.7 %	of the net value entitled to participate in profit
Final profit participation when an insured event occurs ³ (death or expiry)				
For insurance with an insurance policy dated from 24.2.1987 onwards				
Insurance with and without premium payment				
		0.87 ‰	0.87 ‰	of the respective applicable sum assured for each insurance year started before 2007
		1.044 ‰	1.044 ‰	of the respective applicable sum assured for each insurance year started in 2007 or later

3. Individual term assurance

		New tariffs ¹	Old tariffs	
Premium offset	Men	25 %	35 %	of the premiums due
	Women	20 %	35 %	
Interest accrual	Men	—	35 %	of the premiums due
	Women	—	35 %	
Increase in the sum assured (bonus in the event of death)				
	Men	33 %	54 %	of the sum assured
	Women	25 %	54 %	

4. Supplementary permanent health insurance (SPH)

	New tariffs ¹	Old tariffs	
Annual SPH profit participation			
Due to disability or insurance that can be made premium-free on request			
Annuity supplementary to cash annuity ² or Premium-free future entitlement to an annuity supplementary to cash annuity amounting to	0.30 %	0.80 %	of the current cash annuity ² or the existing premium-free future entitlement to a cash annuity
Insurance with premium payment, with insurance policy dated from 4.10.1989 onwards and before 2.9.1992			
Premium offset	—	7 %	of the respective SPH premium due
Insurance with premium payment, with insurance policy dated from 2.9.1992 onwards			
Premium offset	5 %	5 %	of the respective SPH premium due
SPH final profit participation			
Death or expiry of the insurance period			
Insurance with an insurance policy dated before 4.10.1989			
Men	—	25 %	of the applicable SPH premiums for the period in which the insurance policyholder has complied with the obligation to pay premiums without interruption
Women	—	45 %	
Insurance with insurance policy dated from 4.10.1989 onwards and before 2.9.1992			
Men	—	5 %	of the applicable SPH premiums for the period in which the insurance policyholder has complied with the obligation to pay premiums without interruption
Women	—	25 %	
Insurance with insurance policy dated from 2.9.1992 onwards	5 %	5 %	of the applicable SPH premiums for the period in which the insurance policyholder has complied with the obligation to pay premiums without interruption

Explanations of the gloss on page 97.

5. Supplementary term assurance

		New tariffs ¹	Old tariffs	
Insurance with insurance policy dated from 24.2.1987 onwards				
Premium offset	Men	25 %	35 %	
	Women	20 %	35 %	of the premiums due
Increase in the supplementary sum assured				
(bonus in the event of death)	Men	33 %	54 %	
	Women	25 %	54 %	of the supplementary sum assured

6. Supplementary personal-accident insurance (SPA)

		New tariffs ¹	Old tariffs	
Interest-surplus participation for premium-free SPA insurance				
	L22 tariff	0.20 %	—	
	Other insurance	0.30 %	0.80 %	of the net capital entitled to participate in profit

Explanations of the gloss on page 97.

7. Annuity assurance

Contract-specific means of financing (with account taken of the following text)

Life expectancy in Germany has continued to rise in the last ten years - and faster than expected. According to recent studies carried out by the German Association of Actuaries (Deutsche Aktuarvereinigung e.V.), this trend is continuing. This will mean that the same guaranteed annuity can be paid to our policyholders for a longer period in future.

For already existing contracts or contracts with guaranteed annuities, the insurance companies concerned (tariff generation before 7/2004) were given additional funds in 2004 in order to secure the contractually agreed annuities with reference to the DAV 2004 annuity tables. From the start of annuity payments, these funds will be used for the extended annuity-payment period.

All the annuity assurance contracts will be called on to finance the additional funds required to cover the extra payments. As a result, the ongoing

profit participation components and the final profit participation of annuity contracts with a future entitlement to an annuity as well as of those contracts with annuity payments starting from 1 January 2006 onwards will be reduced to the extent needed for such financing. At the same time, the following tables define the funds which – to the extent that they are necessary – will be used for financing the additional capital needed for the extra payments in respect of each individual contract.

If the insurance contract is terminated before the annuity begins to be paid, the additional capital will be paid out to the extent that it would have been paid in the form of surpluses. This ensures that the benefits on death, repurchase or exercise of the capital-sum payment option remain unaffected by this measure.

a) Insurance policies dated before 1.1.1999

Means of finance in respect of individual contracts (with account taken of the text at the beginning of Section I.7.)

Contracts with future entitlement to an annuity

	New tariffs ¹	Old tariffs	
Participation in interest surplus	0.25 %	0.75 %	of the applicable net-value
Final profit participation	2.61 %	2.61 %	of the respective applicable annual premium of the annuity for each insurance year started ⁴ up to 2002
	1.305 %	1.305 %	of the respective applicable annual premium of the annuity for each insurance year started ⁴ from 2003 onwards until 2006
	1.74 %	1.74 %	of the respective applicable annual premium of the annuity for each insurance year started ⁴ from 2007 onwards

Explanations of the gloss on page 97.

Current annuities

	New tariffs ¹	Old tariffs	
Annuity increase			
Insurance contracts with start of annuity payment before 1.1.1997	0.40 %	0.75 %	of the total annuity ⁷
Insurance contracts with start of annuity payment from 1.1.1997 onwards	0.40 %	—	of the total annuity ⁷
	—	0.40 %	of the applicable net value ⁹ for bonus annuity or (possible as an option) cash payment
Insurance contracts with start of annuity payment from 1.1.2006 which have been converted to DAV 2004R	0.80 %	0.80 %	of the total annuity ⁷
Bonus annuity	—	2.5 % ¹⁰	of the single annuity premium
Only for insurance contracts with start of annuity period from 1.1.1995 onwards			
Increasing bonus annuity			
Constant part			
Insurance contracts with start of annuity payment before 1.1.2002	1.5 % ¹⁰	⁸	of the single annuity premium
Insurance contracts with start of annuity payment in 2002	0.7 % ¹⁰	⁸	of the single annuity premium
Insurance contracts with start of annuity payment in 2003	0.25 %	¹¹	of the single annuity premium
Insurance contracts with start of annuity payment from 1.1.2004	0.00 %	¹¹	of the single annuity premium
Insurance contracts with start of annuity payment from 1.1.2006 onwards which have been converted to DAV 2004R	0.00 %	¹¹	of the single annuity premium
Annual increase			
Insurance with start of annuity payment before 1.1.2003	0.0 % ¹⁰	0.0 %	of the total annuity
Insurance with start of annuity payment in 2003	0.0 %	0.0 %	of the total annuity
Insurance with start of annuity payment from 1.1.2004 onwards	0.4 %	0.0 %	of the total annuity
Insurance with start of annuity payment from 1.1.2006 onwards which have been converted to DAV 2004R	0.8 %	0.0 %	of the total annuity

Explanations of the gloss on page 97.

b) Insurance policies dated from 1.1.1999 onwards

Means of finance in respect of individual contracts (with account taken of the text at the beginning of Section I.7.)

Contracts with future entitlement to an annuity

Interest surplus participation	0.30 %	of the net value entitled to profit participation
Final profit participation		
on death or expiry of		
the postponement period		
Insurance with premium payment	17.4 %	of the interest-surplus participation for each insurance year started ⁴ up to 2006
	20.01 %	of the interest-surplus participation for each insurance year started ⁴ from 2007 onwards
Premium-free insurance	8.7 %	of the interest-surplus participation for each insurance year started ⁴ up to 2006
	10.44 %	of the interest-surplus participation for each insurance year started ⁴ from 2007 onwards
Interest rate	4.15 %	of the amount entitled to participate in final profit
In addition		
On death or repurchase in the withdrawal		
period ⁵ or on expiry of the		
postponement period	0.261 %	of the applicable net value

Current annuities

Annuity increase	0.4 %	of the total annuity
Insurance contracts with start		
of annuity payment from 1.1.2006		
onwards which have been converted		
to DAV 2004R	0.8 %	of the total annuity
Increasing bonus annuity		
Constant part		8
Annual increase		
Insurance contracts with start of		
annuity payment before 1.1.2003	0.0 %	of the total annuity
Insurance contracts with start of		
annuity payment in 2003	0.0 %	of the total annuity
Insurance contracts with start of		
annuity payment from 1.1.2004	0.4 %	of the total annuity
Insurance contracts with start		
of annuity payment from 1.1.2006		
onwards which have been converted		
to DAV 2004R	0.8 %	of the total annuity

Explanations of the gloss on page 97.

8. Nursing annuity insurance

	Old tariffs	
Annual profit participation for insurance with premium payment	0.75 %	of the net value entitled to profit participation
Annual profit participation for premium-free insurance	0.75 %	of the current annuity or the premium-free future entitlement

9. Term assurance for building society clients

Premium offset		
Insurance for which insurance starts on or		
before 31.12.1991	Men	45.71 %
	Women	45.71 %
from 1.1.1992 to 31.12.1997	Men	45.88 %
	Women	45.88 %
from 1.1.1998 to 31.12.1999	Men	45 %
	Women	45 %
from 1.1.2000 onwards	Men	33 %
	Women	25 %
		of the due premiums

In the case of insurance contracts starting from 1.1.1998 onwards, the premium offset is paid in the form of a direct credit.

10. Accrued interest (guaranteed interest plus continuous profit participation)

The accrued interest for credited profit participations for all tariffs is	4.15 %	of the accrued capital
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Explanations of the gloss on page 97.

11. Minimum participation in the valuation reserves

With the exception of supplementary permanent health insurance, a minimum participation of 15 per cent in the valuation reserves is guaranteed for the final profit participation referred to.

For term insurance and (supplementary) permanent health insurance, there is no minimum participation in the valuation reserves.

¹ Tariffs with a guaranteed interest of 4 % for premium costing.

² Additional for old tariffs with a current premium-free annuity, 0.80 % of the reserve for the premium-free annuity.

³ In the event of termination, repurchase value from the final profit participation, proportional.

⁴ Proportional, in the event of lapse within the insurance year.

⁵ Period in which withdrawal ⁶ is permissible.

⁶ Termination in the last year or in the last five years if the insured person is then at least 60 years old.

⁷ The cash payment (possible as an option) is derived from this.

⁸ Contract-specific calculation base on interest = 4.4 % and DAV 1994 R mortality tables for men and women.

⁹ Including cases where the annuity begins before 2003, 50 % for financing corrective reservation (of funds) in the adjustment period; cases where annuity starts in 2003 or later, 100%. The corrected reserve includes the additional funds which the insurance companies receive due to the increased life expectancy according to the DAV 94 R annuity tables, this corrective reservation being used to ensure the contractually agreed annuity. For the additional revaluation of the contractually agreed annuity on the basis of knowledge gained from 2004, financing to counter this effect will be engaged in from 2006 onwards.

¹⁰ Reduction of the annuity payment from insurance year 2004 onwards by 4.5 % from age 60 onwards, by up to 1.5 % from age 90 onwards, interpolated linearly in the interim period, but at least the guaranteed annuity.

¹¹ Growing bonus annuity is only possible for annuities starting before 2003.

II. For tariffs of the former Karlsruher Lebensversicherung AG

Basic explanation

The profit is distributed among the individual insurance policies according to plans in which the criteria of profit participation and the type of use are primarily defined. The sequence of the plans indicates the historical development of the respectively refined distribution systems.

Plan A

The criterion for ongoing profit participation is the sum assured or the premium, in other words a constant value. The profit participation is accrued either with interest or actuarially, depending on the choice of the policyholder.

Plan B

The criterion in each case is the sum of the paid premiums, in other words an increasing value. The profit participation is accrued with interest.

Plan C

The criterion is primarily the respective net capital, in other words an increasing value. For additional profit participation, the criterion is the sum assured, in other words a constant value. Most of the profit participation amounts are accrued with interest.

Plan D

The criteria are the same as in Plan C. The annual profit participation amounts are converted into additional sums assured (bonus sums) which, in turn, participate in profit.

Plan RD (for term assurance)

The criterion is either the sum assured (awarding of a bonus) or the premium (premium offset), depending on the choice of the policyholder.

In the following, the profit rates specified for profit allocation in 2008 are indicated separately for the old portfolio and the new portfolio and its portfolio groups.

Insurance policies whose profit participation is accrued with interest receive interest of 3.90 per cent for the insurance year ending in 2008.

A direct credit is not allocated. The declared profit participation is determined in the reserve for premium refunds.

The rates of final profit participation relate to the ending of contracts and annuity transitions or capital settlements in 2008. These rates are each declared only for the benefits due in a fiscal year.

Means of financing individual annuity assurance contracts

It is a pleasing fact that life expectancy in Germany has increased even further in the last ten years – and faster than expected. According to current investigations of the German Association of Actuaries (DAV = Deutsche Aktuarvereinigung e.V.), this trend will continue. This will lead to a situation where the same guaranteed annuity can be paid to our policyholders for a longer period of time in future.

For already existing contracts or contracts with guaranteed annuities, the insurance companies concerned (tariff generation before 2005) were given additional funds in 2004 in order to secure the contractually agreed annuities with reference to the DAV 2004 annuity tables. From the start of annuity payments, these funds will be used for the extended annuity-payment period.

All the annuity assurance contracts will be called on to finance the additional funds required to cover the extra payments. As a result, the ongoing profit participation components and the final profit participation of annuity contracts with a future entitlement to an annuity as well as of those contracts with annuity payments starting from 1 January 2007 onwards will be reduced to the extent needed for such financing.

If the insurance contract is terminated before the annuity begins to be paid, the additional capital will be paid out to the extent that it would have been paid in the form of surpluses. This ensures that appropriate profit participation is guaranteed on death, re-purchase or exercise of the payment option.

Old portfolio

In the old portfolio, all contracts closed by 31 December 1994 will be recorded according to the tariffs approved by BaFin.

1. Continuous profit participation

Increased profit participation for women in the case of tariffs with mortality tables before 1986.

Increase in the total participation component:

$t \leq 20$	1.50 ‰
$21 \leq t \leq 30$	1.00 ‰
$31 \leq t$	0.50 ‰

- In the case of ordinary life and group endowment assurance with premium payment for women with Plan A, an additional death bonus of 15 per cent of the contractually agreed death benefit will be paid.

Participation of policyholders in the valuation reserves

In fiscal 2008, a minimum participation in the valuation reserves to the amount of 15 per cent of the specified final profit participation components is guaranteed. Excepted from this are permanent health and disability insurance as well as those kinds of supplementary insurance and supplementary nursing insurance.

In compensation for the lower mortality rate of women, the total participation will be increased in relation to the duration of premium payment in the case of

- women's ordinary life, formation-of-capital-wealth and group endowment types of insurance, each with Plan C or Plan D and mortality tables before 1986 as follows:

In the case of tariffs for combined lives, half of these rates will be applied if only one partner is a woman.

1.1 Accounting group: Endowment assurance

1.1.1 Ordinary life assurance with Plan C

The profit participation consists of a sum component and an interest component. The sum component is measured in parts per thousand of the sum assured and the interest component in per cent of

the net value entitled to participate in profit. The waiting period is 2 years for insurance with annual premium payments and is 1 year in the case of insurance with single premium payment.

Profit participation rates:

Sum component for m and n tariffs with a premium-payment obligation apart from V m, VLV (61)	2.25
Sum component for Vm tariffs with a premium-payment obligation, VLV (61)	1.75
Sum component for A tariffs with a premium-payment obligation, apart from VA, VLV, PVL, K 12 Z	1.50
Sum component for A tariffs VA, VLV, PVL, K12 Z with a premium-payment obligation	1.00
Sum component for premium-free insurance	—
Interest component for A tariffs, KVT (68), KSP, VLV with a premium-payment obligation, apart from VLV (61), PVL, n tariffs with start of insurance from 1942 onwards and m tariffs, KVT and VLV (61)	0.90
Interest component for n tariffs with a premium-payment obligation with start of insurance before 1942	0.40
Interest component for premium-free insurance with start of insurance from 1942 onwards, apart from VLA tariffs	0.90
Interest component for premium-free insurance with start of insurance before 1942	0.40
Interest component for VLA tariffs	—

1.1.2 Ordinary life assurance with Plan D / bonus system

The insurance receives a minimum bonus in the event of death which is measured in per cent of the sum assured. In addition, bonus reserves are formed for the growth in the sum paid out on death or in the event of survival.

- From the 2nd year of insurance onwards for insurance with single premium payment
- From the 3rd year of insurance onwards for insurance with a premium-payment obligation and a premium-payment duration of maximum 15 years in the case of A tariffs or 25 years in the case of GB tariffs

- From the 4th year of insurance onwards for insurance with a premium-payment obligation and a premium-payment duration of more than 15 years in the case of A tariffs or 25 years in the case of GB tariffs.

On death, at least the minimum bonus is paid out. The bonus reserves are formed from a sum component and an interest component.

The sum component is measured in parts per thousand of the tariff-based sum assured, including growth in the sum, whereas the interest component is measured in per cent of the net capital entitled to participate in profit.

1.1.2.a Ordinary life assurance with Plan D / bonus system – A tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and a starting age of up to 49 years.	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years or starting age from 50 years onwards	7.50

In the case of single-premium insurance, the insurance duration is applicable instead of the premium-payment duration

Sum component for A tariffs and KVT (68) with a premium-payment obligation, apart from VA, II A T tariff	2.00
Sum component for VLV tariff	2.10
Sum component for VA, PVL tariffs	2.30
Sum component for II AT tariffs	1.50
Sum component for premium-free insurance	—
Interest component for A tariffs, KVT (68), VLV, PVL with a premium-payment obligation and premium-free insurance	0.90

1.1.2.b Ordinary life assurance with Plan D / bonus system – GB tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and starting age up to 49 years	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years or starting age from 50 years onwards	7.50

For single-premium insurance, the duration of insurance is applicable instead of the premium-payment duration.

Sum component: Men

Sum component for GB tariffs with a premium-payment obligation, apart from GB5, GBVLV, GBPVL, GB2T, GB4 and GBA tariffs	1.00
Sum component for GB4 and GBA tariffs with a premium-payment obligation	0.50
Sum component for GB5 and GB2T tariffs with a premium-payment obligation	1.50
Sum component for GBVLV and GBPVL tariffs with a premium-payment obligation	1.60
Sum component of GBPVL tariffs with a premium-payment obligation	1.80
Sum component for premium-free insurance	—
Sum component for GB5P tariffs with a premium-payment obligation	1.30

Sum component: Women

Sum component for GB tariffs with a premium-payment obligation, apart from GB5, GBVLV, GVPVL, GB2T, GB4 and GBA tariffs	0.60
Sum component for GB4 and GBA tariffs with a premium-payment obligation	0.30
Sum component for GB5 tariffs with a premium-payment obligation	1.10
Sum component for GBVLV tariffs with a premium-payment obligation	1.20
Sum component for GBPVL tariffs with a premium-payment obligation	1.40
Sum component for GB2T tariffs with a premium-payment obligation	1.10
Sum component for premium-free insurance	—
Sum component for GB5P tariffs with a premium-payment obligation	1.30
Sum component for GBPVL tariffs with a premium-payment obligation	1.60

Interest component

GB tariffs	0.40
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1.1.3 Ordinary life assurance with Plan A

The profit participation is measured in parts per thousand of the sum assured. In the case of insurance with a premium-payment obligation with a

starting age below 20 and a duration of over 40 years, the profit participation is limited to a maximum of 54 per cent of the annual premium.

Profit participation rates:

Insurance with a premium-payment obligation and an insurance duration of less than 25 years	10.00
Insurance with a premium-payment obligation and an insurance duration of 25 to under 35 years	9.50
Insurance with a premium-payment obligation and an insurance duration of 35 years or more	8.00
Premium-free insurance	8.50

1.1.4 Small-scale life assurance

The profit participation is measured in per cent of the premium except in cases where insurance released from the obligation to pay premiums is converted to S, V and K tariffs and in the case of

the II IRK tariff. Here, the profit participation is measured in parts per thousand of the sum assured.

Profit participation rates

S, V and K tariffs with a premium-payment obligation as well as S, V and K tariffs which are free of premium payment due to expiry of the premium-payment period	15.00
Insurance with a premium-payment obligation as well as insurance which is free of premium payment due to occurrence of disability according to the II IRK tariff with an insurance duration of less than 25 years	10.00
Insurance with a premium-payment obligation as well as insurance which is free of premium payment due to occurrence of disability according to the II IRK tariff with an insurance duration of 25 years to less than 35 years	9.50
Insurance with a premium-payment obligation as well as insurance which is free of premium payment due to occurrence of disability according to the II IRK tariff with an insurance duration of 35 years on more	8.00
Insurance which is free of premium payment due to conversion	10.00

1.1.5 Insurance in connection with the former old-age provision schemes of the BBBank

The profit participation is measured in per cent of the premium, except in the case of insurance which is free of premium payment due to conver-

sion. In this case, the profit participation is measured in parts per thousand of the sum assured.

Profit participation rates:

Insurance with a premium-payment obligation as well as insurance which is free of premium payment due to expiry of the premium-payment period according to the B I and B II tariffs	15.00 ¹
Insurance which is free of premium payment due to conversion according to the B I and B II tariffs	10.00

¹ The profit participation rate increases by 2 % if the premium continues to be paid including insurance tax after insurance tax ceases to be due.

1.1.6.a Formation-of-capital-wealth insurance with Plan C

The profit participation consists of a sum component and an interest component. The sum component is measured in parts per thousand of the sum assured whereas the interest component is measured in per cent of the net value entitled to participate in profit.

Profit participation rates:

Sum component for insurance with a premium-payment obligation	0.20
Sum component for premium-free insurance	—
Interest component:	0.50

1.1.6.b Formation-of-capital wealth insurance with Plan D /bonus system

With regard to the type of profit participation, the information provided under the heading “Ordinary life assurance with Plan D / bonus system” is applicable.

1.1.6.b.1 Formation-of-capital wealth insurance with Plan D/bonus system – AV tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and a starting age of up to 49 years	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years and a starting age of 50 years or more	7.50
Sum component for tariffs with a premium-payment obligation	0.20
Sum component for premium-free tariffs	—
Interest component:	0.50

1.1.6.b.2 Formation-of-capital wealth insurance with Plan D / bonus system – VB tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and a starting age of up to 49 years	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years and a starting age of 50 years or more	7.50
Sum component: men	
Sum component for VB2 tariffs	1.00
Sum component for VBVLV2 tariffs	1.60
Sum component: women	
Sum component for VB2 tariffs	0.60
Sum component for VBVLV2 tariffs	1.20
Interest component:	0.40

1.2 Accounting group: Endowment assurance according to special tariffs

1.2.1 Group endowment assurance with Plan C

The profit participation consists of a sum component and an interest component. The sum component is measured in parts per thousand of the sum assured whereas the interest component is measured in per cent of the net value entitled to participate in profit.

Profit participation rates:

Sum component for FA I, FA I85 tariffs with a premium-payment obligation	0.50
Sum component for FA II, FA IV tariffs with a premium-payment obligation	1.75
Sum component for F I tariffs with a premium-payment obligation	2.40
Sum component for FII, FA IV tariffs with a premium-payment obligation	3.65
Sum component for premium-free insurance as well as according to KTP tariff	—
Interest component:	1.15

1.2.2 Group endowment assurance with Plan D / bonus system

With regard to the type of profit participation, the general information provided under the heading “Ordinary life assurance with Plan D / bonus system” is applicable. The designation “GB tariffs” is to be replaced by “FB and SB tariffs”.

1.2.2.a Group endowment assurance with Plan D / bonus system - FA tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and a starting age of up to 49 years	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years and a starting age of 50 years or more	7.50
Sum component for FA tariffs with a premium-payment obligation	2.00
Sum component for premium-free tariffs including E VKA	—
Interest component:	1.15

1.2.2.b Group endowment assurance with Plan D / bonus system – FB and SB tariffs

Profit participation rates:

Minimum bonus on death for insurance with a premium-payment duration of more than 15 years and a starting age of up to 49 years	15.00
Minimum bonus on death for insurance with a premium-payment duration of maximum 15 years and a starting age of 50 years or more	7.50
Sum component: men	
Sum component for insurance with a premium-payment obligation	1.00
Sum component for insurance without a premium-payment obligation	—
Sum component: women	
Sum component for insurance with a premium-payment obligation	0.60
Sum component for insurance without a premium-payment obligation	—
Interest component:	
Interest component for insurance with or without a premium-payment obligation	0.65

1.2.3 Group endowment assurance with Plan A

The profit participation is measured in per cent of the premium, except in the case of insurance for which the premium-payment period has expired or which has been converted to premium-free insurance. In this case, the profit participation is measured in parts per thousand of the sum assured.

Profit participation rates:

Old tariffs with a premium-payment obligation as well as St I, IV, SV, B I n, B II n, I n	15.00 ²
Insurance with a premium-payment obligation according to VKA tariffs	15.00
Insurance without a premium-payment obligation	10.00

² The profit participation rate increases by 2 % if the premium continues to be paid including insurance tax after the insurance tax ceases to be due.

1.3 Accounting group: Annuity assurance

The explanations at the beginning of the profit declaration apply to the means of finance for individual contracts.

1.3.1 Annuity assurance with Plan C – Postponement period

The profit participation is measured in per cent of the net value entitled to participate in profit, with the exception of current annuities with tech-

nical accumulation where the profit participation is measured in per cent of the annual annuity.

Profit participation rates:

L (57) tariffs, in so far as the insurance is not the result of the annuity adaptation law (RAG), and premium-free insurance according to the LVR 3 tariff with entitlement to future annuity	0.90
L (57) tariffs, in so far as the insurance is not the result of the annuity adaptation law (RAG), and insurance according to the LVR 3 tariff where an annuity is being paid	0.20
P (57) tariffs before start of the annuity, in so far as the insurance is not the result of the annuity adaptation law (RAG)	1.40
P (57) tariffs after start of the annuity, in so far as the insurance is not the result of the annuity adaptation law (RAG)	0.20
P (52) tariffs during the annuity payment period, P (27) tariffs as well as L tariffs in so far as the insurance is not the result of the annuity adaptation law (RAG)	—
VLA tariffs as well as annuities resulting from the annuity adaptation law (RAG)	—

1.3.2 Annuity assurance with Plan B – Postponement period

The profit participation is measured in per cent of the sum of the premiums which have been paid after the 2nd insurance year and are entitled to participate in profit.

Profit participation rates:

LVR 3 tariffs before start of the annuity	1.20
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1.3.3 Annuity assurance according to the LB or FLB tariffs – Postponement period

Postponement period: The continuous profit participation consists of a basic profit-participation component in per cent of the annual annuity or surviving dependant's annuity and an interest component in per cent of the net value entitled to participate in profit.

Profit participation rates:

Basic profit-participation component of insurance with a premium-payment obligation	1.25
Basic profit-participation component of insurance without a premium-payment obligation	—

The basic profit-participation component for an insured surviving dependant's annuity amounts to twice these values if the main insured person is a man and 1.5 times these values if the main insured person is a woman.

Interest component:	0.40
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1.3.4 Annuity assurance in accordance with the LB or FLB tariffs Plan B, Plan C – Annuity payment period

Insurance with commencement of annuity payments before 1st of January 2007:

For current annuities, we pay a K bonus annuity or a D bonus annuity. The K bonus annuity amounts to 0.10 per cent of the amount available for conversion into an annuity when the annuity starts.

The D bonus annuity amounts to 0.20 per cent of the achieved current annuity. The continuous profit participation in this case is 0.20 per cent of the net value entitled to participate in profit.

1.4 Accounting group: Permanent health insurance

1.4.1 Single tariffs (incl. discounted individual tariffs) PH – Current annuity payments

Annual annuity increases which are entitled to participate in profit are conferred in per cent of the respective total annuity if annuity payments started at least 12 months earlier.

Profit participation rate:	1.40
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1.4.2 Corporate group special tariffs CPH – Current annuity payments

Annual annuity increases which are entitled to participate in profit are conferred in per cent of the respective total annuity if annuity payments started at least 12 months earlier.

Profit participation rate:	1.40
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1.5 Accounting group: Supplementary permanent health (SPH) insurance

1.5.1 SPH before 1992 – Benefit payments

Annual annuity increases which are entitled to participate in profit are conferred in per cent of the respective total annual insurance benefit if annuity payments started at least 12 months earlier.

Profit participation rate:	1.40
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In cases of benefit payments which only concern freedom from premium payment, the corresponding increases are conferred when payments are terminated.

1.5.2 SPH (92)

1.5.2.a Entitlement to future benefits, with a premium-payment obligation

The continuous profit participation is measured in per cent of the annual premium entitled to participate in profit.

Profit participation rate:	15.00
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1.5.2.b Entitlement to future benefits, without a premium-payment obligation

The continuous profit participation is measured in per cent of the net value entitled to participate in profit.

Profit participation rate:	0.40
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1.5.2.c Currently paid insurance benefits

Annual annuity increases which are entitled to participate in profit are conferred in per cent of the respective total annual insurance benefit if annuity payments started at least 12 months earlier.

Profit participation rate:	0.90
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In cases of benefit payments which only concern freedom from premium payment, the corresponding increase funds are conferred when payments are terminated.

1.6 Accounting group: Supplementary nursing insurance (SNI)

1.6.1 SNI (94) - Entitlement to future benefits with a premium-payment obligation

The continuous profit participation is measured in per cent of the annual premium entitled to participate in profit.

Profit participation rate:	15.00
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1.6.2 SNI (94) – Entitlement to future benefits without a premium-payment obligation

The continuous profit participation is measured in per cent of the net value entitled to participate in profit.

Profit participation rate:	0.40
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1.6.3 SNI (94) – Currently paid insurance benefits

Annual annuity increases which are entitled to participate in profit are conferred in per cent of the respective annual insurance benefit if annuity payments started at least 12 months earlier.

Profit participation rate:	0.90
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2. Final payments

2.1 Final payments for ordinary endowment assurance, formation-of-capital-wealth insurance and endowment assurance according to special tariffs

For insurance with Plan D, two additional profit participation components are conferred on survival. The second continuous profit participation component in the case of A or FA tariffs is

conferred pro rata temporis for the duration of insurance which expired after the maturity date in 1994.

2.2 Final payments for annuity assurance

Basis of tariffs before LB and FLB tariffs

At the end of the postponement period, a further profit participation component is conferred.

Basis of LB and FLB tariffs

At the end of the postponement period, two continuous profit participation components are conferred (one continuous profit participation component in the case of premium-free insurance).

2.3 Final payments for permanent health insurance

2.3.1. Individual tariffs (incl. discounted individual tariffs) – Entitlement to future benefits, with a premium-payment obligation

When the insurance relationship ends or the insured event occurs or a policy matures, a final payment is due if the insurance has existed for more than 3 years. For each insurance year completed after the 3rd insurance year, the declared

percentage of the annual premium entitled to participate in profit is conferred. This percentage is the percentage declared for the respective due date. The sum of these individual amounts results in the final payment.

Profit participation rate:	
(for premiums up to 1984)	20.00
(for premiums from 1985 onwards)	25.00

2.3.2. Special corporate group tariffs (CPH) – Entitlement to future benefits, with a premium-payment obligation

When the insurance relationship ends, the insured event occurs or the policy matures, a final payment is due if the insurance has existed for at least 1 year. For each insurance year completed, a percentage of the annual premium entitled to

participate in profit is conferred. This percentage is the percentage declared for the respective due date.

The sum of these individual amounts results in the final payment.

Profit participation rate	35.00
For insurance with continuous refunds instead of final payment, the following profit participation rate is applicable in relation to the annual premium entitled to participate in profit:	30.00

2.4 Final payments for supplementary permanent health and disability insurance

2.4.1 Supplementary insurance based on tariffs before 1992 – Entitlement to future benefits

When the insurance relationship ends, the insured event occurs or the policy matures, a final payment is due if the insurance has existed for at least 1 year in the case of insurance without a premium-payment obligation, 3 years in the case of insurance with a premium-payment obligation.

For each insurance year completed from the start of insurance, a percentage of the annual premium entitled to participate in profit is conferred. This percentage is the percentage declared for the respective due date. The sum of these individual amounts results in the final payment.

In the event of premature termination when insurance is cancelled after the previously specified waiting periods, the earned final payment on the due date in 1985 is conferred plus 50 % of the earned final payment from the due date in 1985 onwards.

For women aged up to 40 years old when the insurance starts, the declared percentage from the due date in 1992 onwards is set at 70.00. In the case of insurance taken out before 1967, the paid-in premiums from the insurance year 1967/1968 onwards are applicable.

Profit participation rate:	
for premiums up to 1984	25.00
for premiums from 1985 onwards	30.00

2.4.2 SPH (92) – Entitlement to future benefits

For insurance with future entitlement to benefits, a final payment is conferred on expiry of the premium-payment period, premature termination of premium payment, occurrence of the insured event or termination of the insurance relationship. This final payment is conferred

- after 5 insurance years in the case of insurance with a premium-payment obligation
- after 5 premium-free insurance years in the case of insurance without a premium-payment obligation.

For every insurance year completed from the start of insurance onwards, a percentage of the annual premium entitled to participate in profit is conferred. This percentage is the percentage declared for the respective due date. The waiting years of the main insurance do not count if premium offset has been agreed on for continuous profit participation. The sum of these individual amounts results in the final profit participation.

Profit participation rate:	15.00
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2.5 Supplementary personal accident insurance with single premium

On termination of an insurance relationship lasting at least 1 year, a final payment is due. It is measured in per cent of the net value entitled to participate in profit.

Profit participation rate: 3.00

3. Final profit participation (FPP)

Re. FPP for endowment assurance:

In the areas indicated, a final profit participation component is due on death or in the event of survival until the maturity date – also on marriage in the case of endowment assurance with marriage portion – in so far as the waiting period for continuous profit participation has expired. It is measured in parts per thousand of the final basic dividend rate. This basic rate is progressively dependent on the agreed running period and/or the expired duration. Contrary to this stipulation, the final profit participation component for small-scale insurance according to the S, V and K tariffs is conferred on termination of the insurance relationship. In addition, the sum as-

sured and not the final basic dividend rate is the reference variable for the final profit participation for these tariffs. Moreover, an additional final profit participation component is conferred for each completed insurance year³ (except for insurance which is premium-free due to termination). For this profit participation component, the sum assured due on occurrence of the insured event is the reference variable. In the event of termination, a reduced final profit participation component is due. The same applies on death of the insured person if there is a remaining period of more than 5 years.

	Insurance duration in years	Final basic dividend rate	Insurance duration in years	Final basic dividend rate
	5	5 310	30	47 580
	10	11 460	35	60 460
	15	18 600	40	75 400
	20	26 870	45	92 720
	25	36 460	50	112 800

3.1 FPP – Endowment assurance

3.1.1 Ordinary life assurance with Plan C

	FPP	Additional FPP
Insurance with a premium-payment obligation	2.484	3.548
Insurance with a single premium as well as after the end of premium payments with sums assured of EUR 500 and more	2.484	3.548
Insurance with a single premium as well as after the end of premium payments with sums assured of less than EUR 500	1.242	3.548
Insurance without a premium-payment obligation due to termination, with sums assured of EUR 500 and more	2.484	—
Insurance without a premium-payment obligation due to termination, with sums assured of less than EUR 500	1.242	—
Insurance dividend accrual	2.484	—

³ For insurance starting < 1985, the supplementary stipulation applies: from due date 1985 onwards.

3.1.2 Ordinary life assurance with Plan A except for II nl tariffs

	FPP	Additional FPP
Insurance with a premium-payment obligation	3.548	—
Insurance without a premium-payment obligation due to termination, with sums assured of EUR 500 and more	3.548	—
Insurance without a premium-payment obligation due to termination, with sums assured of less than EUR 500	1.774	—
Insurance dividend accrual	3.548	—

3.1.3 Small-scale life assurance

	FPP	Additional FPP
Insurance according to S, V and K tariffs	44.350	—
Insurance with a premium-payment obligation as well as insurance without a premium-payment obligation due to occurrence of disability; according to the II IRK tariff	3.548	—
Insurance without a premium-payment obligation due to conversion; according to the II IRK tariff with sums assured of EUR 500 and more	3.548	—
Insurance without a premium-payment obligation due to conversion; according to the II IRK tariff with sums assured of less than EUR 500	1.774	—

3.1.4 Insurance in connection with the former old-age provisions schemes of the BBBank

	FPP	Additional FPP
Insurance with a premium-payment obligation according to B tariffs	3.371	—
Insurance without a premium-payment obligation according to B tariffs		
with sums assured of EUR 500 and more	3.371	—
Insurance without a premium-payment obligation according to B tariffs		
with sums assured of less than EUR 500	1.064	—

3.1.5 Ordinary life assurance with Plan D

The additional final profit participation component is conferred.

A tariffs

	FPP	Additional FPP
Insurance with a premium-payment obligation	—	3.548
Insurance with single premium as well as after expiry of premium payment period	—	3.548

GB tariffs

- Insurance with a premium-payment obligation
- Insurance with single premium as well as after expiry of the premium payment period
- Additional profit participation – depending on tariff type and premium-payment duration t^4

GB tariffs	$t \leq 20$	$21 \leq t \leq 30$	$31 \leq t$
Except for GBVLV, GBPVL, GB2T tariffs	2.395	2.838	3.282
GBVLV and GBPVL tariffs	2.395	2.838	2.838
GB2T tariffs	2.838	3.282	3.282

⁴ In the case of insurance with a single premium, the rate is applicable for $t \leq 20$.

In the case of GB tariffs for insurance durations of 11 years and more, a final profit participation amounting to 35.48 parts per thousand of the

sum due on survival is also conferred unless the insurance has been freed of the obligation to pay premiums as a result of termination.

3.1.6 Formation-of-capital-wealth insurance

	FPP	Additional FPP
Insurance with Plan C		
Insurance with a premium-payment obligation	0.710	1.774
Insurance without a premium-payment obligation due to termination	0.710	—
Insurance with a premium-payment obligation with Plan D		
AV tariffs	—	1.774
VB2 tariffs	—	2.395
VBVLV2 tariffs with a duration of up to 20 years	—	2.395
VBVLV2 tariffs with a duration of more than 20 years	—	2.838

In the case of VB tariffs with a premium-payment obligation, a final profit participation amounting to 35.48 parts per thousand of the sum assured is also paid.

3.2 FPP endowment assurance according to special tariffs

3.2.1 Endowment assurance according to special tariffs with Plan C

	FPP	Additional FPP
Insurance with a premium-payment obligation according to the F and FA tariffs	3.371	3.548
Insurance with a single premium as well as after expiry of the premium-payment period	3.371	3.548
Insurance, without a premium-payment obligation due to termination	3.371	—

3.2.2 Endowment assurance according to special tariffs with Plan A

	FPP	Additional FPP
Insurance with a premium-payment obligation, except for the VKA tariff	3.371	—
Insurance with a premium-payment obligation according to the VKA tariff	2.129	—
Insurance without a premium-payment obligation, except for the VKA EE tariff	3.371	—
VKA EE with sums assured of EUR 500 and more	2.129	—
VKA EE with sums assured of less than EUR 500	1.064	—

3.2.3 Endowment assurance according to special tariffs with Plan D

The additional final profit participation is conferred.

FA tariffs

	FPP	Additional FPP
Insurance with a premium-payment obligation	—	3.548
Insurance with a single premium, as well as after expiry of the premium-payment period	—	3.548

FB and SB tariffs

- Insurance with a premium-payment obligation
- Additional profit participation – depending on tariff type and premium-payment duration t⁵
- Insurance with a single premium as well as after expiry of the premium-payment period

	t ≤ 20	21 ≤ t ≤ 30	31 ≤ t
FB and SB tariffs	2.395	2.838	3.282

In the case of FB and SB tariffs for insurance durations of 11 years and more, a final profit participation component amounting to 35.48 parts per thousand of the sum due on survival

is conferred unless the insurance has been freed from the obligation to pay premiums due to termination.

⁵ In the case of insurance with a single premium, the rate is applicable for t ≤ 20.

3.3 FPP – Annuity assurance according to the LB and FLB tariffs

Zu den vertragsindividuellen Finanzierungsmitteln gelten die grundsätzlichen Erläuterungen am Anfang der Überschussdeklaration.

Postponement period: At the end of the postponement period, 14.192 per cent of the accumulated credit balance including final payment is conferred as final profit participation in accordance with 2.2.

4. Term assurance

4.1 Term assurance with Plan RD

Profit participation is conferred in the form of a bonus due on death or is offset continuously against premium payment.

The bonus due on death is measured in per cent of the sum assured. The premium offset is measured in per cent of the premium.

4.1.1 Term assurance according to R tariffs

	Death bonus	Premium offset
Profit participation rates:		
Individual tariffs (incl. single tariffs with rebates)		
Men	80.00	45.00
Women	105.00	52.50
Special corporate group tariffs		
Men	85.00	47.00
Women	105.00	52.50

4.1.2 Term assurance according to RB and FBR tariffs

	Death bonus	Premium offset
Profit participation rates:		
Individual tariffs (incl. single tariffs with rebates)	67.00	40.00
Special corporate group tariffs	67.00	40.00

4.2 Term assurance without Plan RD as well as supplementary term and family assurance without supplementary term assurance due to cessation of tax

A final payment is due when the insurance relationship ends. For each insurance year completed, a percentage of the annual premium entitled to participate in profit is conferred. This percent-

age is the percentage declared for the respective due date. The sum of these individual amounts results in the final payment.

	For premiums		
	up to due date 1984	from 1985 to 1990	from 1991 onwards
Profit participation rates:			
Single tariffs (incl. single tariffs with rebate as well as the ERF tariff (78))			
Men	33.00	48.00	50.00
Women	33.00	57.00	60.00
Special corporate group tariffs			
Men	33.00	50.00	53.00
Women	33.00	57.00	60.00

In the case of insurance taken out before 1967, the premiums paid from the insurance year 1967/68 onwards are applicable.

New portfolio

The new portfolio includes all the contracts entered into since 1 January 1995. Insurance contracts which were entered into after 31 December 1994 and before 1 January 1998 and whose premiums and benefits agree with the corresponding old tariffs if an unchanged method of risk assessment is applied are – with the agreement of

BaFin – dealt with not in the groups of the new portfolio but in the accounting groups of the old portfolio according to tariff and participate in the profit with the same profit participation plans and profit participation rates as they do.

1. Endowment assurance and term assurance

1.1 Endowment assurance

GD tariffs/VD tariffs/GE tariffs/VE tariffs/GF tariffs/VF tariffs								
Formation-of-	G_1M	G_1F	G_VLVM	G_VLVF	G_4M	G_5M	G_5F	G_5P
capital-wealth	EG_1M	EG_1F			G_4F	EG_5M	EG_5F	EG_5P
insurance	G_2M	G_2F			G_AM	G_PVLM	G_PVLF	G_PVLP
	EG_2M	EG_2F			G_AF			
	V_2M	V_2F						
Waiting period								
t>25	3	3	3	3	3	3	3	3
t≤25	2	2	2	2	2	2	2	2
EE	1	1	1	1	1	1	1	1
Continuous profit participation in % of the net value entitled to participate in profit ⁷ – for the formation of bonuses ⁶								
D tariffs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E tariffs	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
F tariffs	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Further profit participation components (multiples of continuous profit participation) on expiry								
	2	2	2	2	2	2	2	2
GD tariffs/VD tariffs/GE tariffs/VE tariffs/GF tariffs/VF tariffs								
Formation-of-	G_1M	G_1F	G_VLVM	G_VLVF	G_4M	G_5M	G_5F	G_5P
capital-wealth	EG_1M	EG_1F			G_4F	EG_5M	EG_5F	EG_5P
insurance	G_2M	G_2F			G_AM	G_PVLM	G_PVLF	G_PVLP
	EG_2M	EG_2F			G_AF			
	V_2M	V_2F						
Final profit participation on expiry ⁸								
D tariffs								
a	0.1419	0.0887	0.1419	0.0887	0.0798	0.1774	0.1331	0.1685
b	0.00	0.00	0.00	0.00	0.4879	0.00	0.00	0.00
E tariffs								
a	0.2306	0.1597	0.2306	0.1597	0.1508	0.2750	0.1863	0.2572
b	0.00	0.00	0.00	0.00	0.4879	0.00	0.00	0.00
F tariffs								
a	0.2306	0.1597	0.2306	0.1597	0.1508	0.2750	0.1863	0.2572
b	0.00	0.00	0.00	0.00	0.4879	0.00	0.00	0.00

The value b increases by 0.887 if the bonuses are formed for survival.

Explanations of the gloss on page 118.

FD tariffs / SD tariffs / FE tariffs / SE tariffs / FF tariffs / SF tariffs								
Endowment	F_1M	F_1F	F_2M	F_2F	S_1M	S_1F	S_2M	S_2F
assurance	EF_1M	EF_1F	EF_2M	EF_2F				
(group)								
Waiting period								
t>25	3	3	3	3	3	3	3	3
t[25	2	2	2	2	2	2	2	2
EE	1	1	1	1	1	1	1	1
Continuous profit participation in % of the net value entitled to participate in profit ⁷ – for the formation of bonuses ⁶								
D tariffs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E tariffs	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
F tariffs	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
FD tariffs/SD tariffs/FE tariffs/SE tariffs/FF tariffs/SF tariffs								
Endowment	F_1M	F_1F	F_2M	F_2F	S_1M	S_1F	S_2M	S_2F
assurance	EF_1M	EF_1F	EF_2M	EF_2F				
(group)								
Further profit participation components (multiples of continuous profit participation) on expiry								
	2	2	2	2	2	2	2	2
Final profit participation on expiry ⁸								
D tariffs								
a	0.1419	0.0887	0.1419	0.0887	0.1419	0.0887	0.1419	0.0887
b	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E tariffs								
a	0.2306	0.1597	0.2306	0.1597	0.2306	0.1597	0.2306	0.1597
b	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F tariffs								
a	0.2306	0.1597	0.2306	0.1597	0.2306	0.1597	0.2306	0.1597
b	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The value b increases by 0.887 if the bonuses are formed for survival.

⁶ From the continuous profit participation components, bonuses due on death or survival until maturity are formed (increase of the contractually agreed sum assured on death or survival to maturity) or - except for G_1, F_1 and S_1 tariffs - bonuses due on survival until maturity (increase of the contractually agreed sum assured on survival to maturity).

⁷ Net value entitled to participate in profit: Net value at the end of the penultimate insurance year.

In the case of insurance with a short period, the percentages are defined for each individual contract.

⁸ The final profit participation is conferred if the waiting period for the continuous profit participation components has expired and the insurance has not been released from premium payment due to cancellation. In the event of death, loans on the policy, termination after a blocking period or conversion into premium-free insurance, the final profit participation is reduced. Final profit participation $FP = FPP * n (SA / 1000) + s (SA / 1000)$ with a final profit participation of $FPP = a * t + b$, whereby t: premium-payment duration for insurance with a premium-payment obligation, t = 15 for insurance without a premium-payment obligation, n: insurance durations, SA = sum assured, s = 35,48 for insurance durations of 11 years or more s = 0 for insurance durations of less than 11 years

1.2 Term assurance

1.2.1 Term assurance as main insurance

RD tariffs / FRD tariffs / RE tariffs / FRE tariffs / RF tariffs / FRF tariffs	Men / Couples ⁹	Women
Death bonus in % of sum assured		
RD tariffs / FRD tariffs	54.00	43.00
RE tariffs / FRE tariffs	56.00	45.00
RF tariffs / FRF tariffs	72.00	56.00
or premium offset in % of annual premium		
RD tariffs / FRD tariffs	35.00	30.00
RE tariffs / FRE tariffs	36.00	31.00
RF tariffs / FRF tariffs	42.00	36.00

1.2.2 Supplementary term assurance

	D tariffs	E tariffs	F tariffs
Death bonus in % of sum assured	34.00	35.00	56.00

⁹ Exception: For RD1M with EUR 51 129 ≤ sum assured ≤ EUR 102 259, the following applies:
 Death bonus 60 % or premium offset 37.5 %
 For RE1M with EUR 50 000 ≤ sum assured ≤ EUR 100 000, the following applies:
 Death bonus 63 % or premium offset 38.5 %

2. Annuity tariffs

The basic explanations at the beginning of the profit participation declaration apply to the means of financing individual contracts.

2.1 Annuity assurance (individual and group)

2.1.1 Postponement period

		LD tariffs	LE tariffs	LF tariffs	LG tariffs
		FLD tariffs	FLE tariffs	FLF tariffs	FLG tariffs
Waiting period ¹⁰	t > 25	3	3	3	3
	t ≤ 25 : t = n	2	2	2	2
	t < n, t ≥ 6	2	2	2	2
	t < n, t < 6	1	1	1	1
	EE	1	1	1	1
Continuous profit participation ¹¹					
Basic profit participation in % of annual annuity ¹²					
	Insurance with a premium-payment obligation	0.00	1.00	2.50	2.50
Interest profit participation in % of net value entitled to participate in profit ¹³					
		0.00	0.65	1.15	1.15
Further profit participation components (multiples of continuous profit participation component)					
	Insurance with a premium-payment obligation and L_-AP insurance without premium-payment obligation	2	2	2	2
		1	1	1	1
Final profit participation on expiry (FPP) ¹⁴		2.2175	4.8785	4.8785	4.8785

2.1.2 Annuity payment period for assurance where annuity payments start before 1 January 2007

LD and FLD tariffs

	K bonus annuity	D bonus annuity
Initial bonus annuity in % ¹⁵ for LD / FLD	0.10	0.00
Annual increase in % of achieved total annuity from 2nd annuity payment year onwards	0.00	0.20

LE and FLE tariffs

	K bonus annuity	D bonus annuity
Initial bonus annuity in % ¹⁵ for LE / FLE	0.70	0.00
Annual increase in % of achieved total annuity from 2nd annuity payment year onwards	0.00	1.15

¹⁰t: Premium-payment duration, n: postponement period

¹¹The profit participation components are normally accumulated with interest.

¹²Annual annuity and, where relevant, surviving dependant's annuity, whereby the basic profit participation is twice this value if the main insured person is a man or 1.5 times the value if the insured person is a woman.

¹³Net value entitled to participate in profit: Net value at end of the penultimate insurance year. In the case of insurance with a short postponement period, the percentages are defined for each individual contract.

¹⁴The final profit participation is paid if the waiting period for the continuous profit participation components has expired and the insurance has not been freed from premium payment due to cancellation. On death, termination after a blocking period or conversion into insurance without premium payment, the final profit participation is reduced. $FP = FPP * n * f * (annual\ annuity / 100)$, whereby n: postponement period, $f = 1 + (65 - AAS) * 0.02$ with AAS = age at start of annuity.

¹⁵In relation to the amount available at the beginning of the annuity for conversion into an annuity

LF and FLF tariffs, LG and FLG tariffs

	M bonus	K bonus	D bonus
	annuity	annuity	annuity
initial bonus annuity in % ¹⁵ for LF / FLF or LG / FLG	0.09	1.04	0.00
Annual increase in % of achieved total annuity from 2nd annuity payment year onwards	1.50	0.00	1.65

2.2 Unit-linked annuity assurance

LF_, FLF_, (E)LH_, (E)FLH_, (F)LH_-BASIS, (F)LH_-DIREKT

2.2.1 Postponement period

During the postponement period, the insurance participates in the profit by participating in the cost component, interest component and final component of profit participation. The cost components of profit participation are directly offset against the costs.

The interest components of profit participation are transferred to the fund balance.

For all unit-linked annuity assurance	
Risk component of profit participation in per cent of risk premium	30.00
Basic profit participation A in per cent of premium-related administration costs	20.00
Basic profit participation B in per cent of fixed costs	20.00
In addition for (E)LH_, (E)FLH_, (F)LH_-BASIS, (F)LH_-DIREKT	
Waiting period for interest component	3 years
Interest component in per cent of net value for the premium guarantee	1,15
Waiting period for final profit participation	5 years
Final profit participation on expiry (FPP) ¹⁶	0,0887

2.2.2 Annuity payment period

In the case of contracts where an annuity is currently being paid, an additional bonus annuity, also entitled to participate in profit, is formed. The profit participation rules of the LEG0, LFG0 and LGG0 annuity products are used as the basis for this (c.f. annuity assurance according to the LE, LF and LG tariffs).

¹⁶ For each year of the postponement period, there is profit participation as a percentage of the net value entitled to participate in profit. In the event of death, transfer or termination, no final profit participation is conferred.

2.3 Annuity in accordance with the law on assets in old age (AVmG) RK_/FRK_ (Innoent Classic) and RF_ / FRF_ (Karenta Innoent)

2.3.1 Postponement period

During the postponement period, the insurance participates in the profit by participating in the cost, interest component and final components of profit participation. The cost components of profit participation are directly offset against the costs.

The interest components of profit participation are transferred either to the net value or the fund balance.

	(F)RKE	(F)RFE	(F)RKF	(F)RFF	(F)RKAG/
			(F)RKG	(F)RFG	(F)RFBSG/
					(F)RKGU/
					(F)RFGU
Continuous profit participation					
Waiting period	0	0	0	0	0
Cost surpluses					
in % of premium ¹⁷	0.50	0.50	0.50	0.50	0.50
unit cost surplus per month in euros	0.50	0.50	0.50	0.50	0.50
Interest component of profit participation in %					
of net value entitled to participate in profit ¹⁸	0.65	0.65	1.15	1.15	1.15
Final profit participation on expiry (FPP) ¹⁹	0.5766	0.0887	0.5766	0.0887	0.0887

2.3.2 Annuity payment period

In the case of contracts where an annuity is being paid, an addition bonus annuity, also entitled to participate in profit, is formed. The profit participation rules of the LEG0, LFG0 and LGG0 annuity products are used as the basis for this (c.f. annuity assurance according to the LE, LF and LG tariffs).

¹⁷ Paid-up premium including state supplements and other additional payments.

¹⁸ In the case of the RK_ and FRK_ tariffs, this is the sum of the net value for the premium guarantee and the additional net value. In the case of the RF_ and FRF_ tariffs, it is the net value for the premium guarantee at the end of the preceding calendar year in each case.

¹⁹ For each year of the postponement period, there is profit participation as a percentage of the net value entitled to participate in profit. In the event of death, transfer or termination after a waiting period of 5 calendar years, the final profit participation is reduced.

3. Permanent health insurance, supplementary permanent health, disability and nursing insurance

3.1 Future entitlement with premium-payment obligation

Waiting period	
Accrual with interest SPH(98), SPH(00), SNI(98), SNI(00), SNI(04)	Waiting period same as for main insurance
Accrual with interest SPH(01), SPH(04), SDI(01), SDI(04), (F)PHI(98), FBE1, (F)BE2, (F)BE3, (F)EE2, (F)EF2	No waiting period (decursive allocation)
Accrual with interest or investment in funds (F)BF3	No waiting period (decursive allocation)
Premium offset	No waiting period
Bonus annuity in the case of benefit payment	
in % of SPH benefit SPH(04) with (F)LGRV3-DIREKT and (F)LH_-BASIS and (F)LH_-DIREKT as main insurance	33.00
Continuous profit participation	
in % of the annual premium entitled to participate in profit SPH(01), SPH(04) with other main insurances, SDI(01), SDI(04), (F)BE3, (F)BF3, (F)EE2, (F)EF2	25.00
Other tariffs	15.00
Final profit participation	
SPH(98), SPH(00), (F)BUV(98), FBE1, (F)BE2 ²⁰	15.00
SPH(01), SPH(04), SDI(01), SDI(04), SNI(98), SNI(00), SNI(04), (F)BE3, (F)BF3, (F)EE2, (F)EF2	—

3.2. Future entitlement without premium-payment obligation

Waiting period	1
Bonus annuity in the case of payment of benefits	
in % of SPH benefit SPH(04) with LGH3-BASIS, (F)LGRV3-DIREKT and (F)LH_-BASIS and (F)LH_-DIREKT as main insurance	33.00
Continuous profit participation	
in % of net value entitled to participate in profit SPH(98), SNI(98), (F)BUV(98)	0.40
SPH(00), SPH(01), SDI(01), SNI(00), FBE1, (F)BE2, (F)BE3, EE2	0.65
SPH(04) with other main insurances SDI(04), (F)BF3, EF2, SDI(04)	1.15
Final profit participation	
SPH(98), SPH(00), (F)BUV(98), FBE1, (F)BE2 ¹⁷	15.00
SPH(01), SPH(04), SDI(01), SDI(04), SNI(98), SNI(00), SNI(04), (F)BE3, (F)BF3, (F)EE2, (F)EF2	—

²⁰ For insurance with future entitlement to benefits, there is final profit participation after 5 insurance years in the case of insurance with a premium-payment obligation and after 5 premium-free insurance years in the case of insurance without a premium-payment obligation. This profit participation is payable on expiry of the premium payment duration, premature cessation of premium payment, occurrence of the insured event or termination of the insurance relationship. For each insurance year completed after the start of the insurance, a percentage of the annual premium entitled to participate in profit is conferred. This percentage is the percentage declared for the due date. In the case of SPH(98) and SPH(00), the waiting period years of the main insurance do not count if premium offset has been agreed on for the continuous profit participation. The sum of these individual amounts results in the final profit participation.

3.3. Currently paid insurance benefits

Waiting period an continuous profit participation	minimum 1
Annual annuity increase in % of the respective annual assurance benefit	
for SPH(98), SNI(98), (F) BUV(98)	0.90
for SPH(00), SPH(01), SDI(01), SNI(00), FBE1, (F)BE2, (F)BE3, (F)EE2	1.15
for SPH(04), SDI(04), SNI(04), (F)BF3, (F)EF2	1.65

4. Supplementary surviving dependant's insurance (SSD) SSD with a BASIS annuity insurance as the main insurance

4.1 Future entitlement

Bonus annuity (in the case of benefit payment) in % of the agreed SSD annuity	56.00
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4.2 Payment of benefit

Formation of bonus annuities in accordance with the annuity tariffs in the annuity payment period for (F)LG tariffs.

II. For other tariffs

For the allocation of continuous profit participation in fiscal 2008, the profit participation ratios shown in the overview below have been defined.

The values of the preceding year for profit participation are unchanged.

The profit participation ratios apply to insurance policies which were included in the portfolio as at 31 December 2007. For annuity assurance during payment of the annuity, the profit participation ratios are only binding for those contracts in which the annuity was being paid as at 31 December 2007.

The final profit participation ratios relate to terminations of contracts and annuity transitions or capital settlements in 2008. These ratios are declared only for benefits paid in a fiscal year. For previously expired contract years, the final profit participation ratios are also redefined in each case.

1. 1. Individual endowment assurance

(not including formation-of-capital-wealth and term assurance)

Tariffs in accordance with the business plans of the Supervisory Authority (old portfolio)

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	0.80 %	of the net value entitled to participate in the profit
Premium-free insurance	0.65 %	of the net value entitled to participate in the profit
Increase in sum	0.80 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	3 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment		of the part of the premium covering the risk
	30 %	and entitled to participate in surplus
Final surplus		
Retrospective dividend on expiry	4.43 %	of the sum assured
		For insurance with a period of less than 15 years, the dividend is reduced.
Final profit participation on expiry	14.19 %	of the sum assured increase or the credited surplus accrued with interest
		On death or marriage (H tariff) or premature termination of the contract, the final surplus will be due proportionally.

Insurance contracts with premium payment whose continuous profit participation is used to increase the sum assured receive an additional payment on death from the starting date of the contract onwards. This is such that, together with the increase in the sum, it is at least 12 per cent of the sum assured.

The continuous profit participation is usually used to finance supplementary death benefits and to permanently increase the insurance benefits (increase of sum assured). On request, the profit participation can also be accrued with interest, paid out in cash or offset against premium payment.

Tariff generation 1995

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	0.30 %	of the net value entitled to participate in the profit
Premium-free insurance	0.15 %	of the net value entitled to participate in the profit
Increase in sum assured	0.30 %	of the net value entitled to participate in the profit
Survival bonus	0.30 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	20 %	of the part of the premium covering the risk and entitled to participate in surplus
Final profit		
Retrospective dividend on expiry	3.99 %	of the sum assured
		For insurance with a period of less than 15 years, the dividend is reduced.
Final profit participation on expiry	16.85 %	of the sum assured increase or the credited surplus accrued with interest
		On death or marriage (H tariff) or premature termination of the contract, the final profit will be due proportionally.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the average value of the net values on the anniversary dates of the years 2007 and 2008 of the insurance minus accrued interest, whereby the deducted interest is the guaranteed interest for half a year.
- The “part of the premium entitled to participate in surplus” is the part of the premium calculated with the maximum total rebate.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

Insurance contracts with premium payment whose continuous profit participation is used to increase the sum assured receive an additional payment on death from the starting date of the contract onwards. This is such that, together with the increase in the sum, it is at least 10 per cent of the sum assured. The continuous profit participation is usually used to finance supplementary death benefits and to continually increase the insurance benefits (increase of sum assured) or the benefit on survival (survival bonus). On request, the profit participation can also be accrued with interest, paid out in cash or used to offset premium payment.

Tariff generation 2000

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	1.00 %	of the net value entitled to participate in the profit
Single deposits	0.90 %	of the net value entitled to participate in the profit
Other premium-free insurance	0.90 %	of the net value entitled to participate in the profit
Increase in sum assured	1.00 %	of the net value entitled to participate in the profit
Survival bonus	1.00 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the premiums entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.44 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	1.68 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.24 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the premium-free period)
On death or marriage (H tariff) or premature termination of the contract, the final profit will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.

The continuous profit participation is usually accrued with interest. On request, the continuous profit participation can also be used to permanently increase the insurance benefits (sum assured increase) or the survival benefits (survival bonus) or used for premium payment.

For calculation of final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2004

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	1.50 %	of the net value entitled to participate in the profit
Single deposits	1.40 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.40 %	of the net value entitled to participate in the profit
Increase in sum assured	1.50 %	of the net value entitled to participate in the profit
Survival bonus	1.50 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the premiums entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	2.08 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	2.08 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the premium-free period)
On death or marriage (H tariff) or premature termination of the contract, the final profit will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.

The continuous profit participation is usually accrued with interest. On request, the continuous profit participation can also be used to permanently increase the insurance benefits (sum assured increase) or the survival benefits (survival bonus) or used for premium payment.

For calculation of final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2007

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	2%	of the net value entitled to participate in the profit
Single deposits	1.9%	of the net value entitled to participate in the profit
Other premium-free insurance	1.9%	of the net value entitled to participate in the profit
Increase in sum	2%	of the net value entitled to participate in the profit
Survival bonus	2%	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2%	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35%	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35%	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.57%	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	1.68%	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.68%	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus or of the achieved survival bonus of the accrued surplus with interest (for each completed insurance year during the premium-free period)
On death or marriage (H tariff) or premature termination of the contract, the final surplus will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “premiums entitled to participate in profit/surplus” are the annual premiums calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.
- The “net value entitled to participate in the final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.

The continuous profit participation is usually accrued with interest. On request, the continuous profit participation can also be used to permanently increase the insurance benefits (sum assured increase) or the survival benefits (survival bonus) or used for premium payment.

For calculation of final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2008

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	2 %	of the net value entitled to participate in the profit
Single deposit	1.9 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.9 %	of the net value entitled to participate in the profit
Increase in sum	2 %	of the net value entitled to participate in the profit
Survival bonus	2 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.60 %	of the net value entitled to participate in final profit
Final profit participation 2 on expiry of insurance with premium payment	0.60 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus or of the accrued surplus with interest
Premium-free insurance	0.60 %	of the net value entitled to participate in final profit of the sum assured increase or of the achieved survival bonus or of the accrued surplus with interest
On death or premature termination of the contract, the final surplus will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “premiums entitled to participate in profit/surplus” are the annual premiums calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

The continuous profit participation components are usually accrued with interest. On request, the continuous profit participation components can also be used to permanently increase the

insurance benefits (sum assured increase) or the survival benefits (survival bonus) or used for premium payment.

The component of the final profit participation 1 and 2 is 100 per cent in each case. Continuation of the final profit values 1 and 2 amounts to 5 per cent of the net value entitled to participate in profit and of the final profit participation values 1 and 2 of the preceding year.

The final profit participation 2 relates to the state of the profit credit balance before allocation.

2. Individual formation-of-capital-wealth insurance

Tariffs according to business plans approved by the Supervisory Authority (old portfolio)

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	0.70 %	of the net value entitled to participate in the profit
Premium-free insurance	0.65 %	of the net value entitled to participate in the profit
Increase in sum assured	0.70 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	25 %	of the risk part of the premium entitled to in surplus
Final surplus		
Retrospective dividend on expiry	4.43 %	of the sum assured For insurance with a period of less than 15 years, the dividend is reduced.
Final profit participation on expiry	14.19 %	of the sum assured increase or the credited surplus accrued with interest
On death or premature termination of the contract, the final profit will be due proportionally.		

Insurance contracts with premium payment whose continuous profit participation is used to increase the sum assured receive an additional payment on death from the starting date of the contract onwards. This is such that, together with the increase in the sum, it is at least 12 per cent of the sum assured.

The continuous profit participation is usually used to finance supplementary death benefits and to permanently increase the insurance benefits (increase of sum assured). On request, the profit participation can also be accrued with interest.

Tariff generation 1995

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	0.20 %	of the net value entitled to participate in the profit
Premium-free insurance	0.15 %	of the net value entitled to participate in the profit
Increase in sum assured	0.20 %	of the net value entitled to participate in the profit
Survival bonus	0.20 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	15 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Retrospective dividend on expiry	3.99 %	of the sum assured
		For insurance less with a period of less than 15 years, the dividend is reduced.
Final profit participation on expiry	16.85 %	of the sum assured increase or the credited surplus accrued with interest
		On death or premature termination of the contract in the second half of the period of the contract, the final profit will be due proportionally.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the average value of the net values on the anniversary dates of the years 2007 and 2008 of the insurance minus accrued interest, whereby the deducted interest is the guaranteed interest for half a year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

Insurance contracts with premium payment whose continuous profit participation is used to increase the sum assured receive an additional payment on death from the starting date of the contract onwards. This is such that, together with the increase in the sum, it is at least 10 per cent of the sum assured. The continuous profit participation is usually used to finance supplementary death benefits and to permanently increase the insurance benefits (increase of sum assured) or the benefit on survival (survival bonus). On request, the profit participation can also be accrued with interest.

Tariff generation 2000

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	1.00 %	of the net value entitled to participate in the profit
Single deposits	0.90 %	of the net value entitled to participate in the profit
Other premium-free insurance	0.90 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.44 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	1.68 %	of the accrued profit credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.24 %	of the accrued profit credit with interest (for each completed insurance year during the premium-free period)
On death or premature termination of the contract, the final profit will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.

The continuous profit participation is accrued with interest.

For calculation of the final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2004

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	1.5 %	of the net value entitled to participate in the profit
Single deposits	1.4 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.4 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	2.08 %	of the accrued profit credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	2.08 %	of the accrued profit credit with interest (for each completed insurance year during the premium-free period)
On death or premature termination of the contract, the final profit will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The “net value entitled to participate in the final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

The continuous profit participation is accrued with interest.

For calculation of the final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2007

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	2%	of the net value entitled to participate in the profit
Single deposits	1.9%	of the net value entitled to participate in the profit
Other premium-free insurance	1.9%	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2%	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35%	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35%	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.57%	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 on expiry of insurance with premium payment	1.68%	of the accrued profit credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.68%	of the accrued profit credit with interest (for each completed insurance year during the premium-free period)
On death or premature termination of the contract, the final surplus will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “part of the premium entitled to participate in profit/surplus” are the annual premiums calculated without unit costs.
- The “net value entitled to participate in the final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for a year in each case.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

The continuous profit participation is accrued with interest.

For calculation of the final profit participation 2, the level of the profit credit for each completed insurance year before pay-out is applicable.

Tariff generation 2008

Continuous profit participation		
Interest surplus participation		
Insurance with premium payment	2 %	of the net value entitled to participate in the profit
Single deposits	1.9 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.9 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Risk-surplus participation		
Insurance with premium payment	35 %	of the risk part of the premium entitled to participate in surplus
Premium-free insurance	35 %	of the risk part of the premium entitled to participate in surplus
Final profit		
Final profit participation 1 on expiry	0.60 %	of the net value entitled to participate in final profit
Final profit participation 2 on expiry of		
insurance with premium payment	0.60 %	of the accrued surplus with interest
Premium-free insurance	0.60 %	of the accrued surplus with interest
On death or premature termination of the contract, the final surplus will be due proportionally.		

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary dates of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for a year.
- The “premiums entitled to participate in profit/surplus” are the annual premiums calculated without unit costs.
- The “risk part of the premium entitled to participate in the profit/surplus” is the risk part of the premium for the insurance year.

The continuous profit participation components are usually accrued with interest.

The component of the final profit participation 1 and 2 is 100 per cent in each case. Continuation of the final profit values 1 and 2 amounts to 5 per cent of the net value entitled to participate in profit and of the final profit participation values 1 and 2 of the preceding year.

The final profit participation 2 relates to the state of the profit credit balance before allocation.

3. Individual term assurance and supplementary term assurance

Tariffs according to business plans approved by the Supervisory Authority (old portfolio)

Supplementary death benefit	90 %	of the current payment due on death
If the profit participation is used for accrual with interest, the continuous profit participation is	40 %	of the part of the premium entitled to participate in surplus

Tariff generation 1995

Supplementary death benefit	70 %	of the current payment due on death
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Tariffs of the tariff generation 2000

Continuous profit participation		
Risk-surplus profit participation		
Insurance with premium payment	41 %	of the part of the premium entitled to participate in surplus
Premium-free insurance after expiry of premium payment period	41 %	of the part of the premium entitled to participate in surplus
Supplementary death benefit		
Premium-free insurance according to the reminder and termination method	70 %	of the payment due on death

Tariffs of the tariff generation 2004

Continuous profit participation		
Risk-surplus profit participation		
Insurance with premium payment	41 %	of the part of the premium entitled to participate in surplus
Premium-free insurance after expiry of the premium payment period	41 %	of the part of the premium entitled to participate in surplus
Supplementary death benefit		
Premium-free insurance according to the reminder and termination method	70 %	of the payment due on death

Tariffs of the tariff generation 2007

Continuous profit participation		
Risk-surplus profit participation		
Insurance with premium payment	41 %	of the premium entitled to participate in profit
Premium-free insurance		
after expiry of the premium		
payment period	41 %	of the premium entitled to participate in profit
Supplementary death benefit		
Premium-free insurance		
according to the remainder and		
termination method	70 %	of the payment due on death

The terms used in the table are defined as follows:

- The “premium entitled to participate in profit” is the premium resulting from distribution of the annual premiums paid during the premium payment period (less unit costs) over the whole duration of the insurance, plus guaranteed interest at the time of expiry of the premium payment period.

The continuous profit participation is handed out in the form of a direct credit and set off against the premium instalments to be paid. On expiry of the premium payment period, the continuous profit participation is accrued with interest.

Tariffs of the tariff generation 2008

Continuous profit participation		
Risk-surplus profit participation		
Insurance with premium payment	41 %	of the premium entitled to participate in profit
Premium-free insurance		
after expiry of the premium		
payment period	41 %	of the premium entitled to participate in profit
Supplementary death benefit		
Premium-free insurance		
according to the remainder and		
termination method	70 %	of the payment due on death

The terms used in the table are defined as follows:

- The “premium entitled to participate in profit” is the premium resulting from distribution of the annual premiums paid during the premium payment period (less unit costs) over the whole duration of the insurance, plus guaranteed interest at the time of expiry of the premium payment period.

The continuous profit participation is handed out in the form of a direct credit and set off against the premium instalments to be paid. On expiry of the premium payment period, the continuous profit participation is accrued with interest.

4. Decreasing term assurance

Supplementary death benefit	10 %	of the initial sum assured
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Supplementary employment incapacity insurance
is not entitled to participate in profit.

5. Unit-linked life assurance

FLIP, Kid's Best, FLV-OG – Tariff generations before 2004

Continuous profit participation		
Risk-surplus profit participation		
New contracts up to and including 1994	35 %	of the monthly risk part of the premium
New contracts from 1995 onwards	25 %	of the monthly risk part of the premium
Cost-surplus participation		
Insurance with premium payment		
FLIP from 2nd insurance year onwards	3 %	of the monthly premium
Kid's Best from beginning	2 %	of the monthly premium plus a third of the amortisation costs
FLV-OG from the beginning	2.5 %	of the monthly premium
Premium-free insurance		
New contracts up to and including 1998	0.50 EUR	monthly
New contracts from 1999 onwards		
FLIP from 2nd insurance year onwards	20 %	of the costs (monthly)
Kid's Best	A third	of the unit costs
FLV-OG from the beginning	15 %	of the unit costs

FLV1, FLV2: No participation in profit

FLIP – Tariff generation 2004

Continuous profit participation		
Risk-surplus participation	25 %	of the monthly risk premium
Cost-surplus participation		
Insurance with premium payment		
from the 2nd insurance year onwards	3 %	of the monthly premium
Premium-free insurance		
from the 2nd insurance year onwards	20 %	of the costs (monthly)

FLIP – Tariff generation 2005

Continuous profit participation		
Risk-surplus participation	25 %	of the monthly risk premium
Cost-surplus participation		
Insurance with premium payment		
from the 2nd insurance year onwards	3 %	of the monthly premium
Premium-free insurance		
from the 2nd insurance year onwards	20 %	of the costs (monthly)

6. Individual annuity assurance and supplementary surviving dependant's assurance

Life expectancy in Germany has continued to rise in the last ten years - and faster than expected. According to recent studies carried out by the German Association of Actuaries (Deutsche Aktuarvereinigung e.V.), this trend is continuing. This will mean that the same guaranteed annuity can be paid to our policyholders for a longer period in future.

For already existing contracts or contracts with guaranteed annuities, the insurance companies concerned (tariff generation before 7/2004) were given additional funds in 2004 in order to secure the contractually agreed annuities with reference to the DAV 2004 annuity tables. From the start of annuity payments, these funds will be used for the extended annuity-payment period.

All the annuity assurance contracts will be called on to finance the additional funds required to cover the extra payments. As a result, the ongoing profit participation components and the final profit participation of annuity contracts with a future entitlement to an annuity as well as of those contracts with annuity payments starting from 1 January 2006 onwards will be reduced to the extent needed for such financing. At the same time, the following tables define the means which – to the extent that they are necessary – will be used for financing the additional capital needed for the extra payments in respect of each individual contract.

If the insurance contract is terminated before the annuity begins to be paid, the additional capital will be paid out to the extent that it would have been paid in the form of surpluses. This ensures that the benefits on death, re-purchase or exercise of the payment option remain unaffected by this measure.

Tariffs in accordance with business plans approved by the Supervisory Authority (old portfolio)
 Contract-specific means of financing (with account taken of the above text)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.75 %	of the net value entitled to participate in the profit
Premium-free insurance	0.65 %	of the net value entitled to participate in the profit
Future entitlement to an annuity from		
profit participation	0.75 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Final profit (retrospective dividend)	4.87 %	of the net value of the main insurance in the event of annuity transition or capital settlement
		For postponement periods of less than 12 years, the amount will be reduced.

Current annuities

Constant additional annuity		
(constant bonus annuity)		
Start of annuity payment before 1.1.2002	9.0 %	of the single deposit or the possible capital settlement
Start of annuity payment on 1.1.2002 or later	6.0 %	of the single deposit or the possible capital settlement
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	5,5 ‰	of the single deposit or the possible capital settlement
Annual annuity increase		
Insurance according to women's tariffs		
with annuity starting in 1991 or earlier	0.15 %	of the annuity achieved in the previous year
Other insurance	0.65 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	0.80 %	of the annuity achieved in the previous year
Cash pay-out		The cash value of the above annual annuity increase is paid out.

Tariff generation 1996

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.25 %	of the net value entitled to participate in the profit
Premium-free insurance	0.15 %	of the net value entitled to participate in the profit
Future annuity entitlement from		
profit participation	0.25 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate
		in surplus
Final profit participation	7.98 %	of the net value of the main insurance in the event of
(retrospective dividend)		annuity transition or capital settlement
		For postponement periods of less than 20 years,
		the amount will be reduced.

Current annuities

Constant additional annuity		
(constant bonus annuity)		
Start of annuity payment before 1.1.2002	6.0 %	of the single deposit or the possible capital settlement
Start of annuity payment on 1.1.2002		
or later	5.0 %	of the single deposit or the possible capital settlement
Start of annuity payment on 1.1.2004		
or later	4.5 %	of the single deposit or the possible capital settlement
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	5.5 %	of the single deposit or the possible capital settlement
Annual annuity	0.4 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	0.8 %	of the annuity achieved in the previous year
Cash pay-out		The cash value of the above annual annuity increase
		is paid out.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the average value of the net values on the anniversary dates of the years 2007 and 2008 of the insurance minus accrued interest, whereby the deducted interest is the guaranteed interest for half a year.
- The “part of the premium entitled to participate in profit/surplus” is the annual premium calculated without unit costs

Tariff generation 1997

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.25%	of the net value entitled to participate in the profit
Single deposits	0.15%	of the net value entitled to participate in the profit
Other premium-free insurance	0.15%	of the net value entitled to participate in the profit
Future annuity entitlement from profit		
participation for single deposits	0.25%	of the net value entitled to participate in the profit
for other insurance	0.25%	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2%	of the part of the premium entitled to participate in surplus
Final profit participation (retrospective dividend)	11.08%	of the net value of the main insurance in the event of annuity transition or capital settlement. For postponement periods of less than 30 years, the amount will be reduced.

Current annuities

Rising additional annuity		
(rising bonus annuity)		
Start of annuity payment before 1.1.2002	7.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.0 %	of the annuity achieved in the previous year
Start of annuity payment on 1.1.2002		
or later	4.5 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.0 %	of the annuity achieved in the previous year
Start of annuity payment on 1.1.2003		
or later	4.5 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.0 %	of the annuity achieved in the previous year
Start of annuity payment on 1.1.2004		
or later	2.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.2 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006 onwards for insurance policies converted to DAV 2004R	3.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.4 %	of the annuity achieved in the previous year
Constant annuity		
(constant bonus annuity)		
Start of annuity payment before 1.1.2002	6.0 %	of the single deposit or the possible capital settlement
Start of annuity payment on 1.1.2002		
or later	5.0 %	of the single deposit or the possible capital settlement
Start of annuity payment on 1.1.2004		
or later	4.5 %	of the single deposit or the possible capital settlement
Start of annuity payment from 1.1.2006 onwards for insurance policies converted to DAV 2004R	5.5 %	of the single deposit or the possible capital settlement
Annual annuity increase	0.4 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006 onwards for insurance policies converted to DAV 2004R	0.8 %	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 % of the possible capital settlement and 0.8 % of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in profit/surplus” is the annual premium calculated without unit costs and without rebate.

Tariff generation 2000

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.00 %	of the net value entitled to participate in the profit
Single deposits	0.90 %	of the net value entitled to participate in the profit
Other premium-free insurance	0.90 %	of the net value entitled to participate in the profit
Future annuity entitlement from profit		
participation for single deposits	1.00 %	of the net value entitled to participate in the profit
for other insurance	1.00 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Final profit participation	9.75 %	of the net value of the main insurance in the event of annuity
(retrospective dividend)		transition or capital settlement in the case of postponement
		periods of up to 30 years
Increase of this percentage by	0.70 %	per year of additional postponement up to a postponement
		period of 39 years. For postponement periods
		less than 30 years, the amount will be reduced.

Current annuities

Rising additional annuity		
(rising bonus annuity)		
Start of annuity payment before 1.1.2003	8.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.0 %	of the annuity achieved in the previous year
Start of annuity payment on 1.1.2003		
or later	8.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.0 %	of the annuity achieved in the previous year
Start of annuity payment on 1.1.2004		
or later	5.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.5 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	6.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.7 %	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)		
Start of annuity payment from 1.1.2006	8.0 %	of the single deposit or the possible capital settlement
onwards for insurance policies converted		
to DAV 2004R	10.5 %	of the single deposit or the possible capital settlement
Annual annuity increase		
Start of annuity payment from 1.1.2006	1.2 %	of the annuity achieved in the previous year
onwards for insurance policies converted		
to DAV 2004R	1.6 %	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 % of the possible capital settlement and 1.6 % of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in profit/surplus” is the annual premium calculated without unit costs.

“Riester pension” RR tariff

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.90 %	of the net value entitled to participate in the profit
Single deposits (allowances)	0.80 %	of the net value entitled to participate in the profit
Other premium-free insurance	0.80 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1 in the case of Annuity transition	0.44 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 in the case of Annuity transition		
Insurance with premium payment	1.68 %	of the accrued profit participation credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.24 %	of the accrued profit participation credit with interest (for each completed insurance year during the premium-free period)
		On death or premature termination of the contract, the final profit will be due proportionally.

Current annuities

Rising additional annuity (rising bonus annuity)	5.0 %	of the capital converted into annuity
In addition, the current annuities rise by	0.5 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006 onwards for insurance policies converted to DAV 2004R	6.0 %	of the capital converted into annuity
In addition, the current annuities rise by	0.7 %	of the annuity achieved in the previous year
Annual annuity increase	1.2 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006 onwards for insurance policies converted to DAV 2004R	1.6 %	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 ‰ of the possible capital settlement and 1.6 % of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

“Riester pension” ARR tariff (‘Direct’ insurance)

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.90 %	of the net value entitled to participate in the profit
Single deposits (allowances)	0.80 %	of the net value entitled to participate in the profit
Other premium-free insurance	0.90 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the policyholder's own contribution
Final profit participation	9.75 %	of the net value of the main insurance in the event of annuity
retrospective dividend)		transition in the case of postponement periods up to
		periods up to 30 years
Increase of this percentage by	0.70 %	per year of additional postponement up to a postponement
		period of 39 years. For postponement periods less than
		30 years, this amount will be reduced.

Current annuities

Rising additional annuity	5.0 %	of the capital converted into annuity
(rising bonus annuity)		
In addition, the current annuities rise by	0.5 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	6.0 %	of the capital converted into annuity
In addition, the current annuities rise by	0.7 %	of the annuity achieved in the previous year
Annual annuity increase	1.2 %	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	1.6 %	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 % of the possible capital settlement and 1.6 % of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

Tariff generation 2004 (up to 07.2004)

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.50 %	of the net value entitled to participate in the profit
Single deposits	1.40 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.40 %	of the net value entitled to participate in the profit
Future annuity entitlement from profit		
participation for single deposits	1.50 %	of the net value entitled to participate in the profit
for other insurance	1.50 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Final profit participation		
Final profit participation 1 in the case of	0.57 %	of the net value entitled to participate in final profit
Annuity transition or capital settlement		(for each completed insurance year)
Final profit participation 2 in the case of		
Annuity transition or capital settlement		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest
		(for each completed insurance year during the period
		of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest
		for each completed insurance year during the
		premium-free period)
		On death or premature termination of the contract, the final profit
		will be due proportionally.

Current annuities

Rising additional annuity		
(rising bonus annuity)	7.0 ‰	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.8 ‰	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted to DAV 2004R	9.0 ‰	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.8 ‰	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)	12.0 ‰	of the single deposit or the possible capital settlement
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted to DAV 2004R	14.0 ‰	of the single deposit or the possible capital settlement
Annual annuity increase	1.8 ‰	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted to DAV 2004R	2.1 ‰	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 ‰ of the possible capital settlement and 2.1 ‰ of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in profit” is the annual premium calculated without unit costs.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

“Riester pension” RR tariff (up to 07.2004)

Contract-specific means of financing (with account taken of the text at the beginning of Chapter III.6)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.40 %	of the net value entitled to participate in the profit
Single deposits (allowances)	1.30 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.30 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1 in the case of Annuity transition	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 1 in the case of Annuity transition		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest for each completed insurance year during the premium-free period)
		On death or premature termination of the contract, the final profit will be due proportionally.

Current annuities

Rising additional annuity		
(rising bonus annuity)	7.0 ‰	of the capital converted into annuity
In addition, the current annuities rise by	0.8 ‰	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	9.0 ‰	of the capital converted into annuity
In addition, the current annuities rise by	0.8 ‰	of the annuity achieved in the previous year
Annual annuity increase	1.8 ‰	of the annuity achieved in the previous year
Start of annuity payment from 1.1.2006		
onwards for insurance policies converted		
to DAV 2004R	2.1 ‰	of the annuity achieved in the previous year

Contracts with a rising additional annuity which have not yet financed the additional covering funds needed at the time of annuity changeover receive 0.0 ‰ of the possible capital settlement and 2.1 ‰ of the annuity reached in the preceding year.

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

Tariff generation 2004 (from 07.2004 onwards)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.50 %	of the net value entitled to participate in the profit
Single deposits	1.40 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.40 %	of the net value entitled to participate in the profit
Future annuity entitlement from profit		
participation for single deposits	1.50 %	of the net value entitled to participate in the profit
for other insurance	1.50 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Final profit participation		
Final profit participation 1 in the case of	0.57 %	of the net value entitled to participate in final profit
Annuity transition or capital settlement		(for each completed insurance year)
Final profit participation 2 in the case of		
Annuity transition or capital settlement		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest
		(for each completed insurance year during the period
		of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest
		for each completed insurance year during the
		premium-free period)
		On death or premature termination of the contract, the final profit
		will be due proportionally.

Current annuities

Rising additional annuity		
(rising bonus annuity)	11.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)	16.0 %	of the single deposit or the possible capital settlement
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

“Riester pension” RR tariff (from 07.2004 onwards)

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.40 %	of the net value entitled to participate in the profit
Single deposits (allowances)	1.30 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.30 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1 in the case of Annuity transition	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 in the case of Annuity transition		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest for each completed insurance year during the premium-free period)
		On death or premature termination of the contract, the final profit will be due proportionally.

Current annuities

Rising additional annuity (rising bonus annuity)	11.0 ‰	of the capital converted into annuity
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
 - The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
 - The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.
- The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.50 %	of the net value entitled to participate in the profit
Single deposits	1.40 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.40 %	of the net value entitled to participate in the profit
Future annuity entitlement from profit		
participation for single deposits	1.50 %	of the net value entitled to participate in the profit
for other insurance	1.50 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Final profit participation		
Final profit participation 1 in the case of	0.57 %	of the net value entitled to participate in final profit
Annuity transition or capital settlement		(for each completed insurance year)
Final profit participation 2 in the case of		
Annuity transition or capital settlement		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest
		(for each completed insurance year during the period
		of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest
		for each completed insurance year during the
		premium-free period)
		On death or premature termination of the contract, the final profit
		will be due proportionally.

Current annuities

Rising additional annuity		
(rising bonus annuity)	11.0 %	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)	16.0 %	of the single deposit or the possible capital settlement
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
 - The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
 - The “part of the premium entitled to participate in surplus” is the annual premium calculated without unit costs.
- The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.
- If a death benefit (TFL tariff) is also insured, it is entitled to participate in profit in accordance with single endowment assurance of the 2004 tariff generation.

Tariff generation 2006

“Riester pension” RR tariff in accordance with unisex tariffs

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.40 %	of the net value entitled to participate in the profit
Single deposits (allowances)	1.30 %	of the net value entitled to participate in the profit
Other premium-free insurance	1.30 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1 in the case of Annuity transition	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 in the case of Annuity transition		
Insurance with premium payment	2.08 %	of the accrued profit participation credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	2.08 %	of the accrued profit participation credit with interest for each completed insurance year during the premium-free period)
		On death or premature termination of the contract, the final profit will be due proportionally.

Current annuities

Rising additional annuity (rising bonus annuity)	11.0 %	of the capital converted into annuity
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

Tariff generation 2007

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	2 %	of the net value entitled to participate in profit
Single deposits	1.9 %	of the net value entitled to participate in profit
Other premium-free insurance	1.9 %	of the net value entitled to participate in profit
Future annuity entitlement from profit		
participation for single deposits	2 %	of the net value entitled to participate in profit
for other insurance	2 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	2 %	of the part of the premium entitled to participate in surplus
Final profit participation		
Final profit participation 1 in the case of	0.57 %	of the net value entitled to participate in final profit
Annuity transition or capital settlement		(for each completed insurance year)
Final profit participation 2 in the case of		
Annuity transition or capital settlement		
Insurance with premium payment	1.68 %	of the accrued profit participation credit with interest
		(for each completed insurance year during the period of
		premium payment)
Premium-free insurance	1.68 %	of the accrued profit participation credit with interest
		(for each completed insurance year during the
		premium-free period)
		On death or premature termination of the contract, the final surplus will
		be due proportionally.

Current annuities

Rising additional annuity (rising bonus annuity)	14.0 ‰	of the single deposit or the possible capital settlement
In addition, the current annuities rise by	0.8 ‰	of the annuity achieved in the previous year
Constant additional annuity (constant bonus annuity)	19.0 ‰	of the single deposit or the possible capital settlement
Annual annuity increase	2.85 ‰	of the annuity achieved in the previous year by life annuity
	2.35 ‰	of the annuity achieved in the previous year by time annuity

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in profit” is the annual premium calculated without unit costs.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

If a death benefit (TFL tariff) is also insured, it is entitled to participate in profit in accordance with single endowment assurance of the 2007 tariff generation.

Tariff generation 2007

“Riester pension” RR tariff in accordance with unisex tariffs

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.9 %	of the net value entitled to participate in profit
Single deposits (allowances)	1.8 %	of the net value entitled to participate in profit
Other premium-free insurance	1.8 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1 in the case of Annuity transition	0.57 %	of the net value entitled to participate in final profit (for each completed insurance year)
Final profit participation 2 in the case of Annuity transition		
Insurance with premium payment	1.68 %	of the accrued profit participation credit with interest (for each completed insurance year during the period of premium payment)
Premium-free insurance	1.68 %	of the accrued profit participation credit with interest (for each completed insurance year during the premium-free period)
On death or premature termination of the contract, the final surplus will be due proportionally.		

Current annuities

Rising additional annuity (rising bonus annuity)	14.0 %	of the capital converted into annuity
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Annual annuity increase	2.85 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

The level of the profit participation credit is applicable for calculation of final profit participation 2 for each completed insurance year before allocation.

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	2 %	of the net value entitled to participate in profit
Single deposits	1.9 %	of the net value entitled to participate in profit
Other premium-free insurance	1.9 %	of the net value entitled to participate in profit
Future annuity entitlement from		
profit participation for single deposits	2 %	of the net value entitled to participate in profit
for other insurance	2 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the part of the premium entitled to participate in surplus
Final profit participation		
Final profit participation 1 in the case of	0.60 %	of the net value entitled to participate in final profit
Annuity transition or capital settlement		
Final profit participation 2 in the case of		
Annuity transition or capital settlement		
Insurance with premium payment	0.60 %	of the accrued profit participation credit with interest
Premium-free insurance	0.60 %	of the accrued profit participation credit with interest
On death or premature termination of the contract, the final surplus will be due proportionally.		

Current annuities

Rising additional annuity		
(rising bonus annuity)	14.0 %	of the single deposit or the possible capital settlement
In addition, the current		
annuities rise by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)	19.0 %	of the single deposit or the possible capital settlement
Annual annuity increase		
	2.85 %	of the annuity achieved in the previous year
		in the case of lifelong annuity
	2.35 %	of the annuity achieved in the previous year
		in the case of time annuity

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “part of the premium entitled to participate in profit/surplus” is the annual premium calculated without unit costs.

The component of the final profit participation 1 and 2 is 100 per cent in each case. Continuation of the final profit values 1 and 2 amounts to 5 per cent of the net value entitled to participate in profit and of the final profit participation values 1 and 2 of the preceding year. The final profit participation 2 relates to the state of the profit credit balance before allocation. If a death benefit (TFL tariff) is also insured, it is entitled to participate in profit in accordance with single endowment assurance of the 2008 tariff generation.

Tariff generation 2008

“Riester pension” RR tariff in accordance with unisex tariffs

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.9 %	of the net value entitled to participate in profit
Single deposits (allowances)	1.8 %	of the net value entitled to participate in profit
Other premium-free insurance	1.8 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation		
Final profit participation 1	0.60 %	of the net value entitled to participate in final profit
in the case of Annuity transition		
Final profit participation 2		
in the case of Annuity transition		
Insurance with premium payment	0.60 %	of the accrued profit participation credit with interest
Premium-free insurance	0.60 %	of the accrued profit participation credit with interest
On death or premature termination of the contract, the final surplus will be due proportionally.		

Current annuities

Rising additional annuity	14.0 %	of the capital converted into annuity
(rising bonus annuity)		
In addition, the current annuities rise by	0.8 %	of the annuity achieved in the previous year
Annual annuity increase	2.85 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “capital converted into annuity” is the net value entitled to participate in profit plus the existing profit participation credit from the future entitlement to an annuity.

The component of the final profit participation 1 and 2 is 100 per cent in each case. Continuation of the final profit values 1 and 2 amounts to 5 per cent of the net value entitled to participate in profit and of the final profit participation values 1 and 2 of the preceding year.

The final profit participation 2 relates to the state of the profit credit balance before allocation.

7. Unit-linked annuity assurance

Tariff generation 2000

FLIR, FLIR Plus

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation		
(only in the case of FLIR Plus)	25 %	of the monthly risk part of the premium
Cost-surplus participation		
from the 2nd year onwards		
Insurance with premium payment	3 %	of the monthly premium
Premium-free insurance	20 %	of the costs (monthly)

Current annuities

Rising additional annuity	5.0 ‰	of the total credit
(rising bonus annuity)		
In addition, the current		
annuities rise by	0.50 %	of the annuity achieved in the previous year
Constant additional annuity	8.0 ‰	of the total credit
(constant bonus annuity)		
Annual annuity increase	1.20 %	of the annuity achieved in the previous year

“Riester pension” FRR tariff

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation	0.90 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder’s own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final profit participation	0.44 %	of the net value entitled to participate in final profit (for each completed insurance year)

Current annuities

Rising additional annuity (rising bonus annuity)	5.0 %	of the total credit
In addition, the current annuities increase by	0.50 %	of the annuity achieved in the previous year
Annual annuity increase	1.20 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “total credit” is the net value entitled to participate in profit, plus the fund credit and the profit credit arising from the future annuity entitlement.

Tariff generation 2004 – FLIR, FLIR Plus, FLIR Garant

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation (only in the case of FLIR Plus, FLIR Garant)	25 %	of the monthly risk part of the premium
Cost-surplus participation FLIR, FLIR Plus from the 2nd insurance year onwards		
Insurance with premium payment	3 %	of the monthly premium
Premium-free insurance	20 %	of the costs (monthly)
Cost-surplus participation FLIR Garant (FRGS, FRGST tariff) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	2.0 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	3.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Cost-surplus participation FLIR Garant (other tariffs) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	1.5 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	2.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Interest-surplus participation (only in the case of FLIR Garant)		
	1.5 %	of the net value entitled to participate in the profit
Final surplus participation (only in the case of FLIR Garant)		
Increase per year of additional postponement	0.39 %	of the guaranteed net value in the event of annuity transition for postponement periods of less than 5 years
Increase per year of additional postponement	0.53 %	of the guaranteed net value in the event of annuity transition for postponement periods of 5 to 29 years
Increase per year of additional postponement		of the guaranteed net value in the event of annuity transition for postponement periods of 30 to 40 years

Current annuities

Rising additional annuity (rising bonus annuity)		
Start of annuity payment from 1.1.2004 onwards	7.0 %	of the total credit
In addition, the current annuities increase by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity (constant bonus annuity)		
	12.0 %	of the total credit
Annual annuity increase	1.80 %	of the annuity achieved in the previous year

“Riester pension” FRR tariff

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation	1.25 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final surplus participation	0.70 %	of the net value entitled to participate in final profit (for each insurance year completed)

Current annuities

Rising additional annuity (rising bonus annuity)	7.0 %	of the total credit
In addition, the current annuities increase by	0.80 %	of the annuity achieved in the previous year
Annual annuity increase	1.80 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “total credit” is the net value entitled to participate in profit, plus the fund credit and the profit credit arising from the future annuity entitlement.

Tariff generation 2005 – FLIR, FLIR Plus, FLIR Garant

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation (only in the case of FLIR Plus, FLIR Garant)	25 %	of the monthly risk part of the premium
Cost-surplus participation FLIR, FLIR Plus from the 2nd insurance year onwards		
Insurance with premium payment	3 %	of the monthly premium
Premium-free insurance	20 %	of the costs (monthly)
Cost-surplus participation FLIR Garant (FRGS, FRGST tariff) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	2.0 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	3.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Cost-surplus participation FLIR Garant (other tariffs) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	1.5 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	2.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Interest-surplus participation (only in the case of FLIR Garant)		
	1.5 %	of the net value entitled to participate in the profit
Final surplus participation (only in the case of FLIR Garant)		
Increase per year of additional postponement	0.39 %	of the guaranteed net value in the event of annuity transition for postponement periods of less than 5 years
Increase per year of additional postponement	0.53 %	of the guaranteed net value in the event of annuity transition for postponement periods of 5 to 29 years
Increase per year of additional postponement		of the guaranteed net value in the event of annuity transition for postponement periods of 30 to 40 years

Current annuities

Rising additional annuity (rising bonus annuity)		
Start of annuity payment from 1.1.2005 onwards	11.0 %	of the total credit
In addition, the current annuities increase by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity (constant bonus annuity)		
	16.0 %	of the total credit
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

“Riester pension” FRR tariff

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation	1.25 %	of the net value entitled to participate in the profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final surplus participation	0.70 %	of the net value entitled to participate in final profit (for each insurance year completed)

Current annuities

Rising additional annuity (rising bonus annuity)	11.0 %	of the total credit
In addition, the current annuities increase by	0.80 %	of the annuity achieved in the previous year
Annual annuity increase	2.35 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “total credit” is the net value entitled to participate in profit, plus the fund credit and the profit credit arising from the future annuity entitlement.

Tariff generation 2007

FLIR, FLIR Plus, FLIR Garant, Basic annuity

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation (only in the case of FLIR Plus, FLIR Garant, basic annuity))	25 %	of the monthly risk part of the premium
Cost-surplus participation FLIR, FLIR Plus from the 2nd insurance year onwards		
Insurance with premium payment	3 %	of the monthly premium
Cost-surplus participation FLIR Garant (FRGS, FRGST, FBR, FBRT tariff) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	2.0 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	3.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Cost-surplus participation FLIR Garant basic annuity (other tariffs) from the 2nd insurance year onwards		
Insurance with premium payment	1.0 %	of the premium instalment in the case of annual premiums below EUR 6 000
	1.5 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	2.0 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Interest-surplus participation (only in the case of FLIR Garant, basic annuity)		
Insurance with premium payment	2 %	of the net value entitled to participate in profit
Premium-free insurance	1.9 %	of the net value entitled to participate in profit
Final surplus participation (only in the case of FLIR Garant, basic annuity)		
Increase per year of additional postponement	0.0 %	of the guaranteed net value in the event of annuity transition for postponement periods of less than 5 years
Single deposits	0.86 %	of the guaranteed net value in the event of annuity transition for postponement periods of 5 to 29 years
Other insurance	0.43 %	of the guaranteed net value in the event of annuity transition for postponement periods of 5 to 29 years
Increase per year of additional postponement	0.71 %	of the guaranteed net value in the event of annuity transition for postponement periods of 30 to 40 years

Current annuities

Rising additional annuity (rising bonus annuity)		
Start of annuity payment from 1.1.2005		
onwards	14.0 ‰	of the total credit
In addition, the current annuities increase by	0.8 ‰	of the annuity achieved in the previous year
Constant additional annuity (constant bonus annuity)	19.0 ‰	of the total credit
Annual annuity increase	2.85 ‰	of the annuity achieved in the previous year

“Riester pension” FRR tariff

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.9 %	of the net value entitled to participate in profit
Premium-free insurance	1.8 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final surplus participation	0.57 %	of the net value entitled to participate in final profit (for each insurance year completed)

Current annuities

Rising additional annuity (rising bonus annuity)	14.0 ‰	of the total credit
In addition, the current annuities increase by	0.80 %	of the annuity achieved in the previous year
Annual rent increase	2.85 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “net value entitled to participate in final profit/surplus” is the net value at the end of each completed insurance year minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “total credit” is the net value entitled to participate in profit, plus the fund credit and the profit credit arising from the future annuity entitlement.

Tariff generation 2008
FLIR Plus, FLIR Garant, basic annuity

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation (only in the case of FLIR Plus, FLIR Garant, basic annuity)	25 %	of the monthly risk part of the premium
Cost-surplus participation FLIR Plus		
from the 2nd insurance year onwards		
Insurance with premium payment	3 %	of the monthly premium
Cost-surplus participation FLIR Garant, basic annuity (FRGS, FRGST, FBR, FBRT tariffs)		
from the 2nd insurance year onwards		
Insurance with premium payment	0.25 %	of the premium instalment in the case of annual premiums below EUR 6 000
	1.25 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	2.25 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Cost-surplus participation FLIR Garant, basic annuity (other tariffs)		
from the 2nd insurance year onwards		
Insurance with premium payment	0.25 %	of the premium instalment in the case of annual premiums below EUR 6 000
	0.75 %	of the premium instalment in the case of annual premiums of EUR 6 000 and higher
	1.25 %	of the premium instalment in the case of annual premiums of EUR 36 000 and higher
Interest-surplus participation (only in the case of FLIR Garant, basic annuity)		
Insurance with premium payment	2 %	of the net value entitled to participate in profit
Premium-free insurance	1.9 %	of the net value entitled to participate in profit
Final profit participation		
(only in the case of FLIR Garant, basic annuity)	0.60 %	of the net capital entitled to participate in profit
		If the contract is terminated prematurely, the final profit participation component becomes due

Current annuities

Rising additional annuity		
(rising bonus annuity)		
Start of annuity payment from 1.1.2008 onwards	14.0 %	of the total credit
In addition, the current annuities increase by	0.8 %	of the annuity achieved in the previous year
Constant additional annuity		
(constant bonus annuity)	19.0 %	of the total credit
Annual annuity increase	2.85 %	of the annuity achieved in the previous year

“Riester pension” FRR tariff

Contracts with future entitlement to an annuity

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	1.9 %	of the net value entitled to participate in profit
Premium-free insurance	1.8 %	of the net value entitled to participate in profit
Cost-surplus participation		
Insurance with premium payment	1 %	of the policyholder's own contribution for own contributions of EUR 1 200 and higher
	0 %	otherwise
Final surplus participation	0.60 %	of the net value entitled to participate in final profit

Current annuities

Rising additional annuity (rising bonus annuity)	14.0 %	of the total credit
In addition, the current annuities increase by	0.80 %	of the annuity achieved in the previous year
Annual annuity increase	2.85 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value on the anniversary date of the year 2008 of the insurance minus interest, whereby the deducted interest is the guaranteed interest for one year.
- The “total credit” is the net value entitled to participate in profit, plus the fund credit and the profit credit arising from the future annuity entitlement.

The component of the final profit participation is 100 per cent in each case.

Continuation of the final profit value amounts to 5 per cent of the net value entitled to participate in profit and of the final profit participation of the preceding year.

Supplementary children's insurance WAF

Contracts with future entitlement to an annuity

Continuous profit participation		
Risk-surplus participation	25 %	of the risk component

Insurance with premium payments

Continuous profit participation		
Interest-surplus participation	2.85 %	of the net value of the WAF which involves insurance payments

8. Term assurance for building society clients

Continuous profit participation		
New contracts up to and including 2001	35 %	of the part of the premium entitled to participate in surplus
New contracts		
from 2002 onwards	Men	33 % of the part of the premium entitled to participate in surplus
	Women	25 % of the part of the premium entitled to participate in surplus

9. Supplementary permanent health insurance

Tariffs according to business plans approved by the Supervisory Authority (old portfolio)

Tariffs with guaranteed interest of 3 %		
Final profit participation		
for assets and for the premium-free part		
in the case of persons unable to work	50 %	of the accrued aggregate premiums entitled to participate in profit
		In the event of termination or release from premium payment, a deduction will be made for the final profit participation
Continuous profit participation		
The current annuities increase by	0.80 %	of the annuity achieved in the previous year
Tariffs with guaranteed interest of 3.5 % and starting year before 1998		
Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	10 %	of the part of the premium entitled to participate in surplus
Final profit participation	20 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	0.80 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	11.5 %	of the guaranteed annuity
Final profit participation	20 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	0.80 %	of the annuity achieved in the previous year

Tariffs with guaranteed interest of 3.5 % and starting year from 1998 onwards

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	10.0 %	of the part of the premium entitled to participate in surplus
Final profit participation	20.0 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	0.80 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	11.5 %	of the guaranteed annuity
Final profit participation	20.0 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	0.80 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008
- The “part of the premium entitled to participate in surplus” is the annual premium.
- The “aggregate premiums entitled to participate in profit” are the total premiums paid so far.

Tariff generation 2000 for insurance involving the accumulation of capital

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	1.20 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	30 %	of the guaranteed annuity
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	1.20 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in surplus” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

Tariff generation 2000 for term assurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation		
Insurance with premium payment	20 %	of the part of the premium entitled to participate in surplus
Premium-free insurance		
after expiry of the		
premium-payment period	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	1.20 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Continuous profit participation		
Insurance with premium payment	20 %	of the part of the premium entitled to participate in surplus
Premium-free insurance		
after expiry of the		
premium-payment period	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	1.20 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in surplus” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

The continuous profit participation is paid during the premium-payment period in the form of direct credit and is offset against the premium rate to be paid. On expiry of the premium-payment period, the continuous profit participation is accumulated with interest.

Tariff generation 2004 for insurance involving the accumulation of capital

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	1.80 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	30 %	of the guaranteed annuity
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	1.80 %	the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in surplus” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

Tariff generation 2004 for term assurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation		
Insurance with premium payment	20 %	of the part of the premium entitled to participate in surplus
Premium-free insurance		
after expiry of the		
premium-payment period	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	1.80 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Continuous profit participation		
Insurance with premium payment	20 %	of the part of the premium entitled to participate in surplus
Premium-free insurance		
after expiry of the		
premium-payment period	23 %	of the part of the premium entitled to participate in surplus
Final profit participation		
on death, expiry	30.0 %	of the aggregate premiums entitled to participate in profit
on death, expiry of insurance freed		
from premium payment on request	25.5 %	of the aggregate premiums entitled to participate in profit
on premature termination		
of the contract	25.5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	1.80 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in surplus” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

The continuous profit participation is paid during the premium-payment period in the form of direct credit and is offset against the premium rate to be paid. On expiry of the premium-payment period, the continuous profit participation is accumulated with interest.

Tariff generation 2007 for insurance involving the accumulation of capital
and for unit-linked insurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	39 %	of the part of the premium entitled to participate in profit for profession class 1
	30 %	of the part of the premium entitled to participate in profit for profession class 2
	25 %	of the part of the premium entitled to participate in profit for profession class 3
	25 %	of the part of the premium entitled to participate in profit for profession class 4
Final profit participation		
On death, expiry	5 %	of the part of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the part of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the part of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	2.30 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	64 %	of the guaranteed annuity for profession class 1
	43 %	of the guaranteed annuity for profession class 2
	33 %	of the guaranteed annuity for profession class 3
	33 %	of the guaranteed annuity for profession class 4
Final profit participation		
On death, expiry	5 %	of the part of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the part of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the part of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	2.30 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in profit” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

Tariff generation 2007 for term assurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	39 %	of the part of the premium entitled to participate in profit, profession class 1
	30 %	of the part of the premium entitled to participate in profit, profession class 2
	25 %	of the part of the premium entitled to participate in profit, profession class 3
	25 %	of the part of the premium entitled to participate in profit, profession class 4
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	2.30 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Continuous profit participation	39 %	of the part of the premium entitled to participate in profit, profession class 1
	30 %	of the part of the premium entitled to participate in profit, profession class 2
	25 %	of the part of the premium entitled to participate in profit, profession class 3
	25 %	of the part of the premium entitled to participate in profit, profession class 4
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	2.30 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in profit” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.

- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

The continuous profit participation is paid during the premium-payment period in the form of direct credit and is offset against the premium rate to be paid. On expiry of the premium-payment period, the continuous profit participation is accumulated with interest.

Tariff generation 2008 for insurance involving the accumulation of capital and for unit-linked insurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	30 %	of the part of the premium entitled to participate in profit
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	2.30 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Constant additional annuity	43 %	of the guaranteed annuity
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	2.30 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in profit” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

Tariff generation 2008 for term assurance

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	30 %	of the part of the premium entitled to participate in profit
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Continuous profit participation	2.30 %	of the net value entitled to participate in the profit
Cash annuity		
before incapacity to work occurs		
Continuous profit participation	30 %	of the part of the premium entitled to participate in profit
Final profit participation		
On death, expiry	5 %	of the aggregate premiums entitled to participate in profit
On death, expiry of insurance released from premium payment on request	4.25 %	of the aggregate premiums entitled to participate in profit
On premature termination of the contract	4.25 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	2.30 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

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- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

The continuous profit participation is paid during the premium-payment period in the form of direct credit and is offset against the premium rate to be paid. On expiry of the premium-payment period, the continuous profit participation is accumulated with interest.

SPH tariff (only release from premium payment)

Before incapacity to work occurs		
Continuous profit participation		
Risk-surplus participation		
from the beginning	5 %	of the month risk part of the premium for SPH
Cost-surplus participation		
from the 2nd insurance year onwards		
Insurance with premium payment	1 %	of the monthly SPH premium
After incapacity to work occurs		
Continuous profit participation		
For guaranteed interest of 4,00 %	0.40 %	of the net value
For guaranteed interest of 3,25 %	1.20 %	of the net value
For guaranteed interest of 2.75 %	1.80 %	of the net value

Super PH (permanent health) Plus tariff

Before incapacity to work occurs		
Super PH Plus basic protection		
Continuous profit participation	15 %	premium rebate
Super PH Plus extra protection		
Continuous profit participation	30 %	premium rebate
After incapacity to work occurs		
		No participation in profit

10. Permanent-health insurance

Tariff generation before 2007

Before incapacity to work occurs		
Continuous profit participation	30 %	premium rebate
After incapacity to work occurs		
		No participation in profit

Tariff generation 2007

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	39 %	of the aggregate premiums entitled to participate in profit, profession class 1
	30 %	of the aggregate premiums entitled to participate in profit, profession class 2
	25 %	of the aggregate premiums entitled to participate in profit, profession class 3
	25 %	of the aggregate premiums entitled to participate in profit, profession class 4
Final profit participation	5 %	of the aggregate premiums entitled to participate in profit
after inability to work occurs		
Annual annuity	2.30 %	of the annuity achieved in the previous year

Tariff generation 2008

Release from premium payment		
before incapacity to work occurs		
Continuous profit participation	30 %	of the part of the premium entitled to participate in profit
Final profit participation	5 %	of the aggregate premiums entitled to participate in profit
after incapacity to work occurs		
Annual annuity increase	2.30 %	of the annuity achieved in the previous year

The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the net value of the insurance on the anniversary date of 2008.
- The “part of the premium entitled to participate in profit” is the annual amount of premium resulting from distribution of the annual premiums paid during the premium payment period over the whole duration of the insurance, plus the guaranteed interest for the number of years between expiry of the insurance period and the premium payment period.
- The “aggregate premiums entitled to participate in profit” are the total premiums which have been paid so far and which are entitled to participate in profit.

The continuous profit participation is paid during the premium-payment period in the form of direct credit and is offset against the premium rate to be paid. On expiry of the premium-payment period, the continuous profit participation is accumulated with interest.

11. Supplementary nursing insurance

Before need for nursing occurs

Continuous profit participation		
Interest-surplus participation		
Insurance with premium payment	0.00 %	of the net value entitled to participate in the profit
Premium-free insurance	0.00 %	of the net value entitled to participate in the profit
Future annuity entitlement		
from profit participation	0.00 %	of the net value entitled to participate in the profit
Final profit participation	1 %	of the applicable annuity for each insurance year

When the need for nursing care arises

Annual annuity increase	0.20 %	of the annuity achieved in the previous year
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The terms used in the table are defined as follows:

- The “net value entitled to participate in profit/surplus” is the average value of the net values on the anniversary dates of the years 2007 and 2008 of the insurance minus accrued interest, whereby the deducted interest is the guaranteed interest for half a year.
- The “applicable annuity” is the guaranteed annual annuity; purchased entitlements arising from profit participation are not taken into account.

12. Insurance according to special group tariffs and collective tariffs

The same profit participation ratios are applicable as for the corresponding individual tariffs:

The profit participation for endowment insurance (without formation-of-wealth insurance and term assurance), see section 1.

The profit participation for formation-of-wealth insurance, see section 2.

The profit participation of term assurance, see section 3.

The profit participation of unit-linked life assurance, see section 5.

The profit participation of annuity assurance, see section 6.

The profit participation of unit-linked annuity assurance, see section 7.

The profit participation of supplementary permanent health insurance, see section 9.

The profit participation of permanent health insurance, see section 10.

13. Accrued interest

Tariff generations before 2004

The accrued interest for credited profit participation amounts to:		
Annuity assurance		The funds above and beyond the guaranteed interest are available as means of financing individual contracts (see text at the beginning of Chapter III.6)
For all other tariffs	4.15 %	of the credit achieved at the beginning of the insurance year

Tariff generations from 2004 onwards

The accrued interest for credited profit participation amounts to:		
Annuity assurance before 07.2004		The funds above and beyond the guaranteed interest are available as means of financing in respect of individual contracts (compare the text at the beginning of Section III. 6.)
For term assurance and supplementary permanent health insurance	4.15 %	of the credit achieved at the beginning of the insurance year
For all other tariffs	4.00 %	of the credit achieved at the beginning of the insurance year

If a direct credit is made, it is included in the above interest rates and limited to the level of the accrued interest.

14. Minimum participation in the valuation reserves

With the exception of supplementary permanent health insurance, a minimum participation of 15 per cent in the valuation reserves is guaranteed for the final profit participation referred to.

For term insurance and (supplementary) permanent health insurance, there is no minimum participation in the valuation reserves.

Allocation of Profit

Proposal for the allocation of profit

The Supervisory Board and the Management Board have not made any transfers to the other retained profit reserves from the total profit for the year of EUR 20 093 568. The allocation of the balance-sheet profit of EUR 20 093 568 has to be decided on by the Annual General Meeting.

We propose that the balance-sheet profit of EUR 20 093 568 be used to pay a dividend of EUR 1.65 per no-par-value share.

Assurance of the Legal Representatives

To the best of our knowledge, we assure that, in accordance with the applicable principles of proper accounting, the annual accounts give a true and fair view of the assets, financial position and earnings of the Company and that, in the Report of the Management Board, the development of business, including the business results and the situation of the company, are portrayed in such a way that a factually and fair view is provided and that the important opportunities and risks of foreseeable development of the Company in the fiscal year are described.

Stuttgart, 13 February 2008

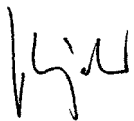
The Management Board



Dr. Wolfgang Oehler



Dr. Wolfram Gerdes



Dr. Michael Gutjahr



Dr. Jochen Kriegmeier



Ruth Martin



Rainer Schlegel

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of the Württembergische Lebensversicherung Aktiengesellschaft, Stuttgart, for the business year from 1 January to 31 December 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary articles of incorporation are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal

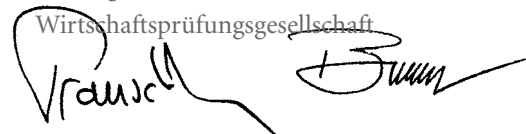
control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Stuttgart, 14 February 2008

PricewaterhouseCoopers
Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft


Frank Trauschke
Wirtschaftsprüfer
German Public
Auditor

ppa. Jörg Brunner
Wirtschaftsprüfer
German Public
Auditor

Report of the Supervisory Board

Württembergische Lebensversicherung AG is making good progress in its implementation of the “Württembergische 2009” and “SPRING” strategy programs although the general situation for the industry is not an easy one. The strategy programs are part of the “W&W 2009” program for the future which was initiated throughout the Group in Spring 2006 in order to boost growth, efficiency and profitability. The first important milestones and progress in implementation for the future development of the financial services group on the way to attainment of a position on the market as a successful “specialist in provision for the future” have been achieved.

The Supervisory Board of Württembergische Lebensversicherung AG is composed of twelve members. Up to 26 March 2007, there were three committees of the Supervisory Board: the management board committee, the investment committee and the administration committee. Within the framework of realignment and improvement of corporate governance in the Group, the structure of the committees making up the Supervisory Board was also reorganised in order to increase efficiency. As of 26 March 2007, there are two committees of the Supervisory Board: the audit committee and the personnel committee. The audit committee, establishment of which is recommended by the German Code of Corporate Governance, performs auditing tasks. In addition, it has taken over the tasks of the former investment committee. The personnel committee performs the tasks of the previous management board committee. In 2007, an investment committee meeting, two audit committee meetings and four personnel committee meetings took place in which issues relating to the respective tasks were discussed in detail.

In four meetings which took place in 2007 and were prepared in writing, the Supervisory Board closely examined the development of the company and was continually informed by the Management Board both verbally and in written form about all matters which were relevant to

the company and concerned the strategic alignment, planning, the development of business, the risk situation and risk management as well as the rating of the company. The business and risk strategy were provided and reconsidered by the Supervisory Board. The Management Board submitted the internal audit report and the report of the compliance officer to the Supervisory Board and completely fulfilled its legal and statutory duties towards the Supervisory Board.

The main theme of the Supervisory Board meetings was continuation of the “Württembergische 2009” and “SPRING” programs. Close consideration was given to how challenges identified throughout the Group were analysed by the Group companies and were being approached with a detailed package of measures. The Supervisory Board was also kept fully informed on these matters by the Management Board without delay and was directly involved in issues of fundamental importance to the company. Thanks to the work done and the considerable efforts made, the company has made significant advances on the way to greater efficiency and improved profitability.

All the measures requiring approval according to the law and the regulations of the company were submitted to the Supervisory Board for approval, whereby they were intended to refer to the following especially important issues:

The Supervisory Board considered the reasons for the Group-related downgrade by the Standard & Poor’s rating agency from 2006 and the preconditions for re-attainment of an “A-” rating. It also considered the requirement of reinforcing the sales of Württembergische Lebensversicherung AG.

The procedures of the Deutsche Prüfstelle für Rechnungslegung e.V. (DPR = German auditing office for the presentation of accounts) regarding the consolidated annual accounts in 2005 of Württembergische Lebensversicherung AG and

the resulting consequences were also dealt with in detail.

The ongoing integration of the Karlsruher insurance group in the consolidated part of the Württembergische insurance group, and in particular the merger of Karlsruher Lebensversicherung AG with Württembergische Lebensversicherung AG, were also subjects of the meetings as well as the transfer of the shares held by Württembergische Lebensversicherung AG in W&W Asset Management GmbH to Wüstenrot & Württembergische AG.

Another topic was the project for Group-wide improvement of corporate governance, in the framework of which the rules of association and corporate principles of Württembergische Lebensversicherung AG as well as those of the other strategic companies in the Group were revised and largely matched to the regulations of Wüstenrot & Württembergische AG.

The responsible actuary took part in the meeting of the audit committee on 25 March 2008 as well as in the balance-sheet meeting of the Supervisory Board on 27 March 2008 and reported on the important results of her explanatory report which provided actuarial confirmation. The audit committee and the Supervisory Board took note of the explanations of the responsible actuary and discussed the results of the explanatory report with her.

The Supervisory Board closely examined the annual accounts for 2007 as well as the report of the Management Board. The annual accounts and the report of the Management Board are complete and comply with the assessments of the Management Board in the reports to be submitted to the Supervisory Board in accordance with § 90 AktG. The proposal of the Management Board regarding utilization of the profit is in line with a consistent policy regarding the balance sheet and dividend payments, while taking into account the liquidity and planned investments of the company. The Supervisory Board therefore endorses the proposal of the Management Board.

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Stuttgart, appointed as the auditors for the annual accounts by the Supervisory Board, has examined the 2007 annual accounts drawn up by the Management Board and the report of the Management Board with reference to the regular accounts and found them to be in order without any reservations.

The auditors reported to the Supervisory Board verbally and in writing on the main results of their audits. The audit report was sent to each member of the Supervisory Board. The auditors were also available for questions in the meeting of the audit committee on 25 March 2008, in the balance-sheet meeting of the Supervisory Board on 27 March 2008 and in the time during which preparations were made for the meetings. The audit report submitted accords with the legal requirements of § 321 HGB and was taken into account by the Supervisory Board in the context of its own examination of the annual accounts.

The report on relations with affiliated companies (dependency report) was submitted to the Supervisory Board and the auditors by the Management Board for examination immediately after it was drawn up. The Supervisory Board examined the dependency report and the report of the auditor. The report is in accordance with the legal stipulations and gives a complete and factually correct picture of existing relationships of the company with affiliated companies. The result of the auditors' examination of the dependency report agrees with the result of the examination carried out by the Supervisory Board.

The auditors expressed the following opinion:

“In accordance with our examination and assessment, which we performed according to our duties as auditors, we confirm that

1. the actual information provided in the report is correct
2. the performance of the company in the legal transactions referred to in the report was not inappropriately high or disadvantages were balanced out.”

After the final result of the examination of the annual accounts, the report of the Management Board and the report on relationships with affiliated companies, the Supervisory Board raised no objections and, in its meeting on 27 March 2008, endorsed the annual report drawn up by the Management Board. The annual report has thus been ratified in accordance with §172 Clause 1 AktG.

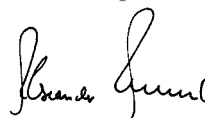
With effect from 30 June 2007, Dr. Edmund Schwake retired from the Supervisory Board. Dr. Jan Martin Wicke was appointed as his successor on the Supervisory Board on 30 August 2007 and was elected as Deputy Chairman of the Supervisory Board with effect from 25 September 2007. With effect from 30 September 2007, Peter Köhler withdrew from the Management Board as mutually agreed. Dr. Wolfram Gerdes was appointed as a new member of the Management Board with effect from 1 January 2008 and Dr. Ralf Kantak was also appointed to the Management Board with effect from 1 April 2008. Dr. Jochen Kriegmeier, previously Deputy Chairman of the Supervisory Board, was appointed as an ordinary member of the Management Board with effect from 1 January 2008.

The Supervisory board examined the efficiency of its work at the end of 2006 and discussed the result of its examination in a balance-sheet meeting on 26 March 2007. In September 2007, the Supervisory Board and the Management Board jointly ratified an updated declaration of conformance with the German code of corporate governance. During auditing of the annual accounts, the auditors uncovered no facts that could have contradicted the declaration of conformance. In 2007, there were no conflicts of interest which had to be disclosed.

For the management and the workforce, last year brought various changes as well as new successes. The Supervisory Board thanks the Management Board as well as the managers, the employees' committee and the employees for their personal dedication and their contribution towards attainment of the shared goals.

Stuttgart, 27 March 2008

For the Supervisory Board



Dr. Alexander Erdland
Chairman

Explanation of Technical Terms

The explanation of the following technical terms is intended to facilitate understanding of the annual report.

Acquisition costs

Total expenses incurred due to acquisition of an insurance contract (e.g. costs of providing advice, request for health information, preparation of the insurance policy). Total acquisition costs as a percentage of the aggregate premiums of new business described the acquisition cost ratio

Actuary/DAV

The actuary it's a synonym from the English language area. There are special courses of study which lead to the protected title of actuary of a professional organization such as the Deutsche Aktuarvereinigung e.V. (DAV = German association of actuaries). According to insurance law, insurance companies must appoint a "responsible actuary" who must ensure that the terms of insurance contracts can be fulfilled on a permanent basis.

Administration expenses

These include all costs of personnel and property for ongoing maintenance and administration of insurance contracts but does not include claims-settlement expenditure. The administration expense ratio represents the administration expenses as a percentage of the → gross written premiums.

Aggregate premiums of new business

The sum of all premiums to be paid for new contracts during the contract period.

Aggregate reserve (also called net capital)

The insurance companies form an aggregate reserve in order to be able to guarantee the promised insurance protection at all times. It is calculated according to the recognized rules of actuarial practice (prospective method).

AltEinkG (law on income in old age), three-layer model

The law on income in old age (intended to promote the assumption of more private responsibility for ensuring adequate provisions for old age) came into effect on 1 January 2005 and is divided into three layers. Layer one covers the national pension scheme and the → basic pension/annuity covered by private capital. Provision-for-old-age contracts in the framework of the law on assets in old age (private → "Riester" pension) and the varied products for corporate pension schemes form the second layer. All other private pensions/annuities and life assurance products are assigned to the third layer (and do not have the advantage of postponed taxation).

BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht = federal office for financial services supervision)

Integrated supervisory board which is, among other things, responsible for financial markets and for the supervision of the insurance industry.

Basic pension

State-subsidised private capital-based provision for old age for basic support (first layer of → AltEinkG).

Benefits (paid-out)

The total benefits paid to policyholders are composed of the claims expenditure – e.g. amounts due on maturity, death, repurchase, annuity payments – as well as the paid-out profit participation.

Bonus sum

Additional sum assured which is financed from profit participation (see also Premiums from the reserve for bonus payments to clients).

Cancellation (cancellation rate)

Premature termination (re-purchase, release from premium payment, lapse) of the insurance contract. The cancellation rate is the ratio of cancellations to the average insurance portfolio of the statistical annual premiums.

DAV, German Association of Actuaries

Professional agency representing German → Actuaries.

Direct credit

The part of the profit/surplus achieved by the insurance company which is immediately credited to the client during the fiscal year. The remaining surplus after deduction of the direct credit is the → total profit/surplus.

Equity ratio

The equity ratio indicates the proportion of equity in relation to the total capital. It is used as a scale for assessing the capital strength of the company.

Final profit participation (also: final profit participation components, final surplus components)

Proportion of the profit which is paid on expiry of the insurance contract (e.g. due to death, maturity, → cancellation).

Final profit participation fund

Partial reserve for → final profit participation within the – RfB

For own account (f.o.a.)

Insurance item or ratio relating to direct insurance business, i.e. after deduction of the reinsurance component (→ reinsurance, → Gross/net).

Gross/net

Respective insurance item or ratio before or after deduction of the reinsurance components (→ reinsurance, → for own account).

Guaranteed interest

Interest on the basis of which the insurance company calculates the → aggregate reserve and, usually, the premium. It is guaranteed for the whole period of a contract. If higher interest is achieved, the clients receive most of it in the form of → profit participation.

Insurance result

The result of earnings and expenditure from insurance business mainly encompasses → premiums, expenditure for insurance claims and bonus payments to clients as well as underwriting expenditure. In life assurance business, the result also takes into account the corresponding result on investments as well as the change in the → aggregate reserves.

KonTraG (law on corporate monitoring and transparency)

KonTraG adapts corporate law and commercial law to international standards and is intended to specifically improve the monitoring system in individual companies. According to § 91 Para. 2 AktG, the Supervisory Board is obliged to take “suitable measures” above all in order to set up a monitoring system so that any developments that endanger continuation of the company can be detected at an early stage.”

Net interest

For determination of the net interest on investments, all the earnings and expenditure of the investments are taken into account and compared to the average investment portfolio (according to book values). This therefore includes profits and losses from the disposal of investments as well as depreciation. The net interest can therefore vary considerably from year to year.

New premium income

Includes the annual premiums of new business, including the single premiums.

Nominal value

The nominal amount shown on a security.

Non-technical account

Is the result arising from earnings and expenditure which are not assigned to direct insurance business.

No-par-value share

All issued no-par-value shares of a company each embody an equally large share in the share capital of the company. They are not issued for a nominal amount. The “mathematical” nominal amount is obtained by dividing the equity by the number of shares.

Paid-up insurance policies

New insurance contracts for which the starting premium (first or single premium) has been paid.

Premiums, premium income

The premium is the price for risk carrying and future benefits. It can be paid annually or as a single premium. The written premiums are the received premium revenues of the respective fiscal year. Earned premiums are the parts of the written premiums allocated to the fiscal year (→unearned premiums).

Premiums from the reserve for bonus payments to clients

Profit participation for policyholders which is withdrawn from the →reserve for bonus payments to clients (RfB) and used to increase the sum assured/benefits.

Profit participation (also: profit participation components, surplus components)

Profits/surpluses are achieved on the basis of careful principles of accounting. They are credited to the policyholders in addition to the guaranteed benefit. The participation of the policyholders in the achieved profits/surpluses is determined according to the principles of § 81 VAG (Insurance Supervisory Law), adherence to which is monitored by the Federal Supervisory Authority. Profit participation takes place in the form of →direct credit or via the →RfB. To ensure that

profits are distributed fairly according to where they are made, contracts of the same kind are grouped together into clearing groups or portfolio groups. Participation in profits/surpluses takes place through assignment of current parts of the profit/surplus and in the form of final profits as well as through participation in the valuation reserves.

Release from premium payment

The policyholder can request release from the obligation to pay premiums. The sum assured is then re-calculated in accordance with actuarial principles, starting from the existing → aggregate reserve, re-calculated according to actuarial principles.

Reserved assets

Special assets to be formed by insurance companies as collateral for the claims of policyholders → aggregate reserve

Retained profit reserves

The retained profit reserves are formed from the profit for the year. They strengthen the substance of the company (→ final profit participation).

Riester pension

State-subsidized private provision for old age, for additional provision for old age (second layer → AltEinkG), named after the former federal minister of employment, Walter Riester.

Reinsurance

The direct insurance company (first insurer) relieves itself of part or all of the risk accepted from clients by ceding it to another insurance company (reinsurer).

Reserve for bonus payments to clients (RfB)

Part of the profit which is not paid to the policyholders immediately. The RfB thus contains those parts of the profit which are credit to the customer in the subsequent years on top of the → direct credit. The part of the reserve which is not yet given to the policyholder, the so-called free RfB, has the function of a fluctuation reserve. In years when the annual result is high, it is decreased. This ensures that the → profit participation of the policyholders is as uniform as possible and is not subject to excessive fluctuation.

Reserve for outstanding claims (also claims reserve=)

These are reserves for expenses arising from claims occurring in the respective fiscal year. They also include reserves for insured events which occurred before the balance-sheet date but have not yet been reported (reserve for late claims).

Stress test

The stress test simulates the effects of future negative developments of the investment market – such as a drop in share prices and a rise in the interest rate at the same time – on the coverage of guaranteed benefits and the solvency of the company.

Surrender

If the life assurance is terminated, the current value calculated according to actuarial principles minus cancellations costs is repaid. The surrender value of the insurance is at least a guaranteed amount agreed on when the contract is signed.

Total profit/surplus

The total profit/surplus is the surplus achieved by the insurance company after deduction of the profits directly credited to the client during the fiscal year (→direct credit). Almost the entire surplus is pooled into the RfB (as expenditure for bonus payments to clients) and →subsequently benefits the client in the form of profit participation. The rest of the total profit/surplus is the profit for the year. How this annual profit is used is decided by the Supervisory Board, the Management Board and, in individual cases, the Annual General Meeting. The profit for the year is paid out to the shareholders after the equity has been stocked up (→retained profit reserves).

Unearned premiums (premium reserve)

Portion of the received premiums which relates to the risk period after the balance-sheet date.

Unit-linked life/annuity assurance

Life or annuity assurance, whereby the parts of the premium not needed for the risk and the costs is invested in shares in one or more investment funds. The level of the maturity benefit essentially depends on how the value of the respective fund shares develops.

Valuation reserve

The difference between the current and book value of certain classes of investment. They include real estate and buildings, shares in affiliated companies and participations as well as shares, bearer bonds, investment certificates, registered bonds, debentures and loans.

Zillmerization

The costs associated with the acquisition of new insurance contracts are not charged to our customers separately. Instead, the non-recurring acquisition costs are taken into account for calculating the premium and the → aggregate reserve. The aggregate reserve calculated in this way is therefore negative at the beginning of an insurance policy and is posted as an account receivable from policyholders. It is paid for with parts of the first premiums which are not envisaged for insurance benefits and → administration expenses. This method of covering acquisition costs is called zillmerization after the mathematician August Zillmer (1831-1893). Analogously, reference is made to the zillmer premium and the zillmerized aggregate reserve.

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Building Savings/Banking segment

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Wüstenrot Bank AG Pfandbriefbank

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Wüstenrot Haus- und Städtebau GmbH

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Telephone 0721 353-0, Telefax 0721 353-4939
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Service functions

W&W Asset Management GmbH

Königstraße 38, 70173 Stuttgart
Telephone 01803 1155-00, Telefax 01803 1155-05
www.wuestenrot.de/investment
www.wuerttembergische.de/investment

W&W Informatik GmbH

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Abroad

Ireland

W & W Advisory Dublin Limited
34 Molesworth Street, IRL-Dublin 2

W & W Asset Management Dublin Ltd.

34 Molesworth Street, IRL-Dublin 2

Luxembourg

Wüstenrot Bausparkasse AG
Niederlassung Luxemburg
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W & W Asset Management GmbH

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Janáčkovo nábřeží 41, CZ-15021 Praha 5

Wüstenrot hypoteční banka a.s.
nám. Kinských 2/602, CZ-15000 Praha 5

Wüstenrot, životní pojišťovna a.s.
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Abbreviations

ALM	Asset liability management
AltEinK	Law on income in old age
ARA PK	Allgemeine Rentenanstalt Pensionskasse AG
BaFin	Federal office for financial services supervision
BSW	Wüstenrot Bausparkasse AG
DAV	German association of actuaries
DAX	German share index
ELEKTRA	ELEKTRA Beteiligungs-AG
ELEKTRA KÖ43	ELEKTRA KÖ43 GmbH
f.o.a.	for own account
HGB	German commercial law
KonTraG	Law on corporate monitoring and transparency
IT	Information technology
IT GmbH	W&W Informatik GmbH
Karlsruher	Karlsruher insurance companies
KHK	Karlsruher HK AG
KLV	Karlsruher life assurance company
KV	Karlsruher Versicherung AG
Makler Vertriebsservice GmbH	Württembergische Vertriebsservice GmbH für Makler und freie Vermittler
MaRisk	Minimum risk management requirements
RechVersV	Directive on the presentation of accounts of insurance companies
RfB	Reserve for bonus payments to clients
TÜV	Technischer Überwachungsverein (German technical supervisory association)
UK	United Kingdom
ULA	Unit-linked life assurance
VAG	Insurance supervisory law
VVG	Law governing insurance contracts
WH	Wüstenrot Holding AG
Württfeuer	Württfeuer Beteiligungs-GmbH
WürttKranken	Württembergische Krankenversicherung AG
WürttLeben	Württembergische Lebensversicherung AG
WürttVers	Württembergische Versicherung AG
W&W AG	Wüstenrot & Württembergische AG
W&W AM	W&W Asset Management GmbH

Financial Calendar

Press conference dates

Annual pressconference Wüstenrot & Württembergische AG	Thursday 28 February 2008
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Financial reports

Interim report as at 31 March	Thursday, 15 May 2008
Interim report as at 30 Jun	Friday, 15 August 2008
Interim report as at 30 September	Friday, 14 November 2008
Annual report 2007	Monday, 31 March 2008
Annual report 2008	Tuesday, 31 March 2009

Annual General Meetings

Württembergische Lebensversicherung AG	Wednesday, 28 May 2008
Wüstenrot & Württembergische AG	Friday, 13 June 2008


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